The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on private placement basis and is not an offer to public or to any other categories of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. This Preliminary Placement Document is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted pursuant to the Placement Document

HI-TECH PIPES LIMITED

Our Company was incorporated as "*Ram Lal Harbans Lal Limited*" under the provision of the Companies Act, 1956, pursuant to the certificate of incorporation dated January 02, 1985, issued by Registrar of Companies, Delhi and Haryana, located at New Delhi (the "**RoC**"). Consequently, the certificate for commencement of business dated January 23, 1985, was issued by RoC. Subsequently, the name of our Company was changed to "*Hi-Tech Pipes Limited*" a fresh certificate of incorporation consequent upon the change of name was granted on October 15, 1986 by the RoC. For further details see "*General Information*" on page 278.

Registered Office: 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, North Delhi, New Delhi – 110034, India; **Telephone**: + (91) 11-48440050
Contact Person: Arun Kumar, Company Secretary and Compliance Officer; **Telephone**: (+91) 11-48440050; **E-mail**: info@hitechpipes.in
Website: www.hitechpipes.in;
Corporate Identity Number: L27202DL1985PLC019750

Our Company is issuing up to [●] Equity Shares of face value of ₹1 each ("**Equity Shares**") at a price of ₹[●] per Equity Share (the "**Issue Price**"), including a premium of ₹[●] per Equity Share, aggregating up to ₹[●] millions (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 30.

THIS 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, 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, EACH AS AMENDED ("THE COMPANIES ACT")

The Equity Shares of the Company are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", and together with **NSE**, the "**Stock Exchanges**". The last traded price of the outstanding Equity Shares on BSE and NSE as on October 7, 2024, was ₹ 200.00 and ₹ 197.95 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue have been received by our Company from each of BSE and NSE on October 7, 2024. 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 assumes 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 of the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF 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*" ON PAGE 42, 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 PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

A copy of this 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 the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act and the PAS Rules. This Preliminary Placement Document has 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)*. This Preliminary Placement Document has 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 Preliminary Placement Document (*along with the Application Form*) and the Placement Document and the Confirmation of Allocation Note *(each as defined hereinafter)*. This Preliminary Placement Document and the Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. For further details, see "*Issue Procedure*" on page 235. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

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 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 compliance with Regulation S ("**Regulation S**") under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales are made. See "*Selling Restrictions*" on page 251 for information about eligible offerees for the Issue and "*Transfer Restrictions*" on page 259 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on the websites of our Company or our Subsidiaries (as defined hereinafter), as applicable or any website directly or indirectly linked to such websites or the website of the Book Running Lead Manager or its affiliates does not constitute nor should form part of this Preliminary Placement Document and Bidders should not rely on such information contained in, or available through, any such websites for investment in this Issue.

THIS PRELIMINARY PLACEMENT DOCUMENT IS DATED OCTOBER 7, 2024

BOOK RUNNING LEAD MANAGER
Pantomath Capital Advisors Private Limited

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NOTICE TO INVESTORS

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

Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company, our Subsidiaries nor the Book Running Lead Manager have any obligation to update such information to a later date.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. Pantomath Capital Advisors Private Limited (the "**Book Running Lead Manager**") has made reasonable enquiries but have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager and/or any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries, our Joint Venture and the Equity Shares or its distribution. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the Book Running Lead Manager or on any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates 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, our Subsidiaries and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

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

The Equity Shares to be issued pursuant to this Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other 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, unless so registered, 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 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 compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 251 and 259, respectively.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the Book Running Lead Manager or its representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary 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 authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been or will be taken by our Company and the Book Running Lead Manager that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary 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.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting, or investment advice and should consult their own counsels and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company and the Book Running Lead Manager are 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.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and 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 read with Rule 14 of the PAS Rules, and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or 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.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary 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 this Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

This Preliminary 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.hitechpipes.in, any website directly or indirectly linked to the website of our Company or to the website of the Book Running Lead Manager or any of their respective affiliates or agents, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

Our 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.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 251 and 259, respectively. Any information about our Company available on any website of the Stock Exchanges, our Company or the Book Running Lead Manager, other than this Preliminary Placement Document, shall not constitute a part of this Preliminary Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" in this section is to the Bidders in this Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged, and agreed to contents set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 251 and 259, respectively, and have represented, warranted and acknowledged to and agreed to our Company and the Book Running 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 and our Subsidiaries which is not set forth in this Preliminary 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 to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules *(as defined hereinafter)* and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI 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 are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document and have a valid and existing registration with SEBI under the applicable laws in India; or (ii) a multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules and you are eligible to invest in India under applicable law, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You are eligible to invest in India under applicable law, including the 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 or dealing in securities or otherwise accessing the capital markets;

- You are aware that in terms of 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 50.00% or common control) shall be below 10.00% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed 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 (i) the individual investment of the FPI in our Company does not exceed 10.00% of the post-Issue paid-up Equity Share 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. In case the holding of an FPI together with its investor group increases to 10.00% 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. Since FVCIs are not permitted to participate in the Issue, you confirm that you are not an FVCI;

- You will provide the information as required under the provisions of the Companies Act, the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, nationality, 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 and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act and other applicable laws;

- 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 and in accordance with any other resale restrictions applicable to you. For more information, please see the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" on page 251 and 259, respectively;

- You are aware that this Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC under the Companies Act, 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 Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed 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 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 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 of which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy and 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;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges for record purposes only and this Preliminary Placement Document and the Placement Document will 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, as may be required 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 Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it 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 Book Running Lead Manager. The Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents 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 any 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 Book Running Lead Manager may not have knowledge of all 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 Book Running Lead Manager have 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;

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

- 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;

- 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 or to be declared;

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our Company 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 perspective present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company nor the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary 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 of investors other than Eligible QIBs, and the Allotment of such Equity Shares shall be at the discretion of our Company, in consultation with the Book Running Lead Manager;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the 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 Book Running Lead Manager;

- You are aware that if you are Allotted more than 5.00% of the Equity Shares in the Issue, our Company shall be 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 made, or have been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out in *"Selling Restrictions"* and *"Transfer Restrictions"* on pages 251 and 259, respectively;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 42;

- In making your investment decision, you have (i) relied on your own examination of our Company, our Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and continue to make your own assessment of our Company and the Equity Shares and the terms of the Issue based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsels 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, our Subsidiaries and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company, the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, 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 Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, 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 Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, 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 managed 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 Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, 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 its 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 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 section 2(69) of the Companies Act and regulation 2(oo) of the SEBI ICDR Regulations) of our Company and are not a person related to our Promoters, either directly or indirectly and your Bid does not directly or indirectly represent our ‘Promoters’, or ‘Promoter Group’ (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

- You have no rights under a shareholders’ agreement or voting agreement entered into with our Promoters or members of the Promoter Group or persons related to the Promoters, 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 (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

- You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act;

- You will have no right to withdraw your Application Form 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. Further, you 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 result in triggering a tender offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- The aggregate number of Equity Shares Allotted to you under the Issue, 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 50.00% of the Issue Size. For the purposes of this representation:

  (a) 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 15.00% 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 QIBs, its subsidiary 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;

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

- You are aware that in relation to the Issue (i) in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares 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 to be issued pursuant to this Issue will be obtained in time or at all. Neither our Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, 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;

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

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the Book Running Lead Manager nor any person acting on its behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary 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 the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the 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 this Preliminary 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 Book Running Lead Manager or our Company or any other person, and the Book Running Lead Manager or 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 Book Running Lead Manager and its 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 Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, 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 the non-performance by our Company or any of its obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 251 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" beginning on page 251;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 259 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions*" beginning on page 259;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on 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. For more information, see "*Transfer Restriction*" and "*Selling Restrictions*" on pages 259 and 251;

- 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 of the U.S. Securities Act and 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 court(s) in Delhi, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the 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 Book Running 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, agreements and undertakings made by you in this Preliminary 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 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 acknowledge that this Preliminary 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 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 Book Running Lead Manager;

- You represent that you are not an affiliate of our Company or the Book Running Lead Manager or a person acting on behalf of such affiliate. However, affiliates of the Book Running Lead Manager, which are Eligible QIBs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. For further details, please see "*Offshore Derivative Instruments*" on page 11;

- Our Company, the Book Running Lead Manager and their respective affiliates, directors, counsels, 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 Book Running Lead Manager; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws, including but not limited to the necessary filings required to be made under section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**"), an Eligible FPI including the affiliates of the Book Running 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. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with SEBI by way of electronic transfer in the designated bank account of SEBI. 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 payment of applicable regulatory fee and in 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. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary 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 Book Running 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 Book Running 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 Book Running Lead Manager and does not constitute any obligations of or claims on the Book Running Lead Manager.

Bidders 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. Bidders 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 this Preliminary 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 this Preliminary 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 our Company;

and it should not for any reason be deemed or construed to mean that this Preliminary 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 AND OTHER INFORMATION

Certain Conventions

In this Preliminary 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 Hi-Tech Pipes Limited on a standalone basis and references to 'we', 'us' or 'the Group' are Hi-Tech Pipes Limited together with its Subsidiaries on a consolidated basis, unless the context otherwise indicates or implies or unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document all references to:

1. '₹', 'INR', 'Rs.', 'Indian Rupees' or 'Rupees' are to the legal currency of Republic of India; and
2. 'US$', 'USD', '$' or 'U.S. dollars' are to the United States Dollar, the official currency of the United States of America.

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 references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

All the numbers in this Preliminary Placement Document have been presented in million, unless stated otherwise. The amounts derived from financial statements included herein are presented in ₹ million.

Financial data and other information

Our Company publishes its financial statements in Indian Rupees in millions. 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" or "Fiscal Year" 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.

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

1. audited consolidated financial statements of our Company and its Subsidiaries as at and for the financial year ended March 31, 2022 prepared in accordance with Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended (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 Subsidiaries 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 and its Subsidiaries 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 significant 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 the Fiscal 2022 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"); and

4. unaudited consolidated financial results of our Company and its Subsidiaries, as at and for the three months period ended June 30, 2024 and June 30, 2023 prepared in accordance with the principles laid down in Indian Accounting Standards 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act read with the relevant rules framed thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations ("**Unaudited Consolidated Financial Results**").

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Preliminary Placement Document as at and for the Fiscals 2024, 2023 and 2022 is derived from the Audited Consolidated Financial Statements and as at and for the three months period ended June 30, 2024 and June 30, 2023 is derived from Unaudited Consolidated Financial Results.

Our Company prepares its annual financial statements in accordance with Ind AS, Companies Act, 2013 and other applicable statutory and/or regulatory requirements. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP 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 Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary 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 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, "*Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA have been included in this Preliminary Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*" on page 55.

Figures in this Preliminary Placement Document, except for the information in the section "*Industry Overview*" have been presented in millions or in whole numbers where the numbers have been too small to present in millions unless stated otherwise. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources or presented in figures other than ₹ million. Our Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results are prepared in millions and have been presented in this Preliminary Placement Document in million for presentation purposes. In this Preliminary Placement Document, references to "lakh" represents "100,000", "million" represents "1,000,000", "crore" represents "10,000,000", and to "billion" represents "1,000,000,000". Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results, as applicable. For details, please see the section titled "*Financial Statements*" and "*Management Discussion and Analysis of Financial Condition and Results of Operations*" on pages 280 and 92, respectively.

Non-GAAP Measures

We have included certain non-GAAP measures and certain other statistical information such as EBITDA, EBITDA Margin, Net Profit Ratio, Return on Capital Employed, Return on Equity, Debt to Equity Ratio, Interest Coverage Ratio, Current Ratio etc. (together, "**Non-GAAP Measures**" and each, a "**Non-GAAP Measure**") are presented in this Preliminary 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 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 the refractory businesses, many of which provide such Non-GAAP Measures and other statistical and operational information when reporting their financial results. However, note that these Non-GAAP Measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to measures and statistical information of similar nomenclature that may be computed and presented by other companies. These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

In addition, these non GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. The presentation of these Non-GAAP Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Bidders should read this information in conjunction with the financial statements included in "*Financial Statements*" and "*Managements' Discussion and Analysis of Financial Condition and Results of Operations*" on pages 280 and 92, respectively.

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 Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. The statistical information included in this Preliminary Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory / government publications and websites, more particularly described in "*Industry Overview*" on page 122.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Industry Research Report on Steel Industry*" (the "**CARE Report**") dated October 4, 2024, which is a report commissioned and paid for by our Company and prepared by CARE Analytics and Advisory Private Limited pursuant to an engagement letter dated August 20, 2024, in connection with the Issue.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data 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 Preliminary Placement Document contain information from CARE Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks*" on page 53. Further, references to product categories and segments in the Industry Overview on page 122 are in accordance with the presentation, analysis and categorisation in the CARE Reports and not based on the criteria set out in Ind AS 108, Operating Segments.

Further, the calculation of certain statistical and/or financial information / ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CARE Report. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Manager can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project'', 'pursue', 'shall', 'should', 'will', 'would', 'will likely result', 'is likely', 'are likely', 'believe', 'expect', 'expected to', 'will continue', 'will achieve', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals 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 Preliminary 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 Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

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

- Our suppliers of our primary raw material i.e. HR Coil, are large corporations and we have long-standing relationships with our key suppliers. This relationship has resulted out of our consistent procurement from our key suppliers. As a result, we rely on our key suppliers for majority of our supply of raw material and any inadequate or interrupted supply and price fluctuation of our raw materials could adversely affect our, results of operations, cash flows, and financial condition.

- We are manufacturers of variety of steel tubes and pipes which find application in multiple industries. As strategy, share of our value-added products has increased from 25% in Fiscal 2022 to 28% in Fiscal 2024 to 36% for the three months period ended June 30, 2024. Though we are striving to introduce products for newer applications, our inability to anticipate and adapt to evolving customer preferences and demand for particular product, or ensure product quality may adversely impact demand for our products, brand loyalty and consequently our business prospects and financial performance.

- We do not have long-term agreements with our suppliers of raw material and any increase in the cost of, or a shortfall in the availability of, such raw materials could have an adverse effect on our business and results of operations.

- We have been expanding capacities and investing in capital expenditure for our manufacturing facilities. As on the date of this Preliminary Placement Document, we have six manufacturing plants at multiple locations in India and our installed capacities have increased from 580,000 MTPA in Fiscal 2022 to 750,000 in Fiscal 2024. This requires significant capital requirement and this acts as a natural entry barrier. However, if we are unable to raise sufficient capital, our operations will be adversely affected.

- We do not have any trade union of workmen at any of our manufacturing facilities and have never faced any strikes / work stoppages during any of the last three Fiscals. However, oOur manufacturing operations may be adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

The additional factors that could cause our actual results, performance or achievements 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 "*Our Business*" on pages 42, 92, 122 and 196, respectively.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of our Company and management, as well as the assumptions made by, and information currently available to, our Company and management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct.

Given these uncertainties, the 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 Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we nor the Book Running Lead Manager nor any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events, 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 underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition of our Company and our Subsidiaries could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent oral or written forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All the Directors, Key Managerial Personnel and Senior Management named herein are residents of India and the assets of our Company and of such persons 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 against them judgments of courts 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, 1908, as amended ("**Civil Procedure Code**"). 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:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) 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;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) 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 judgment had been rendered by a competent 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.

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 laws. 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 pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the Book Running Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. 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 or as of the end of the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$) for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the websites of RBI and FBIL. 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.

(₹ per US$)

Particulars	Period End(1)	Average(2)	High(3)	Low(4)
Fiscals 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:				
September 30, 2024	83.79	83.81	83.98	83.49
August 31, 2024	83.87	83.90	83.97	83.73
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	83.23
April 30, 2024	83.52	83.41	83.52	83.23

Source: www.rbi.org.in and www.fbil.org.in, as applicable.
Period end, high, low and average rates are based on the FBIL reference rates and rounded off to two decimal places.
The RBI reference rates are rounded off to two decimal places.

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

Our Company has prepared this Preliminary Placement Document using certain definitions and abbreviations which you should consider while reading the information contained herein. The following list of certain capitalized terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

The terms defined in this section shall have the meaning set out herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments rules, guidelines, circulars, clarifications, and notifications issued thereto, from time to time.

The words and expressions used in this Preliminary 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 sections "*Industry Overview*", "*Taxation*", "*Legal Proceedings*" and "*Financial Statements*" on pages 122, 269, 273 and 280, respectively, shall have the meaning given to such terms in such sections.

GENERAL TERMS

Term	Description
"Issuer" or "our Company" or "the Company" or "Hi-Tech Pipes"	Hi-Tech Pipes Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, North Delhi, New Delhi – 110034, India.
"we", "Group", "our Group", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries.

COMPANY RELATED TERMS

Term	Description
Articles or Articles of Association or AoA	Articles of Association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board of Directors, as described in section titled "*Board of Directors and Senior Management*" on page 219.
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and its Subsidiaries as at and for each of the financial year ended March 31, 2024, March 31, 2023 and 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, 2024, March 31, 2023 and 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
Board of Directors or Board or our Board	The board of directors of our Company or any duly constituted committee thereof, as the context may require.
Chairman or Chairperson	The chairman of our Board, Ajay Kumar Bansal.
Group Chief Financial Officer	The group chief financial officer of our Company, Arvind Kumar Bansal.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, Arun Kumar.
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in section titled "*Board of Directors and Senior Management*" on page 219.
Director(s)	The director(s) on the Board of our Company.
Equity Share(s)	The equity share(s) of our Company, having face value of ₹1 each.
Executive Director(s)	The executive directors of our Company, as described in section titled "*Board of*

Term	Description
	Directors and Senior Management” on page 219.
Financial Statements / Information	Unaudited Consolidated Financial Results and Audited Consolidated Financial Statements
Independent Director(s)	The independent director(s) of our Company, as described in section titled “*Board of Directors and Senior Management*” on page 219.
Key Managerial Personnel or KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as further described in section titled “*Board of Directors and Senior Management*” on page 219.
Memorandum or Memorandum of Association or MoA	The memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as described in section titled “*Board of Directors and Senior Management*” on page 219.
Promoters	Promoters of our Company as per the definition provided in Regulation 2(1)(oo) of the SEBI ICDR Regulations and as reported to the Stock Exchanges, being Ajay Kumar Bansal and Anish Bansal
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1)(pp) of the SEBI ICDR Regulations and as reported to the Stock Exchanges.
Registered Office	The registered office of our Company located at 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, North Delhi, New Delhi – 110034, India.
Registrar of Company or RoC	The Registrar of Companies, Delhi and Haryana, located at New Delhi.
Senior Management	The senior management of our Company as identified named under the section titled “*Board of Directors and Senior Management*” on page 219.
Shareholder(s)	The holder(s) of the Equity Shares of our Company, unless otherwise specified in the context thereof.
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Company, as described in section titled “*Board of Directors and Senior Management*” on page 219
Statutory Auditors	Current statutory auditors of our Company, A. N. Garg & Company, Chartered Accountants.
Subsidiary(ies)	The direct subsidiaries of our Company, namely: 1. HTL Metal Private Limited; 2. HTL Ispat Private Limited; and 3. Hitech Metalex Private Limited
Industry Report	Report titled “*Industry Research Report on Steel Industry*” dated October 2024 issued by CARE Analytics and Advisory Private Limited.
Unaudited Consolidated Financial Results	Unaudited consolidated financial results of our Company, and its Subsidiaries for the three months period ended June 30, 2024 and June 30, 2023 prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 “Interim Financial Reporting” as prescribed under Section 133 of the Companies Act read with the relevant rules framed thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations.

ISSUE RELATED TERMS

Term	Description
Allocated or Allocation	The allocation of Equity Shares by our Company, in consultation with the Book Running Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the Book Running Lead Manager and in compliance with Chapter VI of the SEBI ICDR Regulations.
Allot or Allotment or Allotted	The issue and allotment of Equity Shares pursuant to this Issue.
Allottees	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue.
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates

Term	Description
	its interest to subscribe for the Equity Shares of our Company pursuant to the Issue.
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly.
Bidder(s)	Any prospective investor, being an Eligible QIB who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form.
Bid Amount	The 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.
Bid/ Issue Closing Date	The date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Bid Amount, being [●], 2024.
Bid/ Issue Opening Date	The date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Bid Amount, being October 7, 2024
Bid/ Issue Period	Period between the Bid/ Issue Opening Date and Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Bid Amount.
Book Running Lead Manager or BRLM	Pantomath Capital Advisors Private Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price.
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about [●], 2024.
Designated Date	The date of credit of Equity Shares to the Allottees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees.
Eligible FPI(s)	Foreign portfolio investor, as defined under the SEBI FPI Regulations (other than individuals, corporate bodies and family offices), and including persons who have been registered under the SEBI FPI Regulations, that are eligible to participate in this Issue.
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, or (b) restricted from participating in the Issue under the applicable laws.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Bid Amount shall be deposited by Eligible QIBs and from which refunds, if any, shall be remitted to unsuccessful bidder, as set out in the Application Form.
Escrow Agent	The Federal Bank Limited
Escrow Agreement	The escrow agreement dated October 7, 2024 entered into amongst our Company, the Escrow Agent and the Book Running Lead Manager for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the Issue.
Floor Price	The floor price of ₹194.98 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of shareholders of our Company accorded by way of a special resolution passed in the fortieth AGM held on September 21, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR 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.
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company.

Term	Description
Issue	The offer, issue and Allotment of [●] Equity Shares to Eligible QIBs pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act and the rules made thereunder.
Issue Price	₹[●] per Equity Share
Issue Size	The issue of up to [●] Equity Shares aggregating up to ₹[●] millions.
Monitoring Agency	CRISIL Limited
Monitoring Agency Agreement	The agreement dated October 7, 2024 entered into by and amongst our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the proceeds of the Issue, after deducting fees, commissions and expenses of the Issue.
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue.
Placement Agreement	The placement agreement dated October 7, 2024 entered into by and amongst our Company and the Book Running Lead Manager.
Placement Document	The placement document to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder.
Preliminary Placement Document	This preliminary placement document along with the Application Form dated October 7, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder.
QIB(s) or Qualified Institutional Buyer(s)	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, read with the applicable rules of the PAS Rules.
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue.
Relevant Date	October 7, 2024, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue.
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount along with the Application Form and who are 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 Regulation.
Working Day	Any day other than the 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 holiday of the Stock Exchanges, as applicable.

TECHNICAL AND INDUSTRY RELATED TERMS

Terms	Description
AAI	Airport Authority of India
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
APAC	Asia-Pacific
BFSI	Banking, financial services and insurance
CBAM	Carbon Border Adjustment Mechanism
CCEA	Cabinet Committee on Economic Affairs
CEA	Central Electric Authority
CGD	City Gas Distribution
CIS	Commonwealth of Independent States
CNG	Compressed Natural Gas
CMIE	Centre for monitoring Indian economy
CPI	Consumer Price Index
CPVC	Composite Poly Vinyl Chloride
CRFH	Cold Rolled Full Hard

Terms	Description
DFCs	Dedicated Freight Corridors
DFT	Direct forming technology
EPC	Engineering, procurement and construction
ERW	Electric resistance welding
EU	The European Union
EV	Electric Vehicles
FAME	Faster adoption and manufacturing of EVs
GI	Galvanised
GFCF	Gross Fixed Capital Formation
GNDI	Gross National Disposable Income
GPGC	Galvanised plain – galvanized corrogated
GVA	Gross Value Added
GW	Giga Watt
HAM	Hybrid Annuity Model
HR Coil	Hot Rolled Coils
HDPE	High density poly ethelene
HROP	Hot rolled oiled and pickled
HVAC	Heating, ventilation, and air conditioning
ICF	International Classification of Functioning
IIP	Index of Industrial Production
IMD	India Meteorological Department
IMF	International Monetary Fund
KPI	Key Performance Indicators
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MNP	Mobile number portability
MoCA	Ministry of Civil Avial
MoHFW	Ministry of Health and Family Welfare
MoSPI	Ministry of Statistics and Programme Implementation
MS & GI	Mild Steel and Galvanised
MT	Metric tonne
MTPA	Metric tonnes per annum
MW	Mega watt
NAPCC	National Action Plan on Climate Change
NGHM	National Green Hydrogen Mission
NHAI	National Highway Authority of India
NIP	National Infrastructure Policy
NITI	National Institution for Transforming India
NMP	National Monetization Pipeline
NPA	Non performing assets
NRP	National Rail Plan
NSP	National Steel Policy
NTKM	Net Tonne Kilometers
OECD	Organisation for Economic Co-operation and Development
PFCE	Private Final Consumption Expenditure
PLI	Production Linked – Incentive scheme
PMAY	Pradhan Mantri Awas Yojana
PMGSY	Pradhan Mantri Gram Sadak Yojana
PNG	Piped Natural Gas
PNGRB	Petroleum and Natural Gas Regulatory Board
PPAC	Petroleum Planning and Analysis Cell
PPGI	Prepainted galvanized iron
PPGL	Prepainted galvanized valume
PPP	Purchasing Power Parity
PV	Photovoltaic
PVC	Poly Vinyl Chloride
SAAPs	State Annual Action Plans

Terms	Description
SAW	Submerged arc welding
SIAM	Society of Indian Automobile Manufacturers
SKUs	Stock keeping units
q-o-q	Quarter on Quarter
SDF	Standing Deposit Facility
UDAN	Ude Desh ka Aam Naagrik
UVs	Utility Vehicles
WEO	World Economic Outlook
y-o-y	Year on Year
YTD	Year to Date
ZAM	Zinc aluminium managnisum

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
AGM	Annual General Meeting
AIFs	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AS	Accounting Standards
AY or Assessment year”	The assessment year is the year that comes after the FY. This is the time in which the income earned during FY is assessed and taxed.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I FPI	FPIs who are registered with SEBI as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II FPI	FPIs who are registered with SEBI as “Category II foreign portfolio investors” under the SEBI FPI Regulations.
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Procedure Code	Code of Civil Procedure, 1908.
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act or Companies Act, 2013	The Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder.
Competition Act	Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.
CSR	Corporate Social Responsibility
CY	Calendar Year, i.e. year ending on December 31 of the relevant year.
DDT	Dividend Distribution Tax
Depositories Act	Depositories Act, 1996.
Depository or Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
DP/Depository Participant	Depository participant as defined under the Depositories Act.
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), GoI.
EBIDTA	EBITDA is Non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization expenses.
EGM	Extraordinary General Meeting
EPS	Earnings Per Share, calculated as profit after tax for a Fiscal, divided by the weighted average outstanding number of Equity Shares during that Fiscal.
FBIL	Financial Benchmarks India Private Limited

Term	Description
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FEMA Non-Debt Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Finance Act	Finance Act, 2023.
Finance Cost	Finance Cost charged to the statement of profit and loss.
Fiscal Year or Financial Year or FY or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated.
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014.
FPIs	A foreign portfolio investor who has been registered under Chapter II of the SEBI FPI Regulations and shall be deemed to be an intermediary in terms of the provisions of the Securities and Exchange Board of India Act, 1992.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI.
GDP	Gross Domestic Product
GoI or Government	Government of India
GST	Goods and Service Tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IT Act	Income Tax Act, 1961
Ind AS	Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended
Indian GAAP	Generally Accepted Accounting Principles in India, being, accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
INR or ₹ or Rs. or Indian Rupees	Indian Rupee, the official legal currency of the Republic of India
IT	Information Technology
MCA	Ministry of Corporate Affairs, GoI
MoU	Memorandum of understanding
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NEAT	National Exchange for Automated Trading
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time
PAT	Profit after tax
PBT	Profit before tax
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or

Term	Description
	securitized debt instruments, as its underlying
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
STT	Securities Transaction Tax
U.S. or United States or USA or US	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 followed in the U.S.
US$ or U.S. dollars or USD	U.S. dollars, the lawful currency of the United States
WOS	Wholly Owned Subsidiary

SUMMARY OF THE ISSUE

The following is a general summary of the terms 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 Preliminary Placement Document, including sections entitled "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-Up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages, 42, 70, 249, 235 and 265.

Issuer	Hi-Tech Pipes Limited
Face Value	₹1 per Equity Share
Issue Price	₹[●] per Equity Share (including a premium of ₹[●] per Equity Share)
Floor Price	₹194.98 per Equity Share, calculated on the basis of Regulation 176 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 may offer a discount of not more than 5% of the Floor Price in accordance with the approval of the Shareholders of our Company accorded by way of a special resolution passed in the fortieth AGM on September 21, 2024 and in terms of Regulation 176(1) of SEBI ICDR Regulations.
Issue Size	Issue of up to [●] Equity Shares at a price of ₹[●] per Equity Share including a premium of ₹[●] per Equity Share, aggregating up to ₹[●] millions. A minimum of 10% of the Issue Size i.e., up to [●] Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance [●] 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 to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution authorising the Issue	August 19, 2024
Date of shareholders' resolution authorising the Issue	September 21, 2024
Eligible Investors	Eligible QIBs to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered shall be determined by the Book Running Lead Manager in consultation with our Company, at its discretion. For further details, see "*Issue Procedure – Eligible QIBs*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 235, 251 and 259, respectively.
Dividend	See "*Description of the Equity Shares*" and "*Dividend*" on page 91 and 91, respectively.
Taxation	See "*Taxation*" which describes the statement of possible tax benefits available to our Company and its Shareholders under the applicable laws in India, on page 269.
Equity Shares issued and outstanding immediately prior to the Issue	17,61,11,000 fully paid-up Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
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 and Chapter VI of the SEBI ICDR Regulations. For further details, see the section entitled "*Issue Procedure*" on page 235.
Lock-up	For details in relation to lock-up, see "*Placement and Lock-up*" on page

	249.
Listing and trading	Our Company has obtained in-principle approvals dated October 7, 2024 from the Stock Exchanges in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges for the final listing and trading approvals for the Equity Shares, after the Allotment and credit of Equity Shares to the beneficiary account with the Depository Participants.
Proposed Allottees	See "*Proposed Allottees in the Issue*" on page 281 form names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company.
Transferability restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period for one year from the date of Allotment, except on the floor of the Stock Exchanges. 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. For details in relation to other transfer restrictions, see "*Transfer Restrictions*" on page 259.
Risk factors	For details, see "*Risk Factors*" on page 42 for a discussion of risk you should consider before participating in the Issue.
Use of proceeds	The gross proceeds from the Issue are ₹[●] millions. The Net Proceeds from the Issue, after deducting fees, commissions and estimated expenses of the Issue, are expected to be approximately ₹[●] millions. For details, see "*Use of Proceeds*" on page 70 for additional information regarding the use of net proceeds from the Issue.
Closing Date	The Allotment of Equity Shares is expected to be made on or about [●], 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, 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. Please see sections "*Dividends*" and "*Description of the Equity Shares*" on pages 91 and 265, respectively.
Security codes for the Equity Shares	ISIN: INE106T01025 BSE Code: 543411 NSE Symbol: HITECH

SUMMARY OF THE BUSINESS

OVERVIEW

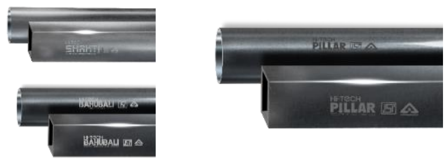
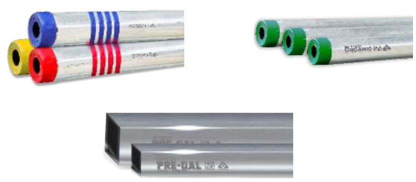
We are one of the prominent and multifaceted organization in the manufacturing of steel tubes and pipes in India and have been established as one of the leading manufacturers and supplier of ERW (Electric Resistance Welding) pipes. *(Source: CARE Report).* As per the CARE Report, we are the 3rd largest manufacturer of steel tubes and pipes among the peer with an installed capacity of 750,000 MTPA. Our products includes, mild steel ("**MS**") hollow section pipes, galvanised pipes, MS round pipes, crash barriers, cold rolled coils and strips, coated coils and roofing sheet under twelve (12) brands.

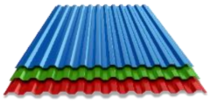
During FY24, the production of steel tubes and pipes increased by 20.2% on a y-o-y basis. Around 9,666 thousand tonnes of steel tubes and pipes were produced in FY24 compared to 8,047 thousand tonnes produced in the previous year. This growth is attributed to the healthy demand from the end-user segments - water transportation, oil & gas, city gas distribution, construction and the government's thrust on infrastructure such as airports, railways and metros. Additionally, for YTD FY25, production grew by 40.1% y-o-y. *(Source: CARE Report).*

We recorded an increase in our revenue from operations by 35.01% from ₹ 6,421.66 million in three months period ended June 30, 2023 to ₹ 8,669.78 million in three month period ended June 30, 2024 and our EBITDA increased by 101.43% from ₹ 211.92 million in three month period ended June 30, 2023 to ₹ 426.86 million lakhs in three month period ended June 30, 2024. Further, we recorded an increase in our profit after tax by 125% from ₹ 80.23 million in three months period ended June 30, 2023 to ₹ 180.53 million in three month period ended June 30, 2024.

As on the date of this Preliminary Placement Document, we have a product portfolio of more than 1200 SKUs for critical industry applications including water infrastructure, oil and gas, city gas distribution, infrastructure, agriculture among others. The total production during the Fiscal 2024 was 3,88,392 MTPA. For further details with respect to our installed capacity, actual production and utilisation during Fiscal 2024, 2023 and 2022, also see "*Our Business – Manufacturing Units*" on page 211.

The table below sets forth the certain information of our key products:

Product	Brands	Product Images
MS Hollow Section Pipes	Hi-Tech Shakti, Hi-Tech Pillar, Hi-Tech Bahubali	
MS Round Pipes	Hi-Tech Casewell, Hi-Tech Firefighter	
Galvanised Pipes	Hi-Tech Jalshakti, Hi-Tech Organic, Hi-Tech Pre-Gal	
Crash Barrier	Hi-Tech Crashguard	
Cold Rolled Coils & Strips	Hi-Tech Flatmax	

Product	Brands	Product Images
Coated Coils and Roofing Sheet	Hi-Tech CG Sheet, Hi-Tech Colorstar	 
Solar Torque Tube	-	

Use of our products across large number of industries. Some of the applications are listed below:

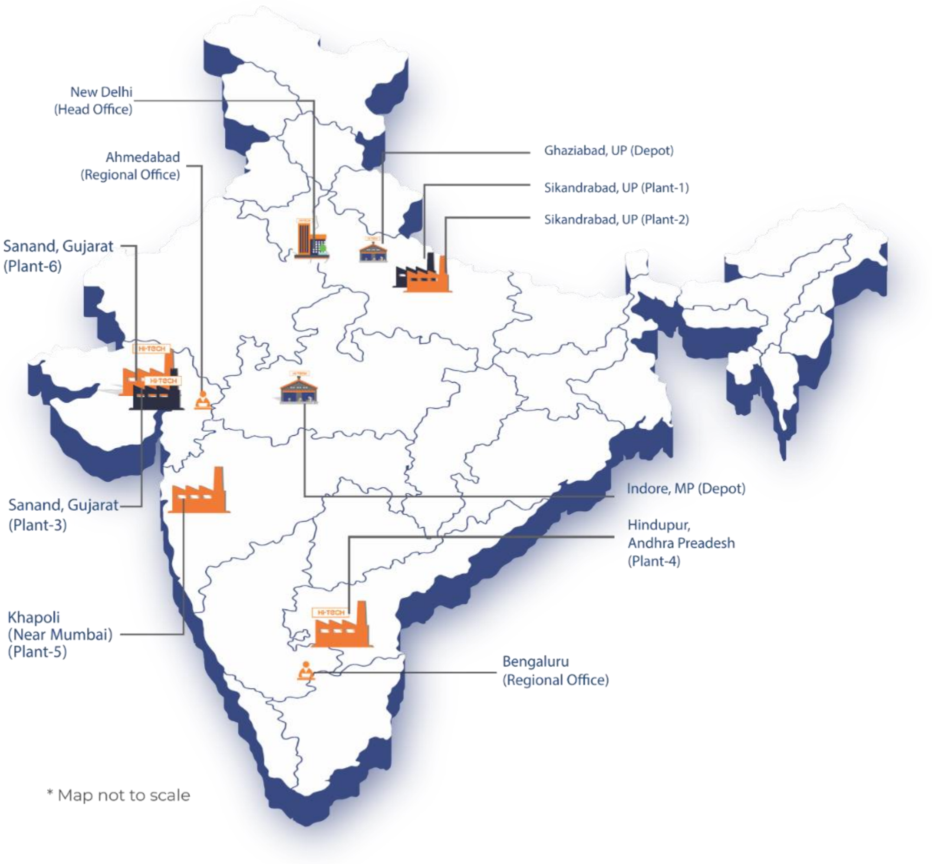
Industry	Application
Oil and Gas	In India's oil and gas sector, pipes are crucial for transportation and distribution across the entire value chain—upstream, midstream, and downstream. They are primarily used for drilling (upstream), transporting crude oil, natural gas, and refined products (midstream), and distribution (downstream). Materials like carbon steel and high-strength alloy pipes are preferred due to their durability and resistance to high pressure and corrosive environments. Growing domestic demand for energy, pipeline infrastructure expansion, and government initiatives like the National Gas Grid are driving demand for pipes in this sector. *(Source: CARE Report)* Refineries, pipelines, gas terminals, storage capacity, gas cylinder bottling plants, retail outlets, etc., require large amounts of steel pipes.
Infrastructure & Construction	Steel Pipes are utilised in structural fabrications, such as the construction of buildings, bridges, and infrastructure. Further, it is used in architectural fabrications, such as building facades, canopies, and artistic structures, in construction of columns, beams, and roof trusses. Coated coils and roofing sheets are used in residential roofing, commercial roofing, industrial roofing, garages, etc. Metal beam crash barrier finds application in highway, expressways, bridge railings
Water Infrastructure	Steel pipes are considered the most durable of all water supply pipes because of their non-corrosion properties. They can sustain high water pressure and are more readily available in longer lengths than most other pipes. Demand for steel tubes and pipes is increasing, supplemented by the agriculture sector, where steel pipes are used in borewells or irrigation facilities. Moreover, there is a constant demand for improving water infrastructure in both rural and urban cities alongside a focus on enhancing wastewater management. *(Source: CARE Report)*
Railways & Airports	Steel tubes or pipes are used in applications such as rails, wagons, and coaches. Steel plays a pivotal role in constructing essential infrastructure of airports due to its strength, durability, and versatility. Steel is integral to building expansive structures such as passenger terminals, cargo terminals, and maintenance hangars, which require large clear spans without intermediate columns. It is also used for critical infrastructure including runways, bridges, and walkways, ensuring robust support and longevity. Steel products are employed in the manufacturing of doors, windows, security systems, luggage handling systems, escalators, and elevators, enhancing operational efficiency and passenger convenience. *(Source: CARE Report)*
Power - Solar	To provide structural support for solar panel installations. India has a solar potential of 749 GW, assuming that solar PV modules cover 3% of the waste land area. Comparatively, India had an installed capacity of 82 GW of as on March 2024 *(Source: CARE Report)*
Telecom and Automotive	To provide structural support for telecom tower industry.

Industry	Application
Industry	India is the second-largest telecom industry in the world with 924.07 million broadband subscribers and 1,199.28 million telephone subscribers as of March 2024. *(Source: CARE Report)*. Further as per CARE Report, in automotive industry it is used in various systems such as fuel lines, exhaust systems, air conditioning, and hydraulic systems.

The following table sets forth the information on our industry wise revenue contribution in the periods indicated therein

Particulars	**For three month period ended June 30**				**Fiscal**					
	2024		**2023**		**2024**		**2023**		**2022**	
	(₹ in million)	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**
Infrastructure and Construction	6,850.81	25.38	6,019.49	25.23	6,985.77	25.88	6,067.21	25.43	4,405.90	23.45
Automotive and Telecom Sector	6,032.92	22.35	5,198.76	21.79	5,736.00	21.25	5,423.03	22.73	4,050.79	21.56
Railway, Airport, Metro	5,385.09	19.95	4,146.60	17.38	5,304.11	19.65	4,289.75	17.98	3,073.79	16.36
Water Infrastructure	3,290.44	12.19	3,120.69	13.08	3,452.40	12.79	3,287.70	13.78	2,805.12	14.93
Agriculture	2,216.12	8.21	2,345.29	9.83	2,459.06	9.11	2,011.27	8.43	2,000.97	10.65
Others	3,217.56	11.92	3,027.64	12.69	3,055.60	11.32	2,779.51	11.65	2,451.90	13.05
Total	**8,669.78**	**100.00**	**6,421.66**	**100.00**	**26,992.93**	**100.00**	**23,858.47**	**100.00**	**18,788.47**	**100.00**

We have six (6) strategically located manufacturing units (i) two (2) units are located in Sikandrabad, Uttar Pradesh, (ii) two (2) manufacturing units are located in Sanand, Gujarat (iii) one (1) unit is located in Hindupur, Telangana, and (iv) one (1) unit is located in Khopoli, Maharashtra (collectively hereinafter referred to as "**Manufacturing Unit(s)**"). The strategically location of our Manufacturing Units in terms of its proximity to the sources of raw material and ports at Kandala and Mundra in Gujarat and Jawaharlal Nehru Port Trust in Maharashtra, enables cost effective and timely procurement of raw material and supply of our finished products to our customers. As on the date of this Preliminary Placement Document, our manufacturing units have an aggregate installed capacity 7,50,000 MTPA *(As certified by Anil Kumar Singh, Chartered Engineer vide its certificate dated October 3, 2024)*. For further details see, "*-Manufacturing Units*" on page 211 under this section. Further, we have a storage facility at our Manufacturing Units for the purposes of holding inventories of raw material as well as finished products, in addition to two depots each located at Indore, Madhya Pradesh and Ghaziabad, Uttar Pradesh, which ensures stability of operations.



Through our strategic locations, we have established an extensive, distribution network across India for our selling our products. As of August 31, 2024, our products are sold in 17 states through a network of over 450 distributors, dealers, contractors, government departments and project customers having access to our storage facilities at our Manufacturing Units and 2 stock depots in India supporting the distribution of our products. For a detailed description of products, see "− *Description of Our Business Operations*" on page 210.

Additionally, as part of our expansion plans and to increase our manufacturing capacity, we propose to expand our capacity of our existing manufacturing unit at Sanand, Gujarat (Unit 2, Phase 2) and have laid the foundation for establishment of a manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh. Pursuant to the increase of our manufacturing capacities, we are focussing on production of large diameter section pipes with range from 200x200 to 500x500 which has high demand in the construction and infrastructure sectors in the western and southern region of India For further details, see "*Expand our manufacturing capacity to capture additional market share - Key Strategies– Our Business*" and "*Funding capital expenditure requirement for expansion of our existing manufacturing unit at Sanand, Gujarat and setting up a new manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh – Use of Proceeds*" on pages 205 and 72, respectively.

With over three decades of operational experience and under the guidance of our Promoters Ajay Kumar Bansal, who is also our Chairman and Managing Director and Anish Bansal, who is also our Whole-time and Executive Director, we have been able to leverage their experience with highs and lows of the industry in tapping new growths. Our management has focused on providing quality products over decades of operations and thereby building credibility with our customer base, including our longstanding customers. Our leadership team also consists of experienced professionals from various backgrounds and their capabilities are crucial for us in understanding and anticipating market trends, managing business operations and growth, leveraging customer relationships and responding to changes in customer preferences. As of September 15, 2024, we had approximately 1,051 full-time employees at our Company. For further details, see section title "*Board of Directors and Senior Management Personnel*" on page 219.

Our Key Financial and Operational Performance Indicators

Set forth are the key financial and operational performance indicators for the period/ years indicated:

(₹ in million, except as otherwise stated)

Particulars	**Three months period ended June 30, 2024***	**Three months period ended June 30, 2023***	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Revenue from operations(1)	8,669.78	6,421.66	26,992.94	23,858.47	18,788.47
Total Income	8,675.07	6,424.43	27,004.71	23,881.09	18,797.84
EBITDA(2)	426.86	211.92	1,148.59	1,032.10	1,005.18
EBITDA margin (%)(3)	4.92	3.30	4.26	4.33	5.35
EBITDA per Tonne(4)	3,494.00	2,508.00	2,937.00	2,915.00	3,634.00
Profit for the period/ year	180.53	80.23	439.30	376.81	403.26
PAT Margin (%)(5)	2.08	1.25	1.63	1.58	2.15
Basic EPS(6)	1.16	0.61	3.25	3.06	3.38
Diluted EPS(6)	1.03	0.45	2.69	2.18	3.38
Return on Capital Employed(7)	N.A.^	N.A.^	10.42	13.32	14.29
Return on Equity(8)	N.A.^	N.A.^	7.62	9.01	15.59
Debt equity ratio(9)	N.A.^	N.A.^	0.70	0.66	1.52
Current ratio(10)	N.A.^	N.A.^	1.54	1.46	1.43
Installed Capacity (MTPA) #	7,50,000	5,80,000	7,50,000	5,80,000	5,80,000

**Not annualised*

^Not available

#As certified by Anil Kumar Singh, Chartered Engineer vide its certificate dated October 3, 2024

Notes:

1) *Revenue from operation means revenue from sales of products and other operating revenue.*
2) *EBITDA is calculated as profit before tax before exceptional items + depreciation + finance costs - other income.*
3) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
4) *EBITDA per Tonne is EBITDA divided by the total volume of sales.*
5) *PAT Margin is calculated as profit for the period / year divided by revenue from operations.*
6) *Basic and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year/ period, as adjusted for changes in capital due to bonus issue and sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities.*
7) *ROCE is calculated as EBIT divided by capital employed where (i) EBIT means EBITDA minus depreciation and amortisation expense and (ii) Capital employed means Net worth + total current & non-current borrowings (including other current financial liabilities)– cash and cash equivalents and other bank balances;*

   "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.
8) *ROE is calculated as PAT divided by net worth.*
9) *Debt to equity ratio is calculated as total debt divided by total equity where total debt is non-current borrowings plus current borrowings plus other current financial liabilities.*
10) *Current ratio is calculated by total current assets divided by total current liabilities*

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information extracted from our Audited Consolidated Financial Statement and Unaudited Consolidated Financial Results. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*", on pages 92 and 280, respectively.

Summary of the Unaudited Consolidated Financial Results

(₹ in million)

Particulars	Three months period ended	
	June 30, 2024	June 30, 2023
Income from Operations		
Net Revenue from Operations	8,669.78	6,421.66
Other Income	5.29	2.77
Total Income	**8,675.07**	**6,424.43**
Expenses		
a) Cost of material consumed	7,168.79	5,270.89
b) Change in Inventories of Finished Goods, Work in Progress & Stock in Trade	(243.32)	92.30
c) Purchase of Stock in Trade	988.74	593.24
d) Employee Benefit Expenses	85.32	74.69
e) Finance costs	140.82	79.47
f) Depreciation and amortisation expenses	51.32	27.33
g) Other Expenses	243.38	178.62
Total Expenses	**8,435.05**	**6,316.54**
Profit before Exceptional items and Tax	**240.02**	**107.89**
Exceptional items	-	-
Profit Before Tax	**240.02**	**107.89**
Tax Expenses		
Current Tax	52.17	21.84
Deferred Tax	7.32	5.82
Total Tax Expenses	**59.49**	**27.66**
Profit for the period / year after Tax	**180.53**	**80.23**
Other Comprehensive Income	-	0.08
Total Comprehensive Income	**180.53**	**80.31**
Paid up Equity Share Capital (Face Value Re.1 per share)	158.36	130.81
Earning Per Share (Not Annualised) (Face value of Re.1 each)		
a) Basic	**1.16**	**0.61**
b) Diluted	**1.03**	**0.45**

Summary of the Audited Consolidated Financial Statement

Consolidated Balance Sheet for the Fiscals 2024, 2023 and 2022

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant & Equipments	3,543.65	2,865.39	2,389.54
Capital Work-in-Progress	623.00	364.07	289.66
Intangible assets	5.34	5.65	0.20
Financial Assets			
i. Investments	25.50	17.00	0.01
ii. Loans	-	-	43.78

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
iii. Other financial assets	57.73	53.58	-
Other non-current assets	376.19	336.19	66.30
Total Non-Current Asset	**4,631.42**	**3,641.88**	**2,789.49**
Current Assets			
Inventories	3,466.58	3,067.62	2,594.07
Financial Assets			
i. Trade receivables	2,801.78	1,855.23	1,674.11
ii. Cash and cash equivalents	23.33	18.89	9.03
iii. Bank balances	236.59	192.78	161.71
Other current assets	627.30	378.84	464.79
Total Current Assets	**7,155.58**	**5,513.35**	**4,903.71**
Total Assets	**11,786.99**	**9,155.24**	**7,693.20**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	149.89	127.81	122.71
(b) Other Equity	5,613.85	4,053.28	2,463.48
Total Equity	**5,763.74**	**4,181.09**	**2,586.19**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
i. Borrowings	1,064.54	940.27	1,468.73
ii. Other financial liabilities	24.70	23.20	10.46
Provisions	14.92	12.12	9.59
Deferred tax liabilities (Net)	260.91	219.54	183.54
Total Non-Current Liabilities	**1,365.07**	**1,195.13**	**1,672.33**
Current Liabilities			
Financial Liabilities			
i. Borrowings	2,593.41	1,410.82	2,176.21
ii. Trade payables due to			
a. total outstanding dues of micro and small enterprises	3.13	150.39	111.88
b. total outstanding dues of creditors other than micro and small enterprises	1,569.85	1,591.25	684.72
iii. Other financial liabilities	375.09	392.82	298.92
Other current liabilities	39.01	87.97	31.27
Provisions	35.48	99.44	40.90
Current Tax Liabilities (Net)	42.21	46.33	90.78
Total Current Liabilities	**4,658.18**	**3,779.03**	**3,434.68**
Total Liabilities	**6,023.25**	**4,974.15**	**5,107.01**
Total Equity & Liabilities	**11,786.99**	**9,155.24**	**7,693.20**

Profit and Loss statement for the Fiscal 2024, 2023 and 2022

(₹ in million)

Particulars	For the year ended March 31,		
	2024	**2023**	**2022**
Revenues			
Revenue from operations	26,992.94	23,858.47	18,788.47
Other income	11.77	22.62	9.37
Total income	**27,004.71**	**23,881.09**	**18,797.84**
Expenses:			
Cost of materials consumed	22,550.50	20,899.15	17,353.40

Particulars	For the year ended March 31,		
	2024	2023	2022
Purchases of stock-in-trade	1,911.91	1,005.50	25.05
Changes in inventories of finished goods, WIP and stock-in-trade	162.75	(161.38)	(385.70)
Employee benefits expense	314.57	264.02	219.86
Finance costs	418.62	353.01	364.70
Depreciation and Amortization Expenses	154.88	137.73	96.63
Other expenses	904.61	819.08	570.67
Total expenses	**26,417.84**	**23,317.11**	**18,244.61**
Profit before exceptional items and tax	**586.87**	**563.98**	**553.23**
Exceptional items	-	65.15	-
Profit/(loss) before tax	**586.87**	**498.83**	**553.23**
Tax expense/(benefit):			
- Current tax	107.76	92.71	112.30
- Deferred tax	36.50	29.63	23.08
- Tax related to earlier years	(1.57)	(6.68)	5.84
- MAT Credit Entitlement	4.88	6.36	8.75
Total Tax Expense	**147.57**	**122.02**	**149.97**
Profit/(loss) for the period from continuing operations (VII-VIII)	**439.30**	**376.81**	**403.26**
Total Other comprehensive income / (loss) (A+B)	**0.97**	**1.11**	**-**
Total comprehensive income / (loss) (XIII + XIV)	**440.27**	**377.92**	**403.26**
Earnings per equity share (for continuing operation)			
Basic	3.25	3.06	3.38
Diluted	2.69	2.18	3.38
Earnings per equity share (for discontinued operation)			
Basic	**-**	**-**	**-**
Diluted	**-**	**-**	**-**
Earnings per equity share (for discontinued & continuing operations)			
Basic	3.25	3.06	3.38
Diluted	2.69	2.18	3.38

Cash flow statement for the Fiscals 2024, 2023 and 2022

(₹ in million)

Particulars	For the year ended March 31		
	2024	2023	2022
A. CASH FLOW FROM THE OPERATING ACTIVITIES			
Net Profit Before Tax and Extra Ordinary Activity	586.87	563.99	553.23
Add/(Less) Adjustments for:			
Other non-cash items	1.25	1.48	-
Depreciation and amortization expenses	154.88	137.73	96.62
Interest income on Bank deposits	(11.02)	(13.90)	(8.15)
Finance Costs	418.62	353.01	364.70
Loss / (gain) on sale of property, plant and equipment	(0.10)	(0.51)	-
	563.63	477.81	453.17
Operating Profit Before Working Capital Changes	**1,150.50**	**1,041.79**	**1,006.40**
Adjustments for:-			
Increase / (Decrease) Trade Payables	(168.66)	945.03	304.31

Particulars	For the year ended March 31		
	2024	2023	2022
Increase / (Decrease) Other Current/Non-current Liabilities	(47.73)	67.23	(6.20)
Increase / (Decrease) Provisions	(61.16)	68.25	(7.48)
(Increase) / Decrease Trade Receivable	(946.56)	(181.11)	(468.06)
(Increase) / Decrease Inventories	(398.96)	(473.55)	(709.36)
(Increase) / Decrease other Current Assets	(365.98)	85.95	(249.84)
Expected credit loss allowances/Doubtful debt	-	(65.15)	-
	(1,989.04)	**446.64**	**(1,136.63)**
Cash Generated from Operations	(838.55)	**1,488.43**	**(130.23)**
Direct Taxes Paid	113.35	150.98	42.93
Net Cash Flow from the operating activities	**(951.90)**	**1337.45**	**(173.16)**
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
(Increase) / Decrease other non-current assets	(40.00)	(269.89)	(15.98)
Bank deposits considered other than Cash and cash equivalents	(43.82)	(31.07)	1.22
Increase/ (Decrease) in Non-Current other Financial Liabilities	1.50	15.18	2.48
Payment for Property, Plant & Equipment, Intangible Assets, CWIP	(1,091.75)	(693.43)	(452.20)
Loss / (gain) on sale of property, plant and equipment	0.10	0.51	-
Investment others	(8.50)	(17.00)	-
Interest income on Bank deposits	11.02	13.90	-
Net Cash Flow From Investing Activities	**(1,171.45)**	**(981.80)**	**(464.48)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Net Proceeds on conversion of Share Warrants	1,145.69	1,223.11	130.99
Dividend Paid (Including taxes)	(3.27)	(6.14)	-
Increase/ (Decrease) in Long Term Borrowings	375.02	(528.47)	305.71
Increase/ (Decrease) in Short Term Borrowings	1,182.58	(765.39)	386.96
Increase/ (Decrease) in other current financial liability	212.91	93.91	171.87
(Increase) / Decrease other non-current financial assets	(366.53)	(9.80)	1.35
Finance Costs	(418.62)	(353.01)	(364.70)
Interest income on bank deposits	-	-	8.15
Net Cash Flow Used In Financing Activities	**2,127.79**	**(345.79)**	**640.33**
Net Increase/ (Decrease) Changes in Cash & Cash Equivalent (A+B+C)	**4.44**	**9.86**	**2.69**
Cash and Cash Equivalent at the Beginning of the Year	18.89	9.03	6.34
Cash and Cash Equivalent at the Closing of the Year	**23.33**	**18.89**	**9.03**

RELATED PARTY TRANSATIONS

For details of the related party transactions during (i) Fiscal 2024; (ii) Fiscal 2023; and (iii) Fiscal 2022, as per the requirements in accordance with Ind AS 24 – 'Related Party Transactions' notified under the Ind AS Rules read with Section 133 of the Companies Act, see "*Financial Statements*" on page 280.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, or the industry and segments in which we operate or India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, financial condition, results of operations, cash flows or prospects. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview" and "Selected Financial Information" on pages 196, 92, 122 and 37, respectively, contained in this Preliminary Placement Document. If anyone or combination of the risks described below or other risks that are currently not known or are currently deemed immaterial actually occur, any of our business, financial condition, results of operations, cash flows or prospects could be adversely affected, the trading price of our Equity Shares could decline, and prospective investors may lose all or part of their investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Preliminary Placement Document also contains forward-looking statements that involve risks assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For details, see "Forward-Looking Statements" on page 18.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of our Company and our Subsidiaries, collectively the "Group", used in this section has been derived from our Unaudited Consolidated Financial Results for June 30, 2024 and June 30, 2023 and Audited Consolidated Financial Statements for Fiscals 2024, 2023 and 2022, prepared in accordance with Indian Accounting Standards.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Research Report on Steel Industry" dated October 4, 2024 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CARE**"), appointed by us on August 20, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see "Risk Factors – Certain sections of this Preliminary Placement Document contain information from CARE Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks" on page 53.*

Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year.

Internal Risk factor

1. Our suppliers of our primary raw material i.e. HR Coil, are large corporations and we have long-standing relationships with our key suppliers. This relationship has resulted out of our consistent procurement from our key suppliers. As a result, we rely on our key suppliers for majority of our supply of raw material and any inadequate or interrupted supply and price fluctuation of our raw materials could adversely affect our, results of operations, cash flows, and financial condition.

Our Company is in the manufacturing of the ERW (Electric Resistance Welding) Pipes and for the manufacturing of our Company's products, the primary raw material required is HR Coils. The costs of raw materials consumed for three months period ended June 30, 2024, June 30, 2023 and Fiscals 2024, 2023, 2022 were ₹ 7,914.22 million, ₹ 5,956.43 million, ₹ 24,625.16 million, ₹ 21,743.27 million and ₹ 16,992.76 million respectively, representing 93.83%, 94.30%, 93.21%, 93.25% and 93.14% respectively of our total expenditure. The raw materials used by our Company are subject to price volatility and unavailability caused by external conditions, such as fluctuations in price of steel within India and globally, supply and demand dynamics, logistics and processing costs, inflation and governmental regulations, policies.

We procure our raw material from large corporations with whom we have long-standing relationship. This relationship has resulted out of our consistent procurements from our key suppliers. However, the manufacturing quantity and cost of our products are dependent on our ability to source raw materials at acceptable prices and maintain a stable and sufficient supply of our major raw materials. If we are not able to effectively pass on our escalated costs to customers, such price escalations may have a material adverse impact on our result of operations, financial condition and cash flows. Though we have a long standing relationship with our suppliers, any disruption of supply of raw materials may adversely affect our operations and financial cost. Our top 10 suppliers contributed 97.17%, 96.14%, 96.65%, 96.40% and 95.56% of our purchase for three months period ended June 30, 2024 and June 30, 2023 and Fiscals 2024, 2023 and 2022 respectively. Our supplies from our top 10 suppliers during three months period ended June 30, 2024 and June 30, 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022 are as follows:

(₹ in million)

Supplier	**Three months ended June 30**				**Fiscal**					
	2024		**2023**		**2024**		**2023**		**2022**	
	Purchase from supplier	**As a % of total purchase cost**	**Purchase from supplier**	**As a % of total purchase cost**	**Purchase from supplier**	**As a % of total purchase cost**	**Purchase from supplier**	**As a % of total purchase cost**	**Purchase from supplier**	**As a % of total purchase cost**
Supplier 1	4,817.43	62.12	3,281.09	60.57	14,061.33	56.19	11,607.77	52.52	7,433.80	41.99
Supplier 2	1,633.48	21.06	1,438.84	26.56	8,110.49	32.41	8,439.60	37.99	6,463.13	36.51
Supplier 3	395.11	5.09	183.54	3.39	716.59	2.86	498.43	2.24	579.38	3.27
Supplier 4	331.12	4.27	120.85	2.23	359.17	1.44	286.93	1.29	442.13	2.50
Supplier 5	294.10	3.79	52.17	0.96	333.33	1.33	202.08	0.91	401.46	2.27
Supplier 6	18.33	0.24	45.30	0.84	247.33	0.99	95.31	0.43	398.24	2.25
Supplier 7	13.59	0.18	29.55	0.55	153.03	0.61	83.91	0.38	385.38	2.18
Supplier 8	11.38	0.15	22.80	0.42	82.07	0.33	79.72	0.36	383.05	2.16
Supplier 9	11.15	0.14	17.60	0.32	78.72	0.31	69.82	0.31	218.65	1.24
Supplier 10	10.66	0.14	15.80	0.29	43.10	0.17	53.24	0.24	210.48	1.19
Total	**7,536.36**	**97.17**	**5,207.52**	**96.14**	**24,185.17**	**96.65**	**21,416.82**	**96.40**	**16,915.71**	**95.56**

For details, please see the section titled "*Our Business-Raw Materials and Suppliers*" on page 214 of this Preliminary Placement Document.

The costs of raw materials consumed for three months period ended June 30, 2024, June 30, 2023 and Fiscals 2024, 2023, 2022 were ₹ 7,914.22 million, ₹ 5,956.43 million, ₹ 24,625.16 million, ₹ 21,743.27 million and ₹ 16,992.76 million respectively, representing 93.83%, 94.30%, 93.21%, 93.25% and 93.14% respectively of our total expenditure. The raw materials used by our Company are subject to price volatility and unavailability caused by external conditions, such as fluctuations in price of steel within India and globally, supply and demand dynamics, logistics and processing costs, inflation and governmental regulations, policies.

We place our order for raw material on purchase order basis and may not be able to pass on the cost escalations to our customers. If we are not able to effectively pass on our escalated costs to customers, such price escalations could have a material adverse impact on our result of operations, financial condition and cash flows.

2. ***We have long-standing relationships with our key suppliers. Strategically, we enter into memorandum of understanding ("MOU") with our key suppliers for supplies planned for a year to ensure un-interrupted supplies through-out the year. As part of our strategy, we do not enter into fixed price contract. However, any increase in the cost of such raw materials may have an adverse effect on our business and results of operations.***

We, in our usual course of business, procure our raw material from large corporations with whom we have long-standing relationship. This relationship has resulted out of our consistent procurements from our key suppliers. Strategically, we enter into MOU with our key suppliers for supplies planned for a year to ensure un-interrupted supplies through-out the year. However, we do not have any fixed price contracts for the supply of our raw materials. In the absence of any contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may not be able to pass on the cost escalations to our customers. Further, it may be difficult for us to initiate any remedial measures against any defaulting suppliers, and consequently, we may have face a shortage in the supply of quality raw materials. While we endeavour to maintain sufficient inventory at our plant, we cannot assure you that we will not face shortage of raw materials.

The costs of raw materials consumed for the three months period ended June 30, 2024, June 30, 2023 and Fiscals 2024, 2023, 2022 were ₹ 7,914.22 million, ₹ 5,956.43 million, ₹ 24,625.16 million, ₹ 21,743.27 million and ₹ 16,992.76 million respectively, representing 91.29%, 92.76%, 91.23%, 91.13% and 90.44% of our revenue from operations, respectively. For details, please see the section titled '*Our Business – Raw Material Suppliers*' on page 214 of this Preliminary Placement Document. Further, for details of our Top 10 raw material suppliers, please refer to "*Risk Factor - Our suppliers of our primary raw material i.e. HR Coil, are large corporations and we have long-standing relationships with our key suppliers. This relationship has resulted out of our consistent procurement from our key suppliers. As a result, we rely on our key suppliers for majority of our supply of raw material and any inadequate or interrupted supply and price fluctuation of our raw materials could adversely affect our, results of operations, cash flows, and financial condition*" on page 42 of this Preliminary Placement Document.

Our business depends on estimate of the medium, long-term demand for our products from our customers, which has a direct co-relation to the supply of our raw materials. If we are unable to secure the raw materials in a timely manner and at expected terms and conditions, we may not be able to achieve the production demands of our customers, which could result in the loss of business. Any error in our estimates could also result in surplus or shortage of raw materials, which may not be sold in a timely manner. Shortage of raw materials would lead to our estimates being adversely affected, resulting in loss of our business and an adverse impact on our results of operations, cash flows and financial condition.

While in last three Fiscals we have not faced any instances of discontinuance in supply of raw material by our suppliers, however, we cannot assure you that the same may not happen in future. Additionally, we also face a risk of one or more of our existing suppliers discontinuing their supply to us and any inability on our part to procure raw materials from alternate suppliers in a timely manner, or on commercially acceptable terms, may adversely affect our operations. If any of the suppliers of raw material to our Company fail for any reason to deliver raw material in a timely manner or at all, it may affect our ability to manage our inventory levels and manufacture our products. This may also result in an increase in our procurement costs which we may or may not be able to pass on to our customers. Further, even though our Company endeavours to maintain cordial relationships with its raw material suppliers, there can be no assurance that we will be able to effectively manage the relationships or that we will be able to enter into long term arrangements with new raw material suppliers at attractive terms or at all. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

3. ***We have been expanding capacities and investing in capital expenditure for our manufacturing facilities. Our capacities have increased from 580,000 MTPA in Fiscal 2022 to 750,000 in Fiscal 2024, involving significant capital requirement. We have experienced negative cash flows from operating, investing and financing in the recent past, and we may have negative cash flows in the future.***

The following table sets forth net cash inflow/(outflow) from operating, investing and financing activities for Fiscals 2024, 2023 and 2022:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cash flow from Operating Activities	(951.90)	1,337.45	(173.16)
Cash flow from Investment Activities	(1,171.45)	(981.80)	(464.48)
Cash flow from Financing Activities	2,127.79	(345.79)	640.33

We cannot assure you that our net cash flows will be positive in the future. If our Company is not able to generate sufficient cash flows, our Company may not be able to generate sufficient amounts of cash flow to finance our projects, make new capital expenditure, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations. For details, please see the section titled "*Financial Statements*" and "*Management's Discussion and Analysis of Results of Operations and Financial Conditions*" on pages 280 and 92 of this Preliminary Placement Document, respectively

4. We have been expanding capacities and investing in capital expenditure for our manufacturing facilities. As on the date of this Preliminary Placement Document, we have six manufacturing plants at multiple locations in India and our installed capacities have increased from 580,000 MTPA in Fiscal 2022 to 750,000 in Fiscal 2024. This requires significant capital requirement and this acts as a natural entry barrier. However, if we are unable to raise sufficient capital, our operations will be adversely affected.

Our business operations are subject to significant capital requirements for capacity expansions. Details of capital expenditure, for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, are as follows:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Capital Expenditure	1,091.75	693.43	452.20

In the ordinary course of business, we meet our capital requirements through a mix of internal accruals, equity or debt arrangements. While we believe that our arrangements will be sufficient to address our capital requirements**,** we cannot assure you that we will continue to generate sufficient internal accruals and make equity or debt arrangements to address our future needs Our inability to meet our present or 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, please see sections titled "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation"* beginning on pages 280 and 92, respectively.

5. We are manufacturers of variety of steel tubes and pipes which find application in multiple industries. As strategy, share of our value-added products has increased from 25% in Fiscal 2022 to 28% in Fiscal 2024 to 36% for the three months period ended June 30, 2024. Though we are striving to introduce products for newer applications, our inability to anticipate and adapt to evolving customer preferences and demand for particular product, or ensure product quality may adversely impact demand for our products, brand loyalty and consequently our business prospects and financial performance.

We continue to invest in increasing our operational efficiency throughout the organization. The share of value added product has increased from 26% in Fiscal 2023 to 28% in Fiscal 2024 to 36% for the three months period ended June 30, 2024 thereby increasing its EBITA/ton from ₹ 2,915 in Fiscal 2023 to ₹ 2,937 in Fiscal 2024 to ₹ 3,494 for the three month period ended June 30, 2024.

Our business prospects are dependent on the demand our products amongst our existing customers and new customers. In addition, our financial performance is dependent on the sale of our products such as ERW. The table below sets forth the details of product wise sales for the three months period ended June 30, 2024, June 30, 2023 and Fiscals 2024, 2023, 2022:

(₹ in million)

Particulars	For three months period ended June 30				Fiscal					
	2024	% of revenue from operations	2023	% of revenue from operations	2024	% of revenue from operations	2023	% of revenue from operations	2022	% of revenue from operations
ERW Black Pipes & Others	5,301.39	61.15	4,769.65	68.05	18,359.85	68.02	16,737.07	70.15	13,212.25	70.32
GI & GP Pipes	3,368.39	38.85	2,052.01	31.95	8,633.09	31.98	7,121.40	29.85	5,576.22	29.68
Total	**8,669.78**	**100.00**	**6,421.66**	**100.00**	**26,992.94**	**100.00**	**23,858.47**	**100.00**	**18,788.47**	**100.00**

In the event of a decrease in demand for our products and increase in demand of other products may affect our business, results of operations, financial condition, cash flows and prospects. The industry we operate may be affected by, changes in government policies, government initiatives, economic conditions, and interest rates, among others, which may negatively affect the demand of our products.

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

Our Company is involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations. The summary of such outstanding material legal and regulatory proceedings as on the date of this Preliminary Placement Document is set out below:

(₹ in million)

Name of the entity/person	Criminal Proceedings	Check bounce case under Section 138 of Negotiable Instruments Act, 1881	Tax Proceedings	Statutory of Regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved*
Company							
By the Company	Nil	17	Nil	Nil	Nil	Nil	24.42
Against the Company	Nil	Nil	2	Nil	Nil	Nil	4.36
Subsidiaries							
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Directors							
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Promoters							
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**To the extent quantifiable.*

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no (additional) liability will arise out of these proceedings. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, or other regulatory authorities in the ordinary course or otherwise, in relation to our products, or any other acts/omissions. Further, we may be subject to legal action by our employees and/or ex-employees in relation to alleged grievances such as termination of their employment with our Company. We cannot assure you that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

7. We do not have any trade union of workmen at any of our manufacturing facilities and have never faced any strikes / work stoppages during any of the last three Fiscals. However, our manufacturing operations may be adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

Success of our operations also depends on availability of labour and maintaining cordial relationships with our labour force. As of September 15, 2024, we had 776 permanent employees are working in our manufacturing units. As of the date of this Preliminary Placement Document, our employees are not members of any organised labour unions. Notwithstanding, strikes and lockouts as a result of disputes with our labour force may adversely affect our operations, which may have an impact on our production levels. While we have no instance of strikes, lockouts or labour disputes in the past, we cannot assure you that we shall not experience any strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations. In addition, we also may face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Although during current Fiscal and Fiscals 2024, 2023 and 2022, we have not experienced any significant disruptions at any of our manufacturing units in the past**,** we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events, manage our manufacturing process efficiently and resolve any disruptions, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilisation of our manufacturing units, which in turn may have an adverse effect on our business, financial condition and results of operations.

Further, we are also subject to a number of stringent labour laws for our manufacturing units that protect the interests of workers that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment of workers. If labour laws become more stringent, it may become more difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

8. We are dependent on third parties for our logistics and transportation needs. Any disruptions in the same may adversely affect our operations, business, cash flows and financial condition.

We rely on third party transportation and other logistic facilities for transportation of our products from our plant to the customers site. We have not entered into any formal agreements with third-party transport service providers for the supply of goods and raw materials; instead, we engage these providers on an as-needed basis. In absence of the same, it may be difficult for us to enforce any action against such entities and same may hamper our operations. For three months period ended June 30, 2024 and Fiscals 2024, 2023 and 2022 we have not faced any challenges with the third-party transporter, however we cannot assure you that there would no challenges with the transporters in the future. To cover the cost of goods lost or damage during transit, we have obtained the marine insurance policies. However, we cannot assure you that marine insurance claim will be sufficient to cover all the damage that may be caused to our goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, transportation strikes and lockouts, shortage of labour, delays and disruption of transportation services for events such as weather-related problems and accidents. If we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations and financial condition may be adversely affected. Further, movement of goods poses additional risks such as accidents, pilferage, and our inability to claim insurance may adversely affect our operations, results of operations and financial condition.

9. ***If the market for our products develops more slowly than we expect, it may hamper our ability to grow as anticipated, and our business, financial condition, and results of operations could be adversely affected.***

The future growth of our company is dependent on the market acceptance and demand for our products. If the market for our products develops more slowly than we expect, our growth trajectory could be significantly impacted. A slower-than-expected market development may arise from various factors including changes in consumer preferences, technological advancements, increased competition, or broader economic conditions. These factors could lead to lower-than-anticipated sales volumes, which in turn could hamper our ability to achieve our projected growth rates. Consequently, we may experience delays or difficulties in expanding our market presence, launching new products, or maintaining our competitive edge.

Furthermore, if we fail to accurately predict and respond to market trends, our business, financial condition, and results of operations could be adversely affected. A misalignment between our product offerings and market demand could result in excess inventory, increased marketing expenses, and reduced pricing power. Additionally, our long-term strategic initiatives, such as research and development investments or expansion plans, may face setbacks or require re-evaluation. Therefore, any slowdown in market acceptance of our products not only impacts our current performance but also poses a risk to our future growth prospects and financial stability.

10. ***Certain statutory and regulatory licenses and approvals are required for conducting our business and any failure or omission to obtain, maintain or renew these licenses and approvals in a timely manner, or at all, could adversely affect our business and results of operations.***

We are required to obtain, renew various statutory and regulatory licenses and approvals for our operations. Also, we may be required to obtain new registrations, permits and approvals for our business, as a result of change in current regulations or for any proposed expansion strategy. We cannot assure you that the relevant authorities will grant or renew such approvals in a timely manner or at all. If we fail to obtain any applicable approvals, licenses, registrations or consents in a timely manner or at all, some of our contracts with third parties may be terminated and we may not be able to undertake certain operations of our business.

We require certain labour, tax and municipal registrations to operate our offices and manufacturing units in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, labour-related registrations (including contract labour registrations, employee state insurance and employee provident fund) and GST registrations of the particular state in which we operate. Further, several of the licenses and approvals are subject to local state or municipal laws, including the renewal of approvals, that expire from time to time, in the ordinary course of our business. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims that we have not complied, with any of these conditions, we may be liable to fines or penalties, and our certificates of registration may be suspended or cancelled, and we would no longer be able to carry on such activities required for our business.

Setting up of manufacturing unit would also need our Company to obtain the required permits, licenses and approvals from relevant government authorities such as approval for the factory plan, consent to operate, factory license in a timely manner, to ensure the smooth operations. If we fail in obtaining the required permits, licenses and approvals or if we are unable to anticipate regulatory changes, the proposed plan of expansion of the existing manufacturing unit and setting up of the new manufacturing unit as described in the chapter titled "*Use of Proceeds*" on page 70 could be delayed, adversely affecting our business, results of operation and prospects.

11. ***We are unable to trace certain historical secretarial records prior to calendar year 2006. In the event we are found not to be in compliance with any applicable laws in relation to the missing secretarial records, we may be subject to regulatory actions or penalties for any such possible non-compliance and our business, financial condition and reputation may be adversely affected.***

We were required to file various forms in respect of Companies Act, 1956 and Companies Act, 2013. There are certain corporate records which are not available with RoC and the Company. Further certain corporate records while available with the RoC, are not available with the Company. Therefore, we had commissioned a physical and electronic search of the RoC records through an independent practicing company secretary, Oberoi & Associates, Company Secretaries, ("**Practicing CS**"), to ascertain the details of all corporate actions undertaken by our Company since incorporation. In relation to the same, the Practising CS has issued a search report dated September 21, 2024, where the Practicing CS has stated that certain documents are not traceable at RoC office.

We cannot assure you that, the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this respect. Further we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

Further there have been certain instances of delays in filing certain forms in last three Fiscals and current Fiscal. We cannot assure you that such delay may not occur in future. In case of subsistent delays, we may be exposed to actions by the concerned regulators. Any such penalty may impact our business and profitability.

12. ***There have been delays in filing GST, ESI and PF return/payments by our Company and our subsidiaries. Any delay in filing/submission return/dues may expose us to penalties by the concerned regulators.***

In the past there have been delays in the filing of GST, EPF and ESI returns/ payments by our Company and its Subsidiaries. Details of delay in GST, EPF and ESI returns/payment by our Company and its subsidiaries are as follows:

(₹ in million)

Particulars	Hi-Tech Pipes Limited			HTL Ispat Limited			HTL Metal Private Limited		
	Delay Range (in number of days)	Total amount of penalty along with interest paid	Fiscal	Delay Range (in number of days)	Total amount of penalty along with interest paid	Fiscal	Delay Range (in number of days)	Total amount of penalty along with interest paid	Fiscal
Goods and Services Tax Act, 2017	-	-	-	-	-	-	1-12	0.01	2024
	-	-	-	-	-	-	1-41	Negligible	2023
	-	-	-	-	-	-	1-33	0.65	2022
Employee State Insurance Act, 1948	-	-	-	2-70	Negligible	2024	29-60	Negligible	2022
	-	-	-	-	-	-	9-22	Negligible	2023
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	2-33	0.02	2024	2-54	Negligible	-	-	-	-
	5-12	Negligible	2023	-	-	-	-	-	-
	2-64	0.05	2022	-	-	-	-	-	-

We cannot assure you that such delay may not occur in future. In case of subsistent delays, we may be exposed to actions by the concerned regulators.

13. ***We have certain contingent liabilities, which if materialise, may adversely affect our financial condition.***

We have disclosed certain contingent liabilities in our Financial Information. The following table sets forth details of our contingent liabilities, capital commitments and guarantees for Fiscals 2024, 2023 and 2022:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Disputed UP Value-added Tax Demand	4.33	4.33	4.33
Performance Bank Guarantee	145.77	71.79	34.73

There can be no assurance that we will not have similar or increased levels of contingent liabilities in the current Fiscal. Our future contingent liabilities may crystallise and become actual liabilities. If any of our future contingent liabilities become actual liabilities, our business, financial condition, cash flows and results of operations may be adversely affected. For details, please see the section titled "*Financial Statements*" on page 280.

14. ***Our manufacturing units are dependent on adequate and uninterrupted supply of electricity, water and fuel. Any shortage or non-availability of such essential utilities could lead to disruption in operations, higher operating cost and consequent decline in our operating margins.***

Our Company is heavily dependent on continuous supply of electricity, water and other fuel which are critical to our manufacturing operations. For the three months period ended June 30, 2024, June 30, 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, the cost of electricity was ₹ 88.23 million, ₹ 79.72 million, ₹ 383.93 million, ₹ 309.13 million, and ₹ 247.66 million, for each respective period/ year which accounted for 1.02%, 1.24%, 1.42%, 1.30% and 1.32% of our revenue from operations, respectively. While we have entered into agreements with local electricity distribution companies for the supply of electricity and maintain diesel-generator sets, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Any shortage or non-availability of essential utilities could result in temporary shut-down of apart, or all, of our operations at the location experiencing such shortage. Such shutdowns could, particularly if they are for prolonged periods, have an adverse effect our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

Any failure on our part to obtain alternate sources of electricity, fuel, or water, in a timely manner, and at an acceptable cost, may cause a slowdown or interruption to our production process and have an adverse effect on our business, financial condition and results of operations. Further, the recent increase in the prices of fuel and electricity may result in an increase in our electricity and fuel expenses which may have increase our operating cost in general and may have an adverse impact on our business, financial condition and results of operations.

15. ***Our Promoters have provided personal guarantees for loan facilities availed by our Company and may provide additional guarantees in the future. Any failure or default in repaying such loans could trigger repayment obligations on our Promoter, which may also impact our Promoters' ability to effectively service their obligations as our Promoters and thereby, adversely impact our business and operations.***

Our Promoters, Ajay Kumar Bansal and Anish Bansal have provided personal guarantees for all the loan facilities availed by our Company and may continue to do so in the future. Any default or failure by the borrowers to repay the loans in a timely manner or at all or revocation of the personal guarantees by the Promoters, could trigger repayment obligations on the part of our Promoters in respect of such loans. For details, please see the section titled *"Financial Statements*" on page 280.

Any withdrawal or revocation of personal guarantees could have an impact on their ability to effectively service their obligations as Promoters of our Company, thereby having an adverse effect on our business, results of operation and financial condition. Further, in the event that our Promoters withdraw or terminate the guarantees, the lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. The borrowers may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect their business prospects, financial condition, results of operations and cash flows.

16. ***We may be subject to significant risks and hazards in course of our normal business operations, for which our insurance coverage might not be adequate.***

We maintain an amount of insurance protection that we consider adequate for our business and have obtained fire and peril insurance policies etc. We may not have identified every risk and further may not be insured against every risk because such risks are either uninsurable or not insurable on commercially acceptable terms, including operational risks that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies, or due to the same being inadequate, could materially harm our cash flows, financial condition and future results of operations. We cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subject. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner and on similar terms, at acceptable cost or at all. While there has been no instance in the last three Fiscals year where we experienced losses exceeding our insurance coverage, there is no assurance that such instances will not arise in the future. Our construction works are undertaken by third-party contractors and typically require workmen to work at height, lift heavy equipment and other activities which all involve various levels of safety risks.

Safety measure adopted by us may be not sufficient to protect against all the accidents/eventualities in future.

17. ***We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.***

As of March 31, 2024, we had total outstanding borrowings on a consolidated basis (consisting of long-term borrowings, short-term borrowings and other current financial liabilities) of ₹ 4,033.04 million. The documentation in respect of loans availed by us contains numerous financial and operating covenants that may limit the discretion of our management with respect to certain business matters. These covenants place restrictions on, among other things: (a) changes to the capital structure or ownership of our Company; (b) changing the constitution / composition of the Board; (c) change in the general nature of business of our Company**.** Our existing debt financing agreements also require, and documents governing our future indebtedness may require, us to furnish certain security in favor of the relevant lender and meet certain financial ratios and tests. While we have received consents from our lenders in relation to the Issue, to the extent applicable, some of these consents are subject to certain conditions, including receipt of consents from all applicable lenders and absence of any event of default. Failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time.

18. ***Our Promoter and members of the Promoter's Group will continue to exert substantial voting control over our Company after completion of the Issue, which may limit your ability to influence the outcome of matters submitted for approval of our shareholders.***

As of the date of this Preliminary Placement Document, our Promoters and members of the Promoter's Group will continue to hold significant stake in the Company post Issue. This concentration of ownership could limit your ability to influence corporate matters requiring shareholders' approval. Our Promoter and members of the Promoter's Group 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. In addition, if our shareholders do not act together, such matters requiring shareholders' approval may be delayed or may not occur at all, which could adversely affect our business. Moreover, these shareholders are not obligated to provide any business opportunities to us. If such other shareholders invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, results of operations, financial condition and cash flows. We cannot assure you that our existing shareholders will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. Further, the trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter. For details of our Equity Shares held by our Promoter, see "*Capital Structure*" on page 84.

19. ***Certain properties of our Company are situated on leased premises. Any termination or failure by us to renew the lease agreements in a favorable and timely manner, or at all, could adversely affect our business, cash flows and results of operations.***

Certain of our properties including our offices and plants are situated on leased premises. The lease agreements can be terminated, and any such termination could result in our offices or plants being shifted or shut down. If the lease agreement is not renewed or not renewed on terms favourable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. Further, our lease agreements are required to be adequately stamped. Unless such document is adequately stamped, such document may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business. For information in relation to our premises, see "*Our Business –Properties*" on page 217.

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

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions include rent paid to KMP, sale/purchase of goods to associates and loan to associate enterprises. While all such transactions have been conducted on an arm's length basis, we cannot assure you that we might not have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions. While we shall endeavour to conduct all related party transactions post listing of the Equity Shares 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. While the Company will endeavour to duly address such conflicts of interest as and when they may arise, we cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects or may potentially involve any conflict of interest.

Further, list of the related parties and all related party transactions, are disclosed under Ind AS 24 and / or as covered under section 188(2) of the Companies Act, 2013 (as amended), SEBI LODR Regulations and other statutory compliances. Furthermore, in respect of all/any conflicts of interest arises among the equity shareholders in relation to the related party transactions entered in the past, there are no such conflicts of interest arises among the equity shareholders in relation to related party transactions. Though, the related party transactions entered into by the Company in the past are in compliance with the Section 177 and Section 188 of the Companies Act, 2013 and other applicable laws, there can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

21. ***We are dependent on our Promoters, Directors, Key Managerial Personnel and members of Senior Management, including other employees with technical expertise. Any loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on our Promoters, Directors, Key Managerial Personnel and members of Senior Management for strategic business decisions and managing our business. We benefit greatly from the extensive industry experience, vision, and guidance of our Promoters. For details pertaining to the profile of the Directors, please refer to "*Board of Directors and Senior Management*" on page 219. The experience and leadership of our Promoters, Directors, Key Managerial Personnel and members of Senior Management has played a key factor in our growth and development.

We cannot assure you that we will be able to retain them or find adequate replacements in a timely manner, or at all, if required. In the event, any of our Promoters or one or more members of our Key Managerial Personnel and Senior Management Personnel are unable or unwilling to continue in their present positions, it would be challenging for us to replace such person in a timely and cost-effective manner or at all. Any loss or interruption in the services of our Key Managerial Personnel or members of Senior Management could significantly affect our ability to effectively manage our operations and to meet our strategic objectives. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, if we are unable to offer qualified personnel adequate compensation, we may be unable to attract or retain our employees and the competition for highly skilled personnel may require us to increase salaries and which increased costs we may be unable to pass on to our customers.

In addition, we could incur additional expenses and need to devote significant time and resources to recruit and train replacement personnel, which could further disrupt our business operations, growth and prospect. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. Recruiting and retaining capable personnel, particularly those with expertise and experience in our industry, including in the regions we operate are vital to our success. If we are unable to recruit, train and retain a sufficient number of these employees, then our ability to maintain our competitiveness and grow our business could be negatively affected. Any loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition and cash flows. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected. Further, should our Promoters' involvement in our business reduce for any reason in the future, our business, results of operations, financial condition and prospects may be adversely affected.

22. ***Our past performance may not be indicative of our future growth. An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects and future financial performance.***

We have experienced stable growth for the three months period ended June 30, 2023 and June 30, 2024 and Fiscals 2024, 2023 and 2022. Set forth below are certain financial metrics indicating our growth, as per the Restated Financial Statements:

(₹ in million)

Particulars	For the three months period ended June 30,		Fiscal		
	2024	2023	2024	2023	2022
Revenue from operations	8,669.78	6,421.66	26,992.94	23,858.47	18,788.47
Profit/ (loss) after tax	180.53	80.23	439.30	376.81	403.26

However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate. Our business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

23. ***Any adverse changes in regulations governing our business operations or the products of our end-customers, may adversely impact our business, prospects, and results of operations.***

Government regulations and policies of India can affect the demand for, expenses related to and availability of our products. We expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business and results of operations. Further, regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and use of products by our customers may have an adverse impact on our operations. We may be required to alter our manufacturing, sales & distribution process and target new markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us. We cannot assure you that we will be able to comply with such regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations, and permissions once received, the relevant regulatory body may suspend, curtail, or revoke our ability to market such products and/ or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

24. ***Certain sections of this Preliminary Placement Document contain information from CARE Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.***

Certain sections of this Preliminary Placement Document include information based on, or derived from, or extracts of the industry report titled "*Industry Research Report on Steel Industry*" issued on October 4, 2024 ("**CARE Report**") by CARE Analytics and Advisory Private Limited, appointed by our Company exclusively for the purpose of the Issue. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Issue. Our Company, our Promoters, and our Directors are not related to CARE Analytics and Advisory Private Limited.

All such information in this Preliminary Placement Document indicates the CARE Report as its source. Accordingly, any information in this Preliminary Placement Document derived from, or based on, the CARE 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. Further, the CARE Report is not a recommendation to invest / disinvest in any company covered in the CARE Report. 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 Preliminary Placement Document based on, or derived from, the CARE Report. You should consult your own advisors and undertake an independent assessment of information in this Preliminary Placement Document based on, or derived from, the CARE Report before making any investment decision regarding the Issue. For details, please see the section titled "*Industry Overview*" on page 122. For the disclaimers associated with the CARE Analytics and Advisory Private Limited, please see section titled "*Industry and Market Data*" on page 17.

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

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors shareholdings in our Company.

Any future equity issuances by us or sales of our Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

26. ***Our Company has undertaken an issuance of bonus Equity Shares in the past. However, we cannot assure you that our Company will be able to undertake an issuance of bonus Equity Shares in the future.***

Pursuant to Section 63 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, a Company may issue bonus shares to its shareholders. Our Company has in the past authorized the issuance of bonus shares. For details, please see the section titled "*Capital Structure*" on page 84 of this Preliminary Placement Document.

Our Company may issue bonus shares to its shareholders in the future out of the Company's free reserves or securities premium account or the capital redemption reserve account. Such issuance of bonus shares may result into depletion of the funds standing to the credit of free reserves or securities premium account or the capital redemption reserve. Any future issuance of bonus Equity Shares, if proposed to be undertaken, will depend upon internal and external factors, including but not limited to, profits earned, results of future earnings, capital structure, financial condition, capital expenditures and applicable Indian legal restrictions. There can be no assurance that our Company will be able to undertake bonus issuance of bonus Equity Shares in the future.

27. ***We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements.***

Our ability to pay dividends depends on our earnings, financial condition, cash flows, capital requirements, applicable Indian legal restrictions and other factors. 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 may, in the future, be restricted by the terms of our loan agreements, from making any dividend payments, unless otherwise agreed upon by our lenders. We cannot assure you that we will be able to pay dividends in the future. Additionally, the Finance Act, 2020 provides, among other things, a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax, will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. For details of dividend paid our Company, see section titled "*Dividend*" on page 91 of this Preliminary Placement Document.

28. Our Promoter have interest in entities which are in businesses similar to ours and this may result in conflict of interest with us.

As on the date of this Preliminary Placement Document, Mr. Ajay Kumar Bansal, have interest in entities which are engaged in businesses similar to our business. One of our Promoters i.e. Mr. Ajay Kumar Bansal is also the promoter and director of Hi-Tech Saw Limited. Hi-Tech Saw Limited is in the business of different category of pipes i.e. saw pipes. While there is presently no conflict, there can be no assurance that Hi-Tech Saw Limited will not provide competitive services or otherwise compete in business lines in which are already present or will enter into in future. In such event, our business, financial condition and results of operations may be adversely affected.

29. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and are based on management estimates. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval and any delay in obtaining such shareholders' approval may adversely affect our business or operations.

Our funding requirements set out in the section titled '*Use of Proceeds'* beginning on page 70 are based on management estimates and have not been appraised by any bank or financial institution or any other independent agency. Our funding requirements are based on our current business plan and may vary based on various factors including macro-economic and other changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilisation of proceeds from the Issue may also change. This may also include rescheduling the proposed utilisation of Net Proceeds at the discretion of our management. Moreover, we have also not entered into definitive agreements to utilise the proceeds from the Issue for certain objects of the Issue**.** We may make necessary changes to utilisation of Net Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilisation of the Net Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

We have appointed a monitoring agency for monitoring the utilization of Gross Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Further, our Company would be liable to provide an exit opportunity to shareholders who do not agree with our proposal to change the objects of the Issue. Further, we cannot assure you that the Promoters of our Company will have adequate resources at its disposal at all times to enable it to provide an exit opportunity at the price prescribed by SEBI.

30. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA have been included in this Preliminary Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin (%), Interest Coverage Ratio, Return on Capital Employed (%), Return on Equity (%), Debt Equity Ratio have been included in this Preliminary Placement Document. These non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year 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, IFRS, or US GAAP. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

31. Our inability to identify, obtain and retain intellectual property rights, or to protect or use them, could harm our business. Further, we may infringe upon the intellectual property rights of others, any misappropriation of which could adversely affect our business and reputation.

Our name and trademarks are significant to our business and operations. Accordingly, it is important that we identify, obtain and retain intellectual property rights. We believe that our trade names have brand recognition in their respective sectors and are important to identifying and differentiating our business from those of our competitors and creating and sustaining demand for our services. Our efforts to protect, maintain, or enforce our proprietary rights may be ineffective and could result in substantial costs and diversion of resources, which could adversely affect our business, financial condition, cash flows and results of operations. The use of our logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance and the market price of the Equity Shares. We cannot assure you that we will be able to successfully take steps to protect our intellectual property rights that will be adequate to prevent the infringement of such rights by others. Third parties may provide services under our or similar brand name or marks which, may result in confusion among customers and loss of business for us. Any adverse experience of customers of such third parties or any negative publicity generated in respect of such third parties could negatively affect our business and reputation. Although we attempt to avoid infringing upon known proprietary rights of third parties, we are subject to the risk of claims alleging infringement of third-party proprietary rights. While, there has been no such instance in the past, however we cannot assure you that such instances will not occur in future. If in response to a third-party infringement allegation, we were to determine that we require a license to such third-party's proprietary rights, then we may be unable to obtain such license on commercially reasonable terms. In addition, any claim of infringement could cause us to incur substantial costs defending such claim, even if the claim is baseless, and could distract our management from our business. A party asserting such an infringement claim could secure a judgment against us that requires us to pay substantial damages, grants such party injunctive relief, or grants other court ordered remedies that could prevent us from conducting our business. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our business, cash flows, results of operations and financial condition.

EXTERNAL RISK FACTORS

Risks Relating to India

32. Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain.

Our business, results of operations, financial condition and cash flows could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, results of operations, financial condition, cash flows and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The Government of India may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, 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 business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects.

33. Political instability or changes in policies effected by the Government of India could adversely affect economic conditions in India. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition and cash flows.

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, results of operations, financial condition and cash flows and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, changes in interest rates, changes in government policies, changes in taxation laws and other political and economic developments affecting India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, results of operations, financial condition and cash flows.

34. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or increase the price of our services to pass the increase in costs on to our consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates but it is unclear whether these measures will remain in effect. We cannot assure that Indian inflation levels will not worsen in the future.

35. The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of our Equity Shares.

Any change in Indian tax laws could have an effect on our operations. The Government of India has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("GST"), and provisions relating to general anti-avoidance rules ("GAAR"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of certain tax benefits claimed by us. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Further, the Government of India has announced the interim union budget for the financial year 2024-2025 and has enacted the Finance Act, 2024. While the Finance Act, 2024 does not propose any significant changes to the Income Tax Act, 1961, the entire union budget which is likely to be announced later this year may introduce amendments to the Income Tax Act, 1961. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

36. Any downgrade of India's debt rating by international rating agencies could adversely affect our business.

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

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets? and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

38. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our clients thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our clients. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

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

40. Our ability to borrow in foreign currencies is restricted by Indian law.

Indian companies are subject to foreign exchange regulations that regulate borrowing in foreign currencies, including those specified under the Foreign Exchange Management Act, 1999. Such regulatory restrictions limit our ability to borrow in foreign currencies and, therefore, could negatively affect our ability to obtain financing on competitive terms. In addition, we cannot assure you that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, if at all. Such, and other, limitations on raising foreign capital may adversely affect our business, results of operations, financial condition and cash flows.

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

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

42. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Lead Managers or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

Our Company is a company incorporated under the laws of India. All of our fixed assets, Directors, Key Managerial Personnel and Senior Management 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 in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("CPC"). Section 13 of CPC provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, 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 recognize the law of India in cases to 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 CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards.

India is not a party to any international multilateral treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges of a like nature, 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. Further, we cannot assure you that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law. For details in relation to enforceability of judgments obtained outside India, see "*Enforcement of Civil Liabilities*" on page 20.

RISKS RELATING TO THE ISSUE AND THE EQUITY SHARES

43. We cannot guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, after our Board or a duly constituted committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the QIBs, we are required to apply to the Stock Exchanges for listing and trading approvals. After receiving the listing and trading approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the Depository Participant accounts of the respective QIBs and apply for the final listing and trading approvals from the Stock Exchanges. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining these approvals would restrict an investor's ability to dispose of their Equity Shares.

Bidders can start trading the Equity Shares allotted to them in the Issue only after they have been credited to an investor's demat account, are listed and are permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, 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.

Further, we cannot assure you that the Equity Shares allocated to an investor will be credited to the investor's demat account, that listing and trading approvals will be issued by the Stock Exchanges in a timely manner, or at all, or that trading in the Equity Shares will commence in a timely manner, or at all. In accordance with applicable Indian laws and regulations and the requirements of the Stock Exchanges, in principle and final approvals for the listing and trading of the Equity Shares to be issued pursuant to the Issue will not be applied for by us or granted by the Stock Exchanges until after such Equity Shares have been issued and allotted by us on the Closing Date. If there is a failure or a delay in obtaining such approvals, we may not be able to credit the Equity Shares allotted to you to your Depository Participant account or assure ownership of such Equity Shares by you in any manner promptly after the Closing Date or at all. In any such event, your ownership over the Equity Shares allotted to you and your ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see "*Issue Procedure*" on page 235.

44. Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Preliminary Placement Document; you will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on Stock Exchanges for a period of one year from the date of the allotment of the Equity Shares.

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction, except for India. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in "*Selling Restrictions*" on page 251. Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. Pursuant to the SEBI ICDR Regulations, QIBs will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares. For further information, see "*Purchaser Representations and Transfer Restrictions*" on page 259. You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

45. Any future issuance of Equity Shares could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.

Our Company may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares by our Company could dilute investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares, sales by any significant shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares. These sales could also impair our Company's ability to raise additional capital from the sale of Equity Shares. Our Company cannot assure you that it will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

46. After this Issue, the price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in this Issue.

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, based on the Bids received in compliance with Chapter VI of the SEBI Regulations, and may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares on NSE and BSE may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or 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;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our Company's profitability and performance;
- perceptions about our Company's future performance or the performance of Indian banks in general;
- the performance of our Company's competitors and the perception in the market about investments in the banking sector;
- adverse media reports about our Company or the Indian banking sector;
- a comparatively less active or illiquid market for the Equity Shares;
- changes in the estimates of our Company's performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies;
- inclusion or exclusion of our Company in indices;
- significant developments in India's fiscal regulations; and
- any other political or economic factors.

We cannot assure you that you will be able to resell your Equity Shares at or above the Equity 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 this Issue.

47. Foreign investors are subject to certain investment restrictions under Indian law in relation to transfer of shareholding that may limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the requirements specified by RBI from time to time. If the transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of RBI is required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income-tax authorities.

Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. 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. Our Company cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions, or at all.

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

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares which may be adversely affected at a particular point in time. For further details, see "*The Securities Market of India*" on page 261.

49. Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.

The Equity Shares are quoted in Rupees on the Stock Exchanges. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividends to investors. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Equity Shares, which will be paid only in Rupees.

In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rates between the Rupee and other currencies (including the U.S. dollar, the Euro, the Pound sterling, the Hong Kong dollar and the Singapore dollar) have changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results. You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, our Company's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of our Company's results of operations, financial condition and cash flows.

50. Investors may be subject to Indian taxes arising out of capital gains and stamp duty on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("STT") is levied on equity shares sold on an Indian stock exchange. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months may be subject to long-term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT on both acquisition and sale of the equity shares. Further any capital gain realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. 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 realised upon the sale of the Equity Shares. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

51. Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Bidders are not allowed to withdraw their Bids or revise their Bids downwards in terms of quantity of Equity Shares or the Bid Amount after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to an Allottee's demat account with the depository participant could take approximately seven to ten Working Days from the Issue Closing Date. However, we cannot assure that adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, adverse changes in our business, results of operations, financial condition and cash flows, or other events affecting the Bidder's decision to invest in the Equity Shares would not arise between the Issue Closing Date and the date of the Allotment of Equity Shares in the Issue. The occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. Bidders shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the Allottees' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

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

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such a resolution. If our Company offers to the Shareholders rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making the rights available to our Shareholders or in disposing of the rights for the benefit of our Company's Shareholders and making the net proceeds available to the Shareholders. Our Company may choose not to offer the rights to Shareholders having an address outside India. Consequently, our Company cannot assure Shareholders that they will be able to maintain their proportional interests in the Equity Shares. Shareholders will be unable to exercise their pre-emptive rights if the law of the jurisdiction in which they are located prohibits the sale of the Equity Shares without first filing an offering document or registration statement, unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to Shareholders by Indian law. To the extent that Shareholders are unable to exercise the pre-emptive rights granted to them in respect to the Equity Shares, they may suffer future dilution of their ownership position and their proportional interests in our Company would be reduced

MARKET PRICE INFORMATION

As at the date of this Preliminary Placement Document, 176,111,000 Equity Shares are paid-up and outstanding.

The Equity Shares have been listed and traded on the BSE and the NSE since December 16, 2021 and May 7, 2018, respectively. On October 7, 2024, the last traded price of the Equity Shares on the NSE and the BSE was ₹ 200.00 and ₹ 197.95 per Equity Share, respectively. Since the Equity Shares are actively traded on the Stock Exchanges, the market price and other information for each of the NSE and the BSE has been given separately.

i. The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for Fiscal Year 2024, Fiscal Year 2023 and Fiscal Year 2022:

BSE

Fiscal Year	High (₹)	Date of high[(1)]	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (₹ in million)	Low (₹)	Date of low [(1)]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in million)	Average price for the year (₹) [(2)]
2022[(3)*]	62.26	January 10, 2022	128,100	8.02	50.24	December 24, 2021	13,430	0.70	55.00
2023[(3)]	97.73	January 23, 2023	60,270	5.87	39.86	June 20, 2022	4,230	0.17	66.62
2024	168.60	February 19, 2024	612,888	100.81	71.83	May 9, 2023	29,471	2.15	99.96

(Source: www.bseindia.com)

Notes:
(1) *High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.*
(2) *Average price for the year represents the average of daily closing prices on each day of each year.*
(3) *Pursuant to a resolution passed by our Board in its meeting held on January 28, 2023 and approved by the Shareholders by way of a special resolution in the postal ballot dated March 02, 2023, each fully paid-up equity share of our Company having face value of ₹10/- was sub-divided into 10 Equity Shares of face value ₹1/- each. Therefore 12,781,100 Equity Shares of our Company having face value of ₹10/- each were subdivided into 127,811,000 Equity Shares of face value ₹1/- each. Prices adjusted for Share Split.*
**The equity shares of the Company got listed on the main board of BSE on December 16, 2021, therefore the price information for BSE is only available for three months and fifteen days.*

NSE

Fiscal Year	High (₹)	Date of high[(1)]	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (₹ in million)	Low (₹)	Date of low [(1)]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in million)	Average price for the year (₹) [(2)]
2022[(3)]	72.41	July 29, 2021	28,61,550	210.71	36.00	May 14, 2021	238,470	8.67	52.51
2023[(3)]	97.76	January 23, 2023	1,691,430	165.35	39.86	June 20, 2022	368,340	14.74	66.62
2024	168.55	February 19, 2024	11,636,666	1,909.11	71.75	May 09, 2023	4,52,831	32.93	99.99

(Source: www.nseindia.com)

Notes:

(1) *High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.*
(2) *Average price for the year represents the average of daily closing prices on each day of each year.*
(3) *Pursuant to a resolution passed by our Board in its meeting held on January 28, 2023 and approved by the Shareholders by way of a special resolution in the postal ballot dated March 02, 2023, each fully paid-up equity share of our Company having face value of ₹10/-was sub-divided into 10 Equity Shares of face value ₹1/-each. Therefore 12,781,100 Equity Shares of our Company having face value of ₹10/-each were subdivided into 127,811,000 Equity Shares of face value ₹1/-each. Prices adjusted for Share Split.*

ii. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded during each of the last six months:

BSE

Month ended	High (₹)	Date of high [1]	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (₹ in million)	Low (₹)	Date of low[1]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in million)	Average price for the month (₹)[2]
September 2024	205.30	September 20, 2024	177,746	22.53	186.95	September 4, 2024	68,341	7.82	194.62
August 2024	193.55	August 30, 2024	177,592	333.29	141.00	August 6, 2024	54,176	9.83	170.19
July 2024	154.00	July 31, 2024	120,796	27.09	129.15	July 9, 2024	101,294	7.05	142.35
June 2024	139.00	June 20, 2024	87,195	16.66	112.10	June 4, 2024	40,060	11.60	128.05
May 2024	135.10	May 3, 2024	124,537	11.61	121.65	May 30, 2024	59,107	4.89	126.23
April 2024	144.10	April 1, 2024	6,042	17.78	127.50	April 22, 2024	366,986	7.62	133.92

(Source: www.bseindia.com)

Notes:
(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.
(2) Average price for the month represents the average of daily closing prices on each day of each month.

NSE

Month ended	High (₹)	Date of high [1]	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (₹ in millions)	Low (₹)	Date of low[1]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in millions)	Average price for the month (₹)[2]
September 2024	205.24	September 20, 2024	2,525,118	511.38	186.60	September 4, 2024	777,362	144.87	194.65
August 2024	193.91	August 30,	2,724,553	520.69	140.66	August 6, 2024	776,380	111.26	170.17

Month ended	High (₹)	Date of high (1)	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (₹ in millions)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in millions)	Average price for the month (₹)(2)
		2024							
July 2024	153.96	July 31, 2024	2,020,752	308.74	128.92	July 9, 2024	783,907	101.64	142.24
June 2024	139.02	June 20, 2024	2,286,012	316.72	112.00	June 4, 2024	1,040,979	118.54	128.16
May 2024	135.10	May 3, 2024	764,496	102.05	121.70	May 30, 2024	314,720	38.40	126.17
April 2024	144.10	April 1, 2024	1,568,626	224.60	127.50	April 22, 2024	715,253	92.33	133.93

(Source: www.nseindia.com)

Notes:
(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.
(2). Average price for the month represents the average of daily closing prices on each day of each month.

iii. The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 on the Stock Exchanges:

Financial Year Ended	Number of Equity Shares Traded		Turnover (₹ in millions)	
	BSE	NSE	BSE	NSE
March 31, 2022*#	1,275,530	15,183,198	73.09	7,996.35
March 31, 2023*	12,444,822	199,509,469	948.67	399.75
March 31, 2024	33,450,248	345,120,581	3,805.76	2,012.90

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

**Pursuant to a resolution passed by our Board in its meeting held on January 28, 2023 and approved by the Shareholders by way of a special resolution in the postal ballot dated March 02, 2023, each fully paid-up equity share of our Company having face value of ₹10/-was sub-divided into 10 Equity Shares of face value ₹1/-each. Therefore 12,781,100 Equity Shares of our Company having face value of ₹10/-each were subdivided into 127,811,000 Equity Shares of face value ₹1/-each. Prices adjusted for Share Split.*
#The equity shares of the Company got listed on the main board of BSE on December 16, 2021, therefore the price information for BSE is only available for three months and fifteen days.

iv. The following table set forth the details of the number of Equity Shares traded and the turnover during the six immediately preceding months:

Period	Number of Equity Shares Traded		Turnover (₹ in millions)	
	BSE	NSE	BSE	NSE
September 2024	4,708,703	34,555,567	407.49	6,776.85
August 2024	4,260,734	63,154,578	818.71	11,001.67
July 2024	1,662,190	45,489,200	616.54	6,554.73
June 2024	976,070	19,502,996	215.84	2,553.04
May 2024	1,293,484	10,299,775	123.61	1,310.95
April 2024	2,580,406	15,581,558	175.43	2,114.64

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

v. The following table sets forth the market price on BSE and NSE on August 19, 2024, i.e., the first working day following the approval of the Board of Directors for the Issue:

Stock Exchange	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares trade	Turnover (₹ in millions)
BSE	184.75	189.90	181.15	182.95	195,967	36.35
NSE	184.00	189.77	181.01	182.68	155,430	770.50

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

USE OF PROCEEDS

The gross proceeds from the Issue shall aggregate up to ₹ [●] million (the "**Gross Proceeds**"). Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, of approximately ₹ [●] million, shall be approximately ₹ [●] million (the "**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, and as approved by the Board of Directors, we intend to use the Net Proceeds towards the following objects ("**Use of Proceeds**"):

1. Funding capital expenditure requirement for expansion of our existing manufacturing unit at Sanand, Gujarat and setting up a new manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh;

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

3. General corporate purposes.

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

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Sr. No.	Particulars	Amount (₹ in million)
1.	Funding capital expenditure requirement for expansion of our existing manufacturing unit at Sanand, Gujarat and setting up a new manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh	1,762.08
2.	Repayment and/or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	3,000.00
3.	General corporate purposes*#	[●]
	Total Net Proceeds#	**[●]**

**The amount to be utilised for general corporate purposes will not exceed 25% of the Gross Proceeds.*
#To be determined upon finalisation of the Issue Price and updated in the Placement Document.

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 in proportion to the change in the final Issue size in the Placement Document.

Our main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake our existing business activities and activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

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

(in ₹ million)

Sr. No.	Particulars	Total estimated cost	Funds already deployed till September 30, 2024$	Amount to be funded from the Net Proceeds	Tentative Schedule for Deployment of the Net Proceeds	
					Fiscal 2025	Fiscal 2026
1.	Funding capital expenditure requirement for expansion of our existing manufacturing unit at Sanand, Gujarat and setting up a new manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh	1,762.08	-	1,762.08	523.10	1,238.98
3.	Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	3,000.00	N.A.	3,000.00	3,000.00	-
4.	General corporate purposes*#	[●]	-	[●]	[●]	[●]
Total Net Proceeds#		[●]	-	[●]	[●]	[●]

** The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.*
 # To be determined upon finalization of the Issue Price and updated in the Placement Document.
$ As certified by A N Garg & Company, Chartered Accountants, pursuant to their certificate dated October 7, 2024.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our internal management estimates, prevailing market conditions, operating plans and the growth strategies of our Company, purchase orders and other commercial factors, which are subject to change in the future. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. For details, see "*Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and are based on management estimates. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval and any delay in obtaining such shareholders' approval may adversely affect our business or operations*" on page 55. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market conditions, business and strategy, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the planned expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable laws. Subject to applicable law, if the actual utilization 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 the event the estimated utilization of the Net Proceeds is not completely met (in full or in part) as per the timelines set out above, due to the reasons stated above, the same shall be utilized in subsequent periods, as may be determined by our management, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire Net Proceeds, towards the Objects, ahead of the estimated schedule of deployment specified above. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Subject to compliance with applicable laws, in case of any variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements or by surplus funds available in respect of the other purposes for which funds are being raised in the Issue (except towards general corporate purposes).

Details of the Objects

1. Funding capital expenditure requirement for expansion of our existing manufacturing unit at Sanand, Gujarat and setting up a new manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh

In accordance with our business strategies and growth plans we plan to expand our manufacturing capacity at Sanand, Gujarat and set up a new manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh. This includes:

(i) *Brownfield project*: expansion of manufacturing capacity at our existing manufacturing unit situated at Sanand, Gujarat ("**Proposed Unit I**") with a new Direct Forming Technology (DFT) Line of 100,000 MTPA capacity for production of large diameter section pipes with range from 200x200 to 500x500 which has high demand in the construction and infrastructure sectors in the western of India; and

(ii) *Greenfield project*: Setting up of new manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh ("**Proposed Unit II**") with a new Direct Forming Technology (DFT) Line of 90,000 MTPA capacity for production of large diameter section pipes with range from 200x200 to 500x500 which has high demand in the construction and infrastructure sectors and small diameter round and Electric Resistance Welded ("**ERW**") plant with 30,000 MTPA capacity for production of hollow sections pipes which has high demand for general fabrication and water transportation in the southern of India. Post expansion, the aggregate installed capacity of Company would be 970,000 MTPA.

The details of cost of the Proposed Unit I and Proposed Unit II are as follows:

A. Brownfield Project: Proposed Unit I

The total estimated cost to establish the Proposed Unit I is ₹ 768.71, million, as per the "*Techno Economic Viability Report of Hi-Tech Pipes Limited for the Expansion of the Sanand Unit in Gujarat and the Establishment of a New Facility in Sri City (Chinnapandru), Andhra Pradesh*" dated October 3, 2024 issued by CARE Analytics and Advisory Private Limited ("**TEV Report**"). As part of the Proposed Unit I, we will incur expenditure towards installation of machineries and erection of factory shed and building.

Government Approvals

Our Company has also obtained consent to establish dated February 15, 2023 from Gujarat Pollution Control Board, for the Proposed Unit I. Additionally, our Company has also received ISO certificate 9001:2015 bearing number 23DQLE76 issued on September 19, 2023, ISO certificate 14001:2015 bearing certificate no. 23DELP83 issued on September 19, 2024 and license to work bearing no. 51891 issued on June 1, 2023 for the Proposed Unit I.

Land

We aim to propose a brownfield expansion of our manufacturing unit at Sanand, Gujarat. The total area of land at Sanand, Gujarat 56,069 sq. mtrs. in the year 2020 and 2021 on freehold basis as per detail given in the TEV Report of which ~5,000 sq. mtrs is covered by our existing facility and the land over which our Sanand facility is situated is owned by the Company. Further, we have made arrangements for regular power at the Proposed Unit I. The Board of Directors of our Company pursuant to their resolution dated November 5, 2019 has approved the expansion of the Sanand Unit for the aforesaid benefits.

We intend to use part of the Net Proceeds allocated for this Object as set out below

Description	**Amount (₹ in million)**
Total estimated project cost (A)	768.71
(less) expenses already incurred as of September 30, 2024 (B)*	-
Total balance estimated cost (C) = (A-B)	768.71

**As certified by A N Garg & Company, Chartered Accountants, pursuant to their certificate dated October 7, 2024, there has been no expense incurred towards this object by our Company.*

Break-down of estimated cost

The detailed break-down of these estimated costs for Proposed Unit I is provided in the table below:

Sr. No.	Description of equipment	Name of vendor	Date of quotation	Validity of the quotation (from the date of the quotation)	Rate (₹ in million)	Quantity (nos. unless specified)	Total cost (₹ in million)
1	DFT Mill, Welder and allied equipments	Shanghai Muhong Mechanical And Electrical Equipment Co., Ltd	August 12, 2024	180 days	527.77*	1	527.77*
2	Compressors	AS Equipment Pvt Ltd	August 22, 2024	180 days	2.94	1	2.94
3	EOT Crane 30Ton, Span-26Mtr	Venus Engineers	August 23, 2024	180 days	5.90	2	11.81
	EOT Crane 15Ton, Span-26Mtr				3.94	2	7.87
4	LT Pannel, Main Pannel, Capacitor Pannel	Gallium Mechatronics Pvt Ltd	August 24, 2024	6 months	3.41	1	3.41
5	Distribution Transformer	Power Engineers and Consultants	August 17, 2024	6 months	1.95	1	1.95
6	Servo With Harmonic Controller	Power Engineers and Consultants	August 22, 2024	6 months	1.08	1	1.08
7	Factory Shed & Building	Subhash Mandhan Engineers & Contractors	August 23, 2024	6 months	-	-	148.90
8	Civil Foundation of Plant & Machinery	Subhash Mandhan Engineers & Contractors	August 23, 2024	6 months	-	-	26.37
9	Contingency estimation equivalent to 5.00% of the total cost indicated in the quotations obtained by our Company	NA	NA	NA	NA	NA	36.61
	Total						**768.71**

**This quotation are denominated in USD which have been converted into INR millions using conversion rate of ₹ 83.7009 i.e. Exchange Rate on September 26, 2024, as provided by the Reserve Bank of India (RBI). Any increase in the estimated costs due to fluctuation in the USD-INR conversion will be paid for by our Company out of internal accruals*

We are yet to place orders for the Proposed Unit I to purchase the above equipment, utilities and undertake construction activities and no payments have been made towards these items. However, vendors have been shortlisted and quotations have been negotiated for the purchase of the above equipment. The quotations in relation to the equipment are valid as on the date of this Preliminary Placement Document. Some of the quotations mentioned above may not include cost of freight, insurance, octroi, entry tax, ocean freight and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs, or any additional costs attributable to other reasons, including pursuant to prevailing foreign exchange conversion rates, shall be funded from the internal accruals of the Company, as required.

B. Greenfield Project: Proposed Unit II

The total estimated cost to establish the Proposed Unit II is ₹ 993.37 million, as per the TEV Report. As part of the Proposed Unit II, we will incur expenditure towards setting up a new DFT Line, installation of machineries and erection of factory shed and building.

Government Approvals

Our Company has also obtained consent to establish dated September 30, 2024 from Andhra Pradesh Pollution Control Board, for the Proposed Unit II.

Land

We propose to undertake greenfield project for setting up a new manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh. the Company acquired the land parcel of around 40,470 sq. mtrs. in the year 2020 on leasehold basis as per details given in the TEV Report. We are initiating the process of building for the Proposed Unit II on the said land. Further, the Industrial Park Authority where the Proposed Unit II is location will be responsible for providing the power and water supply to our Proposed Unit II**.** The Board of Directors of our Company pursuant to their resolution dated December 19, 2019, has approved the setting up the Proposed Unit II for the aforesaid benefits.

We intend to use part of the Net Proceeds allocated for this Object as set out below

Description	**Amount (₹ in million)**
Total estimated project cost (A)	993.37
(less) expenses already incurred as of September 30, 2024 (B)*	-
Total balance estimated cost (C) = (A-B)	993.37

**As certified by A N Garg & Company, Chartered Accountants, pursuant to their certificate dated October 7, 2024, there has been no expense incurred towards this object by our Company.*

Break-down of estimated cost

The detailed break-down of these estimated costs for Proposed Unit II is provided in the table below:

Sr. No.	**Description of equipment**	**Name of vendor**	**Date of quotation**	**Validity of the quotation (from the date of the quotation)**	**Rate (₹ in million)**	**Quantity (nos. unless specified)**	**Total cost (₹ in million)**
1	DFT Mill, Welder and allied equipments	Shanghai Muhong Mechanical and Electrical Equipment Co., Ltd	August 18, 2024	180 days	527.77*	1	527.77*
2	HR Slitting	Rollcon Engineer Co. P. Ltd.	August 18, 2024	6 months	30.16	1	30.16
3	Tube Mill with Welder and Work Rolls	Rolls Makers	August 22, 2024	6 months	144.84	1	144.84
4	Compressors	AS Equipment Pvt Ltd	August 17, 2024	180 days	2.94	1	2.94
5	EOT Crane 30Ton, Span-26Mtr	Venus Engineers	August 21, 2024	180 days	5.90	4	23.62
	EOT Crane 15Ton, Span-26Mtr				3.94	2	7.87
4	LT Pannel, Main Pannel, Capacitor Pannel	Gallium Mechatronics Pvt Ltd	August 20, 2024	6 months	6.22	1	6.22
5	Distribution Transformer	Power Engineers and Consultants	August 17, 2024	6 months	3.05	1	3.05
6	Servo With Harmonic Controller	Power Engineers and Consultants	August 17, 2024	6 months	1.86	1	1.86
7	Factory Shed & Building	Subhash Mandhan Engineers & Contractors	August 17, 2024	6 months	-	-	165.29

Sr. No.	Description of equipment	Name of vendor	Date of quotation	Validity of the quotation (from the date of the quotation)	Rate (₹ in million)	Quantity (nos. unless specified)	Total cost (₹ in million)
8	Civil Foundation of Plant & Machinery	Subhash Mandhan Engineers & Contractors	August 23, 2024	6 months	-	-	32.45
9	Contingency estimation equivalent to 5.00% of the total cost indicated in the quotations obtained by our Company	NA	NA	NA	NA	NA	47.30
	Total						**993.37**

**This quotation is denominated in USD which have been converted into INR millions using conversion rate of ₹ 83.7009 i.e. Exchange Rate on September 26, 2024, as provided by the Reserve Bank of India (RBI). Any increase in the estimated costs due to fluctuation in the USD-INR conversion will be paid for by our Company out of internal accruals*

We are yet to place orders for the Proposed Unit I to purchase the above equipment, utilities and undertake construction activities and no payments have been made towards these items. However, vendors have been shortlisted and quotations have been negotiated for the purchase of the above equipment. The quotations in relation to the equipment are valid as on the date of this Preliminary Placement Document. Some of the quotations mentioned above may not include cost of freight, insurance, octroi, entry tax, ocean freight and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs, or any additional costs attributable to other reasons, including pursuant to prevailing foreign exchange conversion rates, shall be funded from the internal accruals of the Company, as required.

The salient feature of Company commissioned TEV Report

The Company has availed the TEV Report to conduct the techno economic viability study of the proposed expansion plan by the Company at Proposed Unit I and Proposed Unit II. The Company commissioned TEV Report contains the following aspects:

<u>*Technical aspects:*</u>

a. The proposed expansion plan by the Company is for expansion of the existing unit situated at Block No. 270, 271, 272, opposite Nayara Petrol Pump, Makhiyav, Taluka-Sanand, District – Ahmedabad, Gujarat and setting up to new manufacturing unit situated at Andhra Pradesh Industrial Infrastructure Corporate Limited at 114/1,114/2,113/1,113/2,106/1,106/2,106/3,107/1 Industrial Park, Chinnapanduru, District- Chittoor, Andhra Pradesh.

b. The Company has finalised list of plant and machinery for installation and received quotations from various vendors/ machinery suppliers.

c. The installed capacity of the Proposed Unit I will be 100,000 MTPA and of the Proposed Unit II will be 120,000 MTPA.

d. The total manpower requirement has been estimated at 156 personnel for the Proposed Unit I and 349 personnel for the Proposed Unit II.

e. The Company in its existing unit at Sanand is procuring electrical sourcing (Electrical Load- 1000 KVAH) from Uttar Gujarat Vij Company Limited. For its Proposed Unit I, the Company is planning to take electrical connection from Uttar Gujarat Vij Company Limited. The water in Proposed Unit I will be procured through pipeline from the local authorities. Further, the Proposed Unit II is in the industrial area of Sri City (Chinnapandru), Andhra Pradesh. The Industrial Park Authority will be responsible for providing the power and water supply to the Company.

f. The commercial operation is expected to commence in April, 2026.

Economic aspects:

Steel tubes and pipes are cylindrical structures made of steel generally in hollow shape. However, different shapes, sizes, and grades are used to cater for the requirements of various industries.

India is one of the established manufacturers of steel pipes globally, which is also one of the most important sub-industries of the Indian steel sector. Construction, railways, oil & gas, agriculture, and real estate are some of the key consumers of steel tubes and pipes. Different types of steel tubes and pipes are given in the following chart.

The usage of steel tubes and pipes is significant in construction activities and building infrastructure. These materials are used in the construction sector for constructing structural elements such as columns, beams, and trusses to provide strength and support the formation of buildings. They are also used in water infrastructure such as water supply for drinking water, plumbing, drainage, and sewerage systems. Besides, they are used by the manufacturing sector including oil & gas pipelines, agricultural equipment, automobile components, electrical cable conduits, etc.

Steel pipes are increasingly favored over conventional materials like angles, channels, and wood due to their superior strength, durability, and longevity. While wood may initially appear stronger, modern steel tubing can outperform it through advanced alloying and processing methods, making it ideal for high-stress applications like skyscrapers. Steel pipes are lightweight yet robust, making them suitable for projects where weight is a concern. They resist rot, warping, and pests, unlike wood, which requires extensive maintenance. Additionally, steel tubing can be easily shaped for precise applications, although its manufacturing process is more labor intensive and costly. Overall, steel pipes offer a reliable and efficient alternative for modern construction needs.

The BRLM confirms that the Company commissioned TEV Report contains all material information with respect to the proposed expansion plan of our Company. The TEV Report has been relied upon to undertake the objects of the proposed offer and the proceeds being raised by the Company.

Estimated Schedule of Implementation of Proposed Unit I and Proposed Unit II

The estimated schedule of implementation for the Proposed Unit I and Proposed Unit II has been represented in the table below

Description	**FY24**		**FY25**				**FY26**
	Q3	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**
Land Acquisition		-	-	-	-	-	-
Financial Closure	-		-	-	-	-	-
Land Development	-	-		-	-	-	-
Basic Engineering	-	-			-	-	-
Detailed Engineering	-	-			-	-	-
Building and civil works	-	-				-	-
Ordering plant and machinery	-	-				-	-
Receipt of plant and machinery	-	-	-	-		-	-
Installation of plant and machinery	-	-	-	-			-
Trail runs	-	-	-	-	-		-
Commercial	-	-	-	-	-	-	

Estimated implementation schedule as per the Company commissioned TEV Report dated October 3, 2024 issued by CARE Analytics and Advisory Private Limited

Notes:

	The boxes highlighted in this colour in the above table denotes the relevant quarter of the financial year during which the activities are proposed to be completed by the Company for Proposed Unit I and Proposed Unit II.

Our Company undertakes to file necessary applications with the relevant authorities for obtaining all final approvals as may be applicable, at the relevant stages of implementation of the proposed expansion of our Proposed Unit I and Proposed Unit II. In the event of any unforeseen contingency(ies), unanticipated delay or such incidental circumstances in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be deferred or may vary accordingly. For further details, see section titled *"Risk Factor - Certain statutory and regulatory licenses and approvals are required for conducting our business and any failure or omission to obtain, maintain or renew these licenses and approvals in a timely manner, or at all, could adversely affect our business and results of operations.*" on page 48.

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

We avail fund-based and non-fund-based facilities in the ordinary course of business from various entities, banks and financial institutions. We propose to utilize a portion of the Net Proceeds aggregating ₹3,000.00 million for repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company.

Our Company proposes to utilise an estimated amount of up to ₹ 3,000.00 million out of the Net Proceeds towards repayment and/or pre-payment of certain existing borrowings availed by our Company. Further, our Company shall pay the prepayment charges, if any, on the loans identified below, out of the portion of Net Proceeds earmarked for this Object. In the event the Net Proceeds are insufficient for payment of pre-payment penalty or accrued interest, as applicable, such payment shall be made from the internal accruals of our Company. Our Company may repay or refinance part of its existing borrowings prior to the Allotment. Accordingly, our Company may utilise the Net Proceeds for part or full pre-payment or scheduled repayment of any such refinanced borrowings or additional borrowings obtained. Further, the amounts outstanding under the borrowings of our Company as well as the sanctioned limits are dependent on several factors and may vary with our Company's business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. However, our Company confirms that the aggregate amount to be utilised from the Net Proceeds towards prepayment and/or scheduled repayment of its existing borrowings (including re-financed or additional borrowings availed, if any), in part or full, will not exceed ₹ 3,000.00 million.

We believe that the pre-payment or scheduled repayment will help reduce our existing borrowings, assist us in maintaining a favourable debt-equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that this will improve our debt-equity ratio, enabling us to raise further resources in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the future.

The details of the outstanding borrowings availed by our Company, proposed for repayment or prepayment, in full or in part, from the Net Proceeds is set forth below:

Sl. No.	Name of the Lenders	Nature of the Facility	Sanction limit (₹ in millions)	Outstanding balance as on September 17, 2024 (₹ in millions)	Rate of Interest (%)	Tenor/ repayment schedule	Prepayment/ penalty conditions	Purpose of the loan	Whether the loan has been utilized for the purpose for which it has been availed*
1.	Axis Bank Ltd	Term Loans - Banks	90.00	33.75	9.25	48	N.A.	Purchase of Plant & Machinery	Yes
2.	Bajaj Finance Ltd	Term Loans - Banks	100.00	100.00	8.45	72	N.A.	Purchase of Plant & Machinery	Yes
3.	Bajaj Finance Ltd	Term Loans - Banks	150.00	150.00	9.25	72	N.A.	Purchase of Plant & Machinery	Yes
4.	Bajaj Finance Ltd	Term Loans - Banks	150.00	102.88	8.95	72	N.A.	Purchase of Plant & Machinery	Yes
5.	Canara Bank	Term Loans - Banks	25.00	19.79	9.25	48	N.A.	Purchase of Plant & Machinery	Yes
6.	Canara Bank	Term Loans - Banks	49.90	16.63	9.25	48	N.A.	Purchase of Plant & Machinery	Yes
7.	Federal Bank	Term Loans - Banks	130.00	80.55	9.25	24	3% foreclosure charges on outstanding	Purchase of Plant & Machinery	Yes
8.	HDFC Bank Ltd	Term Loans - Banks	12.80	0.88	12.00	76	N.A.	Purchase of Plant & Machinery	Yes
9.	HDFC Bank Ltd	Term Loans - Banks	110.00	38.96	9.25	48	N.A.	Purchase of Plant & Machinery	Yes
10.	HDFC Bank Ltd	Term Loans - Banks	100.00	35.42	9.25	48	N.A.	Purchase of Plant & Machinery	Yes
11.	HDFC Bank Ltd	Term Loans - Banks	4.20	0.29	11.80	76	N.A.	Purchase of Plant & Machinery	Yes
12.	SVC Cooperative Bank	Term Loans - Banks	150.00	126.77	10.50	60	3% foreclosure charges on outstanding	Purchase of Plant & Machinery	Yes
13.	SVC Cooperative Bank	Term Loans - Banks	150.00	124.37	10.00	60	3% foreclosure charges on outstanding	Purchase of Plant & Machinery	Yes

Sl. No.	Name of the Lenders	Nature of the Facility	Sanction limit (₹ in millions)	Outstanding balance as on September 17, 2024 (₹ in millions)	Rate of Interest (%)	Tenor/ repayment schedule	Prepayment/ penalty conditions	Purpose of the loan	Whether the loan has been utilized for the purpose for which it has been availed*
14.	SVC Cooperative Bank	Term Loans - Banks	50.00	15.19	9.60	54	3% forclosure charges on outstanding	Purchase of Plant & Machinery	Yes
15.	SVC Cooperative Bank	Term Loans - Banks	37.00	10.97	9.60	60	3% foreclosure charges on outstanding	Purchase of Plant & Machinery	Yes
16.	SVC Cooperative Bank	Term Loans - Banks	30.00	25.63	9.25	24	3% foreclosure charges on outstanding	Purchase of Plant & Machinery	Yes
17.	SVC Cooperative Bank	Term Loans - Banks	50.00	11.21	9.60	36	3% foreclosure charges on outstanding	Purchase of Plant & Machinery	Yes
18.	Canara Bank	WCDL/CC	300.00	295.93	9.60	On Demand	N.A.	Working Capital	Yes
19.	State Bank Of India	Term Loans - Banks	62.50	21.07	9.25	48	N.A.	Purchase of Plant & Machinery	Yes
20.	State Bank Of India	WCDL/CC	625.00	50.54	9.60	On Demand	N.A.	Working Capital	Yes
21.	State Bank Of India	WCDL/CC		400.00	9.05	On Demand	N.A.	Working Capital	Yes
22.	Svc Cooperative Bank	WCDL/CC	15.00	10.81	9.85	On Demand	N.A.	Working Capital	Yes
23.	Federal Bank	WCDL/CC	770.00	350.00	8.50	On Demand	N.A.	Working Capital	Yes
24.	Federal Bank	WCDL/CC		80.00	8.50	On Demand	N.A.	Working Capital	Yes
25.	Federal Bank	WCDL/CC		35.00	8.50	On Demand	N.A.	Working Capital	Yes
26.	Federal Bank	WCDL/CC		201.27	9.60	On Demand	N.A.	Working Capital	Yes
27.	Axis Bank Ltd	WCDL/CC	240.00	240.00	8.60	On Demand	N.A.	Working Capital	Yes

Sl. No.	Name of the Lenders	Nature of the Facility	Sanction limit (₹ in millions)	Outstanding balance as on September 17, 2024 (₹ in millions)	Rate of Interest (%)	Tenor/ repayment schedule	Prepayment/ penalty conditions	Purpose of the loan	Whether the loan has been utilized for the purpose for which it has been availed*
28.	HDFC Bank Ltd	WCDL/CC	770.00	50.00	8.50	On Demand	N.A.	Working Capital	Yes
29.	HDFC Bank Ltd	WCDL/CC		250.00	8.50	On Demand	N.A.	Working Capital	Yes
30.	HDFC Bank Ltd	WCDL/CC		112.00	8.50	On Demand	N.A.	Working Capital	Yes
31.	HDFC Bank Ltd	WCDL/CC		49.70	8.88	On Demand	N.A.	Working Capital	Yes
32.	HDFC Bank Ltd	WCDL/CC		224.85	9.25	On Demand	N.A.	Working Capital	Yes
33.	Svc Cooperative Bank	WCDL/CC	230.00	230.00	8.85	On Demand	N.A.	Working Capital	Yes
34.	Yes Bank Ltd	WCDL/CC	50.00	50.00	8.07	On Demand	N.A.	Working Capital	Yes
35.	Axis Bank Ltd	CC	10.00	-	9.95	On Demand	N.A.	Cash Credit	
			4,461.40	**3,544.45**					

**As certified vide certificate dated A N Garg & Company, Chartered Accountants, issued by October 7, 2024, Chartered Accountants, the Statutory Auditor of our Company, 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.*

Our Company has and will consider the following factors for identifying the loans that will be repaid out of the Net Proceeds: (i) costs, expenses and charges relating to the facility/borrowing including interest rates involved; (ii) presence of onerous terms and conditions under the facility; (iii) ease of operation of the facility; (iv) levy of any prepayment penalties and the quantum thereof; (v) provisions of any law, rules, regulations governing such borrowings; (vi) terms of pre-payment to lenders, if any; (vii) mix of credit facilities provided by lenders; and (viii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

3. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating ₹ [●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds. The general corporate purposes for which our Company proposes to utilize the Net Proceeds include strategic initiatives, working capital requirements, business development activities, funding growth opportunities, including acquisitions and meeting exigencies, meeting expenses, other expenditure considered expedient by our Company, as may be applicable and approved by our Board, from time to time.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board or a duly appointed committee thereof, subject to compliance with applicable laws, including necessary provisions of the Companies Act. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

If the Net Proceeds are not completely utilized for the purposes stated hereinabove by such periods due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) delay in procuring equipment; (iv) other commercial considerations, the same would be utilized (in part or full) in the subsequent periods as may be decided by our management, in accordance with applicable laws.

Monitoring Utilization of Funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated October 7, 2024, as the size of our Issue exceeds ₹ 1,000.00 million. 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 Net Proceeds of the Issue have been utilized. 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, www.hitechpipes.in, and also submit the same to the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilized for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized; and (ii) disclose every year, the utilization of the Net Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. 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 utilization of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilization 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

Pending utilization of the Net Proceeds towards the purposes described in this section, our Company intends to deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market / mutual funds, as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws. 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.

Other Confirmations

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, members of Senior Management Key Managerial Personnel are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at March 31, 2024, derived from the Audited Consolidated Financial Statement for the Fiscal 2024 and as adjusted to give effect to the receipt of the proceeds from the Issue. This table should be read in conjunction with the sections entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Risk Factors*" and "*Financial Statements*" beginning on pages 92, 42 and 92, respectively.

(₹ in million, unless otherwise stated)

Particulars	Pre-Issue (as at March 31, 2024)	Post-Issue as adjusted
Current borrowing:		
Secured	2,593.41	[●]
Unsecured	-	[●]
Non-current borrowing (including current maturities of long-term debt):		
Secured	1,191.39	[●]
Unsecured	248.24	[●]
Total borrowing (a)	**4,033.04**	[●]
Shareholders' funds:		
Equity Share capital	149.89	[●]
Other Equity (including non-controlling interest)	5,613.85	[●]
Non-controlling Interest	-	[●]
Total Equity (b)	**5,763.74**	**[●]**
Total capitalization (a + b)	**9,796.78**	**[●]**
Non-Current Borrowing / Total Equity	**0.25**	**[●]**
Total Borrowing / Total Equity	**0.70**	**[●]**

** These terms shall carry the meaning as per Schedule III of the Companies Act 2013 (as amended).*
(1) The corresponding post-Issue capitalisation data for each of the amounts given in the above table is not determinable at the time of filing Preliminary Placement Document and hence the same has not been provided in the above statement.

CAPITAL STRUCTURE

The share capital of our Company as on date of this Preliminary Placement Document is as follows:

Sr. No.	Particulars	Aggregate value at face value of the Shares (₹)
1.	**AUTHORIZED SHARE CAPITAL**	
	240,000,000 Equity Shares of face value ₹ 1 each	240,000,000
	Total	240,000,000
2.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	176,111,000 Equity Shares of face value ₹ 1 each	176,111,000
3.	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ [●](1)(4)	[●]
4.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THIS ISSUE**	
	[●] Equity Shares of face value of ₹ 1 each(2)(4)	[●]
	Total	[●]
5.	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (₹ in millions)(2)	3,057.01
	After the Issue (₹ in millions) (3)(4)	[●]

(1)The Issue has been approved by the Board of Directors on August 19, 2024, subject to approval of the Shareholders. Subsequently, our Shareholders, through special resolution passed in the fortieth AGM, approved the Issue on September 21, 2024.
(2) As of the date of this Preliminary Placement Document.
(3) To be determined upon finalization of the Issue Price. The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue, not adjusted for the Issue related expenses.
(4) Subject to Allotment of Equity Shares pursuant to the Issue.

Notes to Capital Structure

1. Share Capital History of our Company

a. History of Equity Share Capital of our Company:

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
January 02, 1985	700	10.00	10.00	Subscription on signing MOA	Cash	700	7,000
May 20, 1985	101,500	10.00	10.00	Further Allotment	Cash	102,200	1,022,000
June 26, 1987	131,800	10.00	10.00	Further Allotment	Cash	234,000	2,340,000
March 31, 1999	234,000	10.00	-	Bonus Issue	-	468,000	4,680,000
October 12, 2013	2,340,000	10.00	-	Bonus Issue	-	2,808,000	28,080,000
February 10, 2014	125,000	10.00	100.00	Further Allotment	Cash	2,933,000	29,330,000
March 31, 2014	210,000	10.00	100.00	Further Allotment	Cash	3,143,000	31,430,000
March 30, 2015	642,550	10.00	110.00	Further Allotment (Right Issue)	Cash	3,785,550	37,855,500
September 24, 2015	3,785,550	10.00	-	Bonus Issue	-	7,571,100	75,711,000
February 23, 2016	2,730,000	10.00	50.00	Initial Public Offering	Cash	10,301,100	103,011,000
March 26, 2018	200,000	10.00	400.00	Preferential Issue	Cash	10,501,100	105,011,000
May 17, 2018	133,332	10.00	400.00	Allotment pursuant to conversion of warrants on preferential basis	Cash	10,634,432	106,344,320
May 28, 2018	33,334	10.00	400.00	Allotment pursuant to conversion of warrants on preferential basis	Cash	10,667,766	106,677,660
May 31, 2018	33,334	10.00	400.00	Allotment pursuant to conversion of warrants on preferential basis	Cash	10,701,100	107,011,000
September 16, 2019	100,000	10.00	400.00	Allotment pursuant to conversion of convertible preferential warrants	Cash	10,801,100	108,011,000
September 25, 2019	125,000	10.00	400.00	Allotment pursuant to conversion of convertible preferential warrants	Cash	10,926,100	109,261,000

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 12, 2021	150,000	10.00	164.00	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	11,076,100	110,761,000
March 31, 2021	130,000	10.00	164.00	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	11,206,100	112,061,000
April 14, 2021	90,000	10.00	164.00	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	11,296,100	112,961,000
May 19, 2021	100,000	10.00	164.00	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	11,396,100	113,961,000
May 28, 2021	100,000	10.00	164.00	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	11,496,100	114,961,000
July 06, 2021	150,000	10.00	164.00	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	11,646,100	116,461,000
July 19, 2021	100,000	10.00	164.00	Allotment pursuant to conversion of convertible preferential warrants	Cash	11,746,100	117,461,000
August 01, 2021	340,000	10.00	164.00	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	12,086,100	120,861,000
September 30, 2021	100,000	10.00	164.00	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	12,186,100	121,861,000
November 02, 2021	25,000	10.00	164.00	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	12,211,100	122,111,000

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
January 22, 2022	60,000	10.00	164.00	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	12,271,100	122,711,000
February 08, 2023	510,000	10.00	692.00	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	12,781,100	127,811,000
Pursuant to a resolution passed by our Board in its meeting held on January 28, 2023 and approved by the Shareholders by way of a special resolution in the postal ballot dated March 02, 2023, each fully paid-up equity share of our Company having face value of ₹10/-was sub-divided into 10 Equity Shares of face value ₹1/-each. Therefore 12,781,100 Equity Shares of our Company having face value of ₹10/-each were subdivided into 127,811,000 Equity Shares of face value ₹1/-each.							
April, 21 2023	2,000,000	1.00	69.20	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	129,811,000	129,811,000
April 27, 2023	1,000,000	1.00	69.20	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	130,811,000	130,811,000
Allotment in the one year immediately preceding the date of this Preliminary Placement Document							
October 16, 2023	3,200,000	1.00	69.20	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	134,011,000	134,011,000
November 08, 2023	3,025,000	1.00	69.20	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	137,036,000	137,036,000
January 19, 2024	6,550,000	1.00	69.20	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	143,586,000	143,586,000
February 17, 2024	6,300,000	1.00	69.20	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	149,886,000	149,886,000
April 30, 2024	8,470,000	1.00	69.20	Allotment pursuant to conversion of convertible warrants on preferential	Cash	158,356,000	158,356,000

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
				basis			
July 09, 2024	17,755,000	1.00	69.20	Allotment pursuant to conversion of convertible warrants on preferential basis	Cash	176,111,000	176,111,000

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 practicing 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 September 21, 2024, issued by Oberoi & Associates, Practicing Company Secretaries. Please also see "Risk Factors – We are unable to trace certain historical secretarial records prior to calendar year 2006. In the event we are found not to be in compliance with any applicable laws in relation to the missing secretarial records, we may be subject to regulatory actions or penalties for any such possible non-compliance and our business, financial condition and reputation may be adversely affected." on page 48.

Except as stated in "*Share Capital History of our Company*" above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

b. Preference Share Capital

As on the date of this Preliminary Placement Document, there is no preference share capital in the Company.

2. Shareholding Pattern of our Company

The table below presents the shareholding pattern of the Promoter and Promoter Group of our Company as on the date of August 31, 2024:

S. No.	Category	Pre-Issue Equity Share Capital as on August 31, 2024		Post-Issue Equity Share Capital	
		Number of equity shares held	% of share holding	Number of equity shares held	% of share holding
A. Promoters/Promoters Group Holding					
1.	Indian	-	-	-	-
	Individuals/Hindu Undivided Family	72,726,915	41.30	[●]	[●]
	Bodies Corporate	16,680,000	9.47	[●]	[●]
	Sub Total	89,406,915	50.77	[●]	[●]
2.	Foreign Promoter/Member of Promoter Group	0	0.00	[●]	[●]
	Sub Total (A)	**89,406,915**	**50.77**	**[●]**	**[●]**
B. Non-Promoter Holding					
1.	**Institutional Investors**				
a.	Domestic	17,948,256	10.19	[●]	[●]
b.	Foreign	16,558,042	9.40	[●]	[●]
2.	**Non-Institutional Investor**				
a.	Bodies Corporate	8,275,379	4.70	[●]	[●]
b.	Key Managerial Persons	4,000	0.00	[●]	[●]
c.	Indian Public				
i.	Individual share capital up to ₹ 2 Lacs	29,147,749	16.55	[●]	[●]
ii.	Individual share capital in excess of ₹ 2 Lacs	10,213,483	5.80	[●]	[●]
d.	Non-resident Indian	0	0.00	[●]	[●]
e.	Other (Trusts, clearing members, HUF)	4,557,176	2.59	[●]	[●]
3.	**Non-Promoter Non-Public**				
a.	Employee Benefit Trust	0	0.00	[●]	[●]
	Sub Total (B)	**86,704,085**	**49.23**	**[●]**	**[●]**
	Grand Total (A+B)	**176,111,000**	**100.00**	**[●]**	**[●]**

3. Employee Stock Option as on date of this Preliminary Placement Document

Our Company adopted the "*Hi-Tech Pipes Limited Employee Stock Option Scheme - 2024*" ("**Hi-Tech ESOP Plan 2024**"), which was approved by our Board pursuant to a resolution dated August 12, 2024, and our Shareholders pursuant to a special resolution dated September 21, 2024. Under the Hi-Tech ESOP Plan 2024, our Company is allowed to grant up to 2,000,000 Employee Stock Options ("**ESOPs**") exercisable into 2,000,000 equity shares of face value ₹1 each to eligible employees. The objective of the Hi-Tech ESOP Plan 2024 is to reward all eligible employees for their association with the Company, their performance as well as to attract, retain and reward employees to contribute to the growth and profitability of the Company. The eligibility and number of options to be granted to an eligible employee is determined on the basis of criteria laid down in the Hi-Tech ESOP Plan 2024, implemented by an irrevocable trust namely Hi-Tech Pipes Employees Welfare Trust and is administered by the Nomination and Remuneration Committee. The Hi-Tech ESOP Plan 2024 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

4. 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 Book Running 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 will be included in the Placement Document in the section "*Proposed Allottees in the Issue*" on page 281.

5. Other Confirmations

The Promoters, the Directors, members of Promoter's group, Key Managerial Persons 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 notice dated August 19, 2024, to the Shareholders for the approval of this Issue.

Pursuant to the regulation 172(3) of the SEBI ICDR Regulations, our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, pursuant to the regulation 178 of the SEBI ICDR Regulations, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

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

All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Preliminary Placement Document.

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

DIVIDEND

The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act, 2013. Our Board may also, from time to time, declare interim dividends. The dividend policy of our Company was adopted and approved by our Board in their meeting held on February 6, 2021 ("**Dividend Policy**").

In terms of the Dividend Policy, the dividend, if any, will depend on a number of financial parameters/ internal factors and external factors, which, *inter alia*, include (i) distributable surplus available with the Company as per the applicable laws, (ii) the Company's liquidity position and future cash flow needs, (iii) capital expenditure requirement considering the expansion and acquisition opportunities; (iv) cost and availability of alternative sources of financing and (v) macroeconomic factors such as the significant changes in macro-economic environment materially affecting the business in which our Company is engaged and in the geographies in which our Company operates.

The following table provided details with respect to the dividend paid by our Company:

Particulars	From July 1, 2024 till the date of this PPD	For the three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
No. of Equity Shares	176.11	158.36	149.89	127.81	122.71
Face value per share (in ₹)	1*	1*	1*	1*	10
Aggregate Dividend (₹ in million)	4.40	-	-	3.27	6.14
Dividend per share (in ₹)	0.025	-	-	0.025	0.50
Rate of dividend (%)	2.5%	-	-	2.5%	5%
Dividend Distribution Tax (%)	N.A.	N.A.	N.A.	N.A.	N.A.
Dividend Distribution Tax (in ₹)	N.A.	N.A.	N.A.	N.A.	N.A.

***** *Pursuant to a resolution passed by our Board in its meeting held on January 28, 2023 and approved by the Shareholders by way of a special resolution in the postal ballot dated March 02, 2023, each fully paid-up equity share of our Company having face value of ₹10/-was sub-divided into 10 Equity Shares of face value ₹1/- each.*

Future Dividend

There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of financial parameters/ internal and external factors, including, but not limited to, distributable surplus available as per applicable law, our Company's liquidity position and future cash flow needs, track record of dividend distributed by our Company, payout ratios of comparable companies, the prevailing taxation policy or any amendments expected thereof, with respect to distribution of dividend, capital expenditure requirements considering opportunities for expansion and acquisition, cost and availability of alternative sources of financing, stipulations/covenants contained under any loan agreements, prevailing macroeconomic and business conditions and other factors, and subject to the approval of our Shareholders.

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.

Further, also see the section titled "*Risk Factors*" on page 42.

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 and analysis of our financial condition is based on the Audited Consolidated Financial Statements and Unaudited Financial Results. This discussion should be read in conjunction with the section titled "Selected Financial Information", and the Financial Information included elsewhere in this Preliminary Placement Document. 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 is 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" on pages 18 and 42, respectively, and elsewhere in this Preliminary Placement Document.

*We prepared our financial statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**") and other applicable statutory and/ or regulatory requirement. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the and the reconciliation of the financial information to other accounting principles has not been provided. Unless otherwise indicated or the context otherwise requires, the financial information included in this Preliminary Placement Document for the three months period ended June 30, 2024 and June 30, 2023, have been derived from our Unaudited Consolidated Financial Results and for the Fiscals 2024, 2023 and 2022 have been derived from our Audited Consolidated Financial Statements included in this Preliminary Placement Document on page 280. For further information please also see the section titled "Presentation of Financial and Other Information" page 14.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Research Report on Steel Industry" dated October 4, 2024 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CARE**"), appointed by us on August 20, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see "Risk Factors – Certain sections of this Preliminary Placement Document contain information from CARE Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks*

Our financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise stated, references in this section to "we", "our" or "us" are to our Company, on a consolidated basis.

OVERVIEW

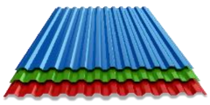
We are one of the prominent and multifaceted organization in the manufacturing of steel tubes and pipes in India and have been established as one of the leading manufacturers and supplier of ERW (Electric Resistance Welding) pipes. *(Source: CARE Report).* As per the CARE Report, we are the 3rd largest manufacturer of steel tubes and pipes among the peer with an installed capacity of 750,000 MTPA. Our products includes, mild steel ("**MS**") hollow section pipes, galvanised pipes, MS round pipes, crash barriers, cold rolled coils and strips, coated coils and roofing sheet under twelve (12) brands.

During FY24, the production of steel tubes and pipes increased by 20.2% on a y-o-y basis. Around 9,666 thousand tonnes of steel tubes and pipes were produced in FY24 compared to 8,047 thousand tonnes produced in the previous year. This growth is attributed to the healthy demand from the end-user segments - water transportation, oil & gas, city gas distribution, construction and the government's thrust on infrastructure such as airports, railways and metros. Additionally, for YTD FY25, production grew by 40.1% y-o-y. *(Source: CARE Report).*

We recorded an increase in our revenue from operations by 35.01% from ₹ 6,421.66 million in three months period ended June 30, 2023 to ₹ 8,669.78 million in three month period ended June 30, 2024 and our EBITDA increased by 101.43% from ₹ 211.92 million in three month period ended June 30, 2023 to ₹ 426.86 million lakhs in three month period ended June 30, 2024. Further, we recorded an increase in our profit after tax by 125% from ₹ 80.23 million in three months period ended June 30, 2023 to ₹ 180.53 million in three month period ended June 30, 2024.

As on the date of this Preliminary Placement Document, we have a product portfolio of more than 1200 SKUs for critical industry applications including water infrastructure, oil and gas, city gas distribution, infrastructure, agriculture among others. The total production during the Fiscal 2024 was 3,88,392 MTPA. For further details with respect to our installed capacity, actual production and utilisation during Fiscal 2024, 2023 and 2022, also see "*Our Business – Manufacturing Units*" on page 211.

The table below sets forth the certain information of our key products:

Product	Brands	Product Images
MS Hollow Section Pipes	Hi-Tech Shakti, Hi-Tech Pillar, Hi-Tech Bahubali	  
MS Round Pipes	Hi-Tech Casewell, Hi-Tech Firefighter	
Galvanised Pipes	Hi-Tech Jalshakti, Hi-Tech Organic, Hi-Tech Pre-Gal	  
Crash Barrier	Hi-Tech Crashguard	
Cold Rolled Coils & Strips	Hi-Tech Flatmax	 
Coated Coils and Roofing Sheet	Hi-Tech CG Sheet, Hi-Tech Colorstar	 
Solar Torque Tube	-	

Use of our products across large number of industries. Some of the applications are listed below:

Industry	Application
Oil and Gas	In India's oil and gas sector, pipes are crucial for transportation and distribution across the entire value chain—upstream, midstream, and downstream. They are primarily used for drilling (upstream), transporting crude oil, natural gas, and refined products (midstream), and distribution (downstream). Materials like carbon steel and high-strength alloy pipes are preferred due to their durability and resistance to high pressure and corrosive environments. Growing domestic demand for energy, pipeline infrastructure expansion, and government

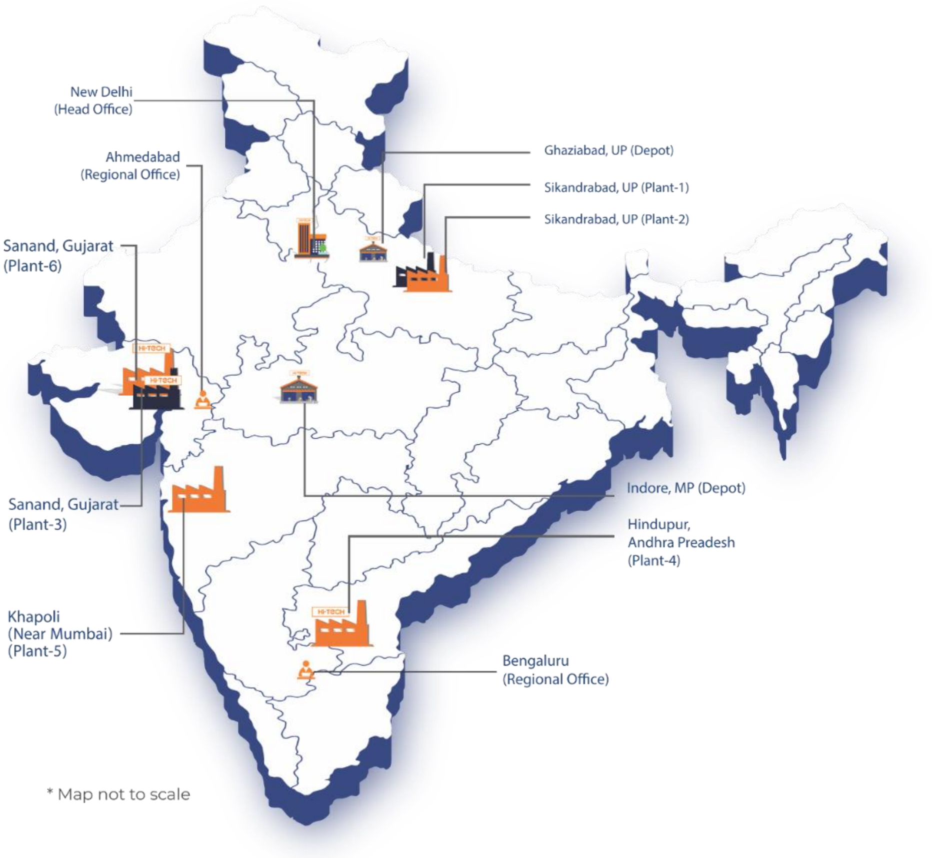
Industry	Application
	initiatives like the National Gas Grid are driving demand for pipes in this sector. *(Source: CARE Report)* Refineries, pipelines, gas terminals, storage capacity, gas cylinder bottling plants, retail outlets, etc., require large amounts of steel pipes.
Infrastructure & Construction	Steel Pipes are utilised in structural fabrications, such as the construction of buildings, bridges, and infrastructure. Further, it is used in architectural fabrications, such as building facades, canopies, and artistic structures, in construction of columns, beams, and roof trusses. Coated coils and roofing sheets are used in residential roofing, commercial roofing, industrial roofing, garages, etc. Metal beam crash barrier finds application in highway, expressways, bridge railings
Water Infrastructure	Steel pipes are considered the most durable of all water supply pipes because of their non-corrosion properties. They can sustain high water pressure and are more readily available in longer lengths than most other pipes. Demand for steel tubes and pipes is increasing, supplemented by the agriculture sector, where steel pipes are used in borewells or irrigation facilities. Moreover, there is a constant demand for improving water infrastructure in both rural and urban cities alongside a focus on enhancing wastewater management. *(Source: CARE Report)*
Railways & Airports	Steel tubes or pipes are used in applications such as rails, wagons, and coaches. Steel plays a pivotal role in constructing essential infrastructure of airports due to its strength, durability, and versatility. Steel is integral to building expansive structures such as passenger terminals, cargo terminals, and maintenance hangars, which require large clear spans without intermediate columns. It is also used for critical infrastructure including runways, bridges, and walkways, ensuring robust support and longevity. Steel products are employed in the manufacturing of doors, windows, security systems, luggage handling systems, escalators, and elevators, enhancing operational efficiency and passenger convenience. *(Source: CARE Report)*
Power - Solar	To provide structural support for solar panel installations. India has a solar potential of 749 GW, assuming that solar PV modules cover 3% of the waste land area. Comparatively, India had an installed capacity of 82 GW of as on March 2024 *(Source: CARE Report)*
Telecom and Automotive Industry	To provide structural support for telecom tower industry. India is the second-largest telecom industry in the world with 924.07 million broadband subscribers and 1,199.28 million telephone subscribers as of March 2024. *(Source: CARE Report)*. Further as per CARE Report, in automotive industry it is used in various systems such as fuel lines, exhaust systems, air conditioning, and hydraulic systems.

The following table sets forth the information on our industry wise revenue contribution in the periods indicated therein

Particulars	**For three month period ended June 30**				**Fiscal**					
	2024		**2023**		**2024**		**2023**		**2022**	
	(₹ in million)	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**
Infrastructure and Construction	6,850.81	25.38	6,019.49	25.23	6,985.77	25.88	6,067.21	25.43	4,405.90	23.45
Automotive and Telecom	6,032.92	22.35	5,198.76	21.79	5,736.00	21.25	5,423.03	22.73	4,050.79	21.56

Particulars	For three month period ended June 30				Fiscal					
	2024		2023		2024		2023		2022	
	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations
Sector										
Railway, Airport, Metro	5,385.09	19.95	4,146.60	17.38	5,304.11	19.65	4,289.75	17.98	3,073.79	16.36
Water Infrastructure	3,290.44	12.19	3,120.69	13.08	3,452.40	12.79	3,287.70	13.78	2,805.12	14.93
Agriculture	2,216.12	8.21	2,345.29	9.83	2,459.06	9.11	2,011.27	8.43	2,000.97	10.65
Others	3,217.56	11.92	3,027.64	12.69	3,055.60	11.32	2,779.51	11.65	2,451.90	13.05
Total	**8,669.78**	**100.00**	**6,421.66**	**100.00**	**26,992.93**	**100.00**	**23,858.47**	**100.00**	**18,788.47**	**100.00**

We have six (6) strategically located manufacturing units (i) two (2) units are located in Sikandrabad, Uttar Pradesh, (ii) two (2) manufacturing units are located in Sanand, Gujarat (iii) one (1) unit is located in Hindupur, Telangana, and (iv) one (1) unit is located in Khopoli, Maharashtra (collectively hereinafter referred to as "**Manufacturing Unit(s)**"). The strategically location of our Manufacturing Units in terms of its proximity to the sources of raw material and ports at Kandala and Mundra in Gujarat and Jawaharlal Nehru Port Trust in Maharashtra, enables cost effective and timely procurement of raw material and supply of our finished products to our customers. As on the date of this Preliminary Placement Document, our manufacturing units have an aggregate installed capacity 7,50,000 MTPA *(As certified by Anil Kumar Singh, Chartered Engineer vide its certificate dated October 3, 2024)*. For further details see, "-*Manufacturing Units*" on page 211 under this section. Further, we have a storage facility at our Manufacturing Units for the purposes of holding inventories of raw material as well as finished products, in addition to two depots each located at Indore, Madhya Pradesh and Ghaziabad, Uttar Pradesh, which ensures stability of operations.



Through our strategic locations, we have established an extensive, distribution network across India for our selling our products. As of August 31, 2024, our products are sold in 17 states through a network of over 450 distributors, dealers, contractors, government departments and project customers having access to our storage facilities at our Manufacturing Units and 2 stock depots in India supporting the distribution of our products. For a detailed description of products, see "− *Description of Our Business Operations*" on page 210.

Additionally, as part of our expansion plans and to increase our manufacturing capacity, we propose to expand our capacity of our existing manufacturing unit at Sanand, Gujarat (Unit 2, Phase 2) and have laid the foundation for establishment of a manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh. Pursuant to the increase of our manufacturing capacities, we are focussing on production of large diameter section pipes with range from 200x200 to 500x500 which has high demand in the construction and infrastructure sectors in the western and southern region of India For further details, see "*Expand our manufacturing capacity to capture additional market share - Key Strategies– Our Business*" and "*Funding capital expenditure requirement for expansion of our existing manufacturing unit at Sanand, Gujarat and setting up a new manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh – Use of Proceeds*" on page 205 and 72, respectively.

With over three decades of operational experience and under the guidance of our Promoters Ajay Kumar Bansal, who is also our Chairman and Managing Director and Anish Bansal, who is also our Whole-time and Executive Director, we have been able to leverage their experience with highs and lows of the industry in tapping new growths. Our management has focused on providing quality products over decades of operations and thereby building credibility with our customer base, including our longstanding customers. Our leadership team also consists of experienced professionals from various backgrounds and their capabilities are crucial for us in understanding and anticipating market trends, managing business operations and growth, leveraging customer relationships and responding to changes in customer preferences. As of September 15, 2024, we had approximately 1,051 full-time employees at our Company. For further details, see section title "*Board of Directors and Senior Management Personnel*" on page 219.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, financial condition and results of operations have been, and are expected to be, influenced by numerous factors. A summary of the most important factors that have had, and that we expect will continue to have, a significant impact on our business, results of operations, cash flow and financial condition follows below:

Our relationship with our customers

Our success, and our revenue growth in particular, is significantly dependent on our ability to continually attract new customers, retain existing customers and cultivate loyalty, including through increasing repeat customers. Our high customer centricity is reflected in our strong customer retention, long-standing relationship with customers and their contribution to our revenues. However, it is difficult for us to predict with certainty when our customers will decide to increase or reduce inventory levels or levels of production, which strategic direction they will pursue, when they might launch new products, or whether future inventory levels will be consistent with historical levels. If we are unable to continuously grow our customer base, as well as increase overall customer engagement with our product offerings, could materially adversely affect our future growth and our ability to increase our profitability.

Cost of Raw Materials

Our cost of raw materials consumed constitutes the largest component of our total expenses. For the three months period ended June 30, 2024 and June 30, 2023, Fiscals 2024, 2023 and 2022, our cost of raw materials consumed was ₹7,168.79 million, ₹5,270.89 million, ₹22,550.50 million, ₹20,899.15 million and ₹17,353 million, comprising 82.69%, 82.08%, 83.54%, 87.60% and 92.36% of our revenue from operations, respectively. The key raw materials that we use for our manufacturing operations includes HR coils and zinc. We identify and approve multiple vendors to source our key raw materials and we place purchase orders with them from time to time. We currently source our key raw materials domestically from various vendors.

As we continue to grow our product portfolio and increase our production capacities, we would need to procure additional volumes of raw materials. We typically do not enter into long term supply contracts with any of our vendors and instead place purchase orders with them from time to time. We are thus exposed to fluctuations in availability and prices of our raw materials and we may not be able to effectively pass on any increase in cost of raw materials to our customers, which may affect our margins, sales, results of operations and cash flows. Any inability on our part to procure sufficient quantities of raw materials and on commercially acceptable terms, could lead to a change in our manufacturing and sales volumes.

Competition

Our business is competitive, and our success is dependent upon our ability to compete against others, including some that have greater resources than we have. Our company faces competition from various domestic players that may have effect on our competitive position and profitability. Some of our competitors may have longer operating histories, greater financial and technical support, product development and marketing resources and greater name recognition and hence they may be able to compete more effectively. The intense competition that we face may result in increased pricing pressure, reduced profit margin or loss of market share or a failure to increase our market share. Additionally, as per the CARE Report following are the challenges and threats in India as well as globally in the industry which we operate.

Volatility in Steel Prices

Raw materials such as stainless steel, mild steel, scrap steel, etc., are used in making steel tubes or pipes. The prices of steel have been volatile due to geopolitical tensions, weak international demand, and fluctuation in raw material costs, such as coking coal as discussed in earlier sections.

Further, volatility in steel prices could impact the input cost of steel tubes and pipe manufacturers. In case of a sharp correction in steel prices, players need to sell high-cost inventory at lower prices which temporarily impacts their margin. Further, if the prices remain high over a long period, the procurement from industries such as water infra, irrigation, etc., gets postponed, thereby impacting the demand.

Global Economic Slowdown

Global growth, which stood at 3.3% in CY23, is anticipated to fall to 3.2% in CY24 and then bounce back again to 3.3% in CY25. The CY24 forecast has remained same compared to the April 2024 World Economic Outlook

(WEO) Update, and increased by 0.1 percentage point compared to the January 2024 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, inflation woes, reduced fiscal support, lingering effects of Russia's Ukraine invasion, Iran–Israel Cold War, sluggish productivity growth, and heightened geo-economic fragmentation. The economic growth of key export destinations of steel tubes and pipes such as Saudi Arabia and the USA is expected to grow at 4.7% and 1.9% in CY25 as compared to 1.7% and 2.6% in CY24, respectively.

Environmental Concerns and Decarbonisation

The Indian steel industry is responsible for roughly 12% of India's carbon dioxide (CO2) emissions, surpassing the global average of 7-9%5. The emission intensity in the Indian steel industry stands at 2.55 T/TCS6, while the global average emission intensity is 1.91 T/TCS.

India has committed to decrease the emissions intensity of its Gross Domestic Product (GDP) by 45% by 2030, compared to 2005 levels and achieve net zero by 2070. To support this target, the Ministry of Steel has committed to achieving Net Zero by 2070 and has taken a medium-term target to reduce the emission intensity of the steel sector to 2.4 T/TCS by 2030. These targets remain critical for steel industry players including steel pipes and tube manufacturers for reducing the emissions within the set timelines.

There can be no assurance that we will be able to effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on us. Our ability to compete successfully will depend, in significant part, on our ability to differentiate and effectively supply our products, reduce costs by improving productivity, eliminating redundancies, adapting to new technologies and ability to attract and retain personnel with appropriate technical abilities.

OUR SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Compliance with Ind AS:

The Financial Statements have been prepared, covered and complied all materiality with respects to Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended thereof and other relevant provisions of the Act. These Financial Statements have been prepared under applicable Ind AS-Rules and Provisions of Companies Act 2013

The consolidated financial statements have been prepared on accrual basis and historical cost basis except

a. Certain financial assets and liabilities and contingent considerations measured at fair value.

b. Assets held for Sale measured at lower of fair value or cost.

c. Share based payment measured at fair value.

Fair value is the price that would be receivable to sell an asset or consideration to transfer a liability in an orderly transaction between market participants at the measurement date, irrespective of that price is directly available or estimated using another valuation technique. The Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in this financial statements has determined on such a basis that may have some similarities to fair value but actually not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

Principles of consolidation

The Group consolidates all entities which are controlled by it. The Group establishes control when; it 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 the entity's returns by using its power over relevant activities of the entity. The consolidated financial statements pertains to Hi-Tech Pipes Limited, the holding Company and its subsidiary companies (hereinafter collectively referred as the Group). The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2024.

b. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like line items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.

c. The excess of cost to the Group of its investments in the subsidiary companies over its share of equity and its premium of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. On the other hand, where the share of equity and its premium of the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' or 'Capital Reserve" is determined for each subsidiary Company separately and such amount are not set off between different entities.

d. Non-controlling interests, if any in the net assets of consolidated subsidiaries are identified separately from the Group's equity.

e. Goodwill on consolidation is not amortised however, tested for impairment.

f. Following subsidiaries have been considered in the preparation of consolidated financial statements:

   - HTL Metal Private Limited (a wholly owned subsidiary)
   - HTL Ispat Private Limited (a wholly owned subsidiary)
   - HITECH Metalex Private Limited (a wholly owned subsidiary)

g. Accrual basis of accounting

h. Historical cost and conventional:

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed income or if tax regulations undergo a change.

Income Taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that temporary differences of deductions can be realized. The Group estimates deferred tax assets and liabilities based on temporary differences.

Deferred tax assets are recognised to extent that it is probable that taxable profit will be available against which deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilized.

Provision for tax liabilities require judgements on the interpretation of tax legislation, judgements in case law and the potential outcomes of tax audits.

Therefore, the actual results may differ from estimates and same shall be adjusted to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss

Useful lives of Property, plant and equipment ('PPE')

The Group reviews the estimated useful lives and residual value of PPE at the end of each reporting period. The factors such as changes in the expected level of usage, product life-cycle, may impact the economic useful lives and the residual values of these assets. Subsequently, the depreciation charge could be revised and this would have an impact on the profits of the future years.

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation ('DBO') are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of derivative and other financial instruments

The fair value of financial instruments, is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market precedents exists at the Balance Sheet date.

Foreign currency transactions:

i) Functional and presentation currency:

Items included in the Consolidated Financial Statements of are measured using the currency of the primary economic environment in which the Group operates ('functional currency'). The Financial Statements of the Group are presented in Indian currency (Rs), which is also the functional and presentation currency of the Group.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain/ (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss except that they are deferred in equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain/| (loss) are presented in the Statement of Profit and Loss on a net basis within other income/ (expense). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain/ (loss)

Revenue recognition

Measurement of revenue and recognition:

The Group recognises revenues from sale of products measured at the amount of transaction price (net of variable consideration), when it satisfies its performance obligation at a point in time which is when products are delivered to a customer or to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer, and when there are no longer any unfulfilled obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue from services is recognised in the accounting period in which the services are rendered.

Eligible export incentives are recognised in the year in which the conditions precedents are met and when there is certainty about the collectability. Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

Income taxes

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit/ (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Government grants

(i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.
(ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.
(iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Leases

As a lessee:
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

As a lessor:
Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period. Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'. Depreciation methods, estimated useful lives and residual value: Depreciation is provided on the Straight Line Method to allocate the cost of assets, net of their residual values, over their estimated useful lives:

Asset category	Estimated useful life
Buildings	30 to 60 years
Plant and equipment	10 to 30 years
Vehicle	8 to 10 years
Office equipment and furniture	8 to 15 years
Furniture and fittings	10 years
Computers	3 to 6 years

Land accounted under finance lease is amortized on a straight-line basis over the period of lease. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount

Intangible assets

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration services. Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product/ patent. Computer software cost is amortised over a period of 5 years using Straight Line Method.

Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs

Impairment of assets

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/ external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

Inventories

Raw materials, packing materials, purchased finished goods, work-in-progress; manufactured finished goods, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

Investments and other financial assets

Classification: The Company classifies its financial assets in the following measurement categories:

Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)

Those measured at amortised cost

The classification depends the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable selection at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement of Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

After initial recognition, financial assets are measured at:

i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,

ii) Amortised cost

Debt instruments

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture Company at fair value. The Management of the Company has selected to present fair value gains and losses on such equity investments in Other Comprehensive Income and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Investments in subsidiary companies, associate company and joint venture company: Investments in subsidiary companies, associate company and Joint Venture Company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and Joint Venture Company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company 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.

Expected credit loss are measured through a loss allowance at an amount equal to the following:

(a) The 12-months expected credit losses (expected credit losses that result from default events on financial instrument that are possible within 12 months after reporting date); or

(b) Full lifetime expected credit losses (expected credit losses that result from those default events on the financial instrument).

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable 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.

Individual receivables which are known to be uncollectible are written off by reducing the carrying -amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other income.

De-recognition:

A financial asset is de-recognised only when the Company

i) has transferred the rights to receive cash flows from the financial asset or

ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

Borrowings are classified as current liabilities if the loan is payable on demand or within 12 months after the reporting period and in all other cases its classified as Non-current liabilities.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense

Contingent Liabilities

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 within the control of the Company 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 the obligation or a reliable estimate of the amount cannot be made.

Employee benefits

Short-term employee benefits:

All employee benefits payable within 12 months of service such as salaries, wages, bonus, exgratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred. Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined contribution plan

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plan

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Research and development expenditure

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

Earnings per share

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS

Total Income

Our total income comprises of revenue from operations and other income.

Revenue from operations: Our revenue from operation comprises of income from (i) sale of products domestically and through exports; and (ii) other operating revenues such as rent, export incentives, job work, sale of scrap and subsidy from government.

Other Income*:* Our other income comprises of interest income on bank deposits, other income and profit on sale of property, plant and equipment.

Total Expenses

Expenses consist of cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, work in progress and stock-in-trade, employee benefits expense, finance costs, depreciation and amortisation expense and other expenses.

Cost of material consumed*:* Cost of material consumed include value of inventory of raw material at the beginning of the period along with value purchased during the period less value at the end of period. Our raw materials primarily consist of HR coils and zinc.

Purchases of stock-in-trade: Comprises of purchase of tradable finished goods.

Changes in inventories of finished goods, work in progress and stock-in-trade: Changes in inventories of finished goods, work in progress and stock-in-trade comprises of net increases or decreases in inventory levels of finished goods, work in progress and stock-in-trade.

Employee benefits expense: Employee benefits expense comprise salaries and wages, contribution to provident and other funds, provisions for employees benefits and staff welfare expenses.

Finance costs: Financial cost comprises interest expense on term loans, interest expenses on working capital borrowings and other borrowing costs.

Depreciation and amortization expense: Depreciation and amortization expense relate to depreciation of tangible assets and amortisation of intangible assets.

Other expenses: Other expenses primarily comprise expenses relating power and fuel, rent, repairs and maintenance of plant and equipment, buildings and others, sales promotion, fee and subscription, insurance, carriage and freight, commission on sales, travelling and conveyance, legal or professional consultation charges vehicle running and maintenance, corporate social responsibilities expenses, security services and miscellaneous expenses.

Tax Expenses

Our tax expenses comprises of current tax, deferred tax, adjustment of tax relating to earlier periods and MAT credit entitlement. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability is recognized based on the difference between taxable profit and book profit due to the effect of timing differences.

Key Financial Information and Certain Non-GAAP Measures

In evaluating our business, we consider and use certain non-GAAP measures and key financial information that are presented below as supplemental measures to review and assess our operating performance. We present these non-GAAP measures and key financial information because they are used by our management to evaluate our operating performance. These non-GAAP measures are not defined under Ind AS and are not presented in accordance with Ind AS. The non-GAAP measures and key financial information have limitations as analytical tools. Furthermore, these non-GAAP measures and key financial information may differ from similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

The following sets forth our selected non-GAAP measures and key financial information which is calculated for the three months period ended June 30, 2024, June 30, 2023 and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

EBITDA and EBITDA Margins

The following table presents our earnings before interest, taxes, depreciation and amortisation expenses ("**EBITDA**") from our profit before exceptional items and tax, and the manner in we define our EBITDA Margin as EBITDA divided by revenue from operations.

(₹ in million, except as otherwise stated)

Particulars	Three months period ended June 30*		Fiscal		
	2024	2023	2024	2023	2022
Profit before exceptional items and tax	240.02	107.89	586.87	563.98	553.23
Add: Finance costs	140.82	79.47	418.62	353.01	364.70
Add: Depreciation and amortization expense	51.32	27.33	154.88	137.73	96.63
Less: Other Income	5.29	2.77	11.77	22.62	9.37
EBITDA	426.86	211.92	1,148.60	1,032.10	1,005.18
EBITDA Margin (%) (EBITDA as a percentage of revenue from operations)	4.92	3.30	4.26	4.33	5.35

* *Not annualised*

Interest Coverage Ratio

The following table presents our interest coverage ratio, which is profit before tax and finance cost ("**EBIT**") divided by finance cost:

(₹ in million, except as otherwise stated)

Particulars	Three months period ended June 30*		Fiscal		
	2024	2023	2024	2023	2022
Profit before exceptional items and tax (A)	240.02	107.89	586.87	563.98	553.23
Add: Finance cost (B)	140.82	79.47	418.62	353.01	364.70
Less: Other income (C)	5.29	2.77	11.77	22.62	9.37
EBIT (D) = (A) + (B) + (C)	375.55	184.59	993.72	894.37	908.57
Interest Coverage Ratio (D) / (B)	2.67	2.32	2.37	2.53	2.49

**Not annualised*

Return on Capital Employed

The following table presents our return on capital employed, which is profit before exceptional items and tax and finance cost (**"EBIT"**) divided by capital employed:

(₹ in million, except as otherwise stated)

Particulars	Three months period ended June 30*		Fiscal		
	2024	2023	2024	2023	2022
Profit before exceptional items and tax (A)	240.02	107.89	586.87	563.98	553.23
Add: Finance cost (B)	140.82	79.47	481.62	353.01	364.70
Less: Other income (C)	5.29	2.77	11.77	22.62	9.37
EBIT (D) = (A) + (B) - (C)	375.55	184.59	993.72	894.37	908.57
Capital Employed (Total Equity + Long Term Borrowing + Short Term	NA	NA	9,536.86	6,713.33	6,359.31

Particulars	Three months period ended June 30*		Fiscal		
	2024	2023	2024	2023	2022
Borrowings + Other Current Financial Liability – Cash and Cash Equivalent – Bank Balance)					
ROCE (EBIT/Capital Employed)	NA	NA	10.42%	13.32%	14.29%

* *Not annualised*

Return on Equity

The following table presents our return on equity, which is profit after tax divided by total equity:

(₹ in million, except as otherwise stated)

Particulars	Three months period ended June 30*		Fiscal		
	2024	2023	2024	2023	2022
Total equity	NA	NA	5,763.74	4,181.09	2,586.19
Profit after tax	180.53	80.23	439.30	376.81	403.26
Return on Equity	NA	NA	7.62%	9.01%	15.59%

**Not annualised*

Net Debt to Equity Ratio

The following table presents our net debt to equity ratio, which is net debt divided by net worth:

(₹ in million, except as otherwise stated)

Particulars	Three months period ended June 30*		Fiscal		
	2024	2023	2024	2023	2022
Net worth	NA	NA	5,763.74	4,181.09	2,586.19
Net Debt (Long Term Borrowings + Short Term Borrowings + Other Current Financial Liability – Cash and Cash Equivalent – Bank Balance)	NA	NA	3,773.12	2,532.25	3,773.12
Net Debt to Equity Ratio	NA	NA	0.65	0.61	1.46

RESULTS OF OPERATIONS OF OUR COMPANY FOR THE THREE MONTHS PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023 AND FISCALS 2024, 2023 AND 2022

The following table sets forth select financial information derived from our Company’s unaudited consolidated financial statements for the three months period ended June 30, 2024 and June 30, 2023 and audited consolidated financial statements for Fiscal 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such periods:

(₹ in million, except as otherwise stated)

Particulars	Three months period ended June 30				Year ended March 31,					
	2024		2023		2024		2023		2022	
	Amount	Percentage of Total Income (%)	Amount	Percentage of Total Income (%)	Amount	Percentage of Total Income (%)	Amount	Percentage of Total Income (%)	Amount	Percentage of Total Income (%)
Income										
Revenue from operations	8,669.78	99.94	6,421.66	99.96	26,992.94	99.96	23,858.47	99.91	18,788.47	99.95
Other income	5.29	0.06	2.77	0.04	11.77	0.04	22.62	0.09	9.37	0.05
Total income (I)	**8,675.07**	**100.00**	**6,424.43**	**100.00**	**27,004.71**	**100.00**	**23,881.09**	**100.00**	**18,797.84**	**100.00**
Expenses										
Cost of materials consumed	7,168.79	82.64	5,270.89	82.04	22,550.50	83.51	20,899.15	87.51	17,353.40	92.32
Purchases of stock-in-trade	988.74	11.40	593.24	9.23	1,911.91	7.08	1,005.50	4.21	25.05	0.13
Changes in inventories of finished goods, stock-in-trade and work in progress	(243.32)	(2.80)	92.30	1.44	162.75	0.60	(161.38)	(0.68)	(385.70)	(2.05)
Employee benefits expense	85.32	0.98	74.69	1.16	314.57	1.16	264.02	1.11	219.86	1.17
Finance costs	140.82	1.62	79.47	1.24	418.62	1.55	353.01	1.48	364.70	1.94
Depreciation and amortisation expense	51.32	0.59	27.33	0.43	154.88	0.57	137.73	0.58	96.63	0.51
Other expenses	243.38	2.81	178.62	2.78	904.61	3.35	819.08	3.43	570.67	3.04
Total expenses	**8,435.05**	**97.23**	**6,316.54**	**98.32**	**26,417.84**	**97.83**	**23,317.11**	**97.64**	**18,244.61**	**97.06**
Profit/ (loss) before exceptional items and tax	**240.02**	**2.77**	**107.89**	**1.68**	**586.87**	**2.17**	**563.98**	**2.36**	**553.23**	**2.94**
Exceptional items	-	-	-	-	-	-	65.15	0.27	-	-
Profit/ (loss) before tax	**240.02**	**2.77**	**107.89**	**1.68**	**586.87**	**2.17**	**498.83**	**2.09**	**553.23**	**2.94**
Tax expense:										
Current tax	52.17	0.60	21.84	0.34	107.76	0.40	92.71	0.39	112.30	0.60
Deferred tax	7.32	0.08	5.82	0.09	36.50	0.14	29.63	0.12	23.08	0.12
Tax related to earlier years	-	-	-	-	(1.57)	(0.01)	(6.68)	(0.03)	5.84	0.03
MAT Credit Entitlement	-	-	-	-	4.88	0.02	6.36	0.03	8.75	0.05
Total tax expenses	**59.49**	**0.69**	**27.66**	**0.43**	**147.57**	**0.55**	**122.02**	**0.51**	**149.97**	**0.80**
Profit/ (loss) for the year	**180.53**	**2.08**	**80.23**	**1.25**	**439.30**	**1.63**	**376.81**	**1.58**	**403.26**	**2.15**
Other comprehensive income/ (loss)	**-**	**-**	**0.08**	**0.00**	**0.97**	**0.00**	**1.11**	**0.00**	**-**	**-**
Total profit/ (loss) for the year	**180.53**	**2.08**	**80.31**	**1.25**	**440.27**	**1..63**	**377.92**	**1.58**	**403.26**	**2.15**

Three months period ended June 30, 2024 compared to June 30, 2023

Income

Our total income during the three months period ended June 30, 2024 was ₹8,675.07 million, as compared to ₹6,424.43 million during the three months period ended June 30, 2023, representing an increase of 35.03%. Our total income comprises of the following:

Revenue from operations

Our revenue from operations during the three months period ended June 30, 2024 was ₹8,669.78 million compared to ₹6,421.66 million during the three months period ended June 30, 2023, representing an increase on 35.01%. The increase was primarily due to increase in sale of value added product and general products.

Other income

Other income during the three months period ended June 30, 2024 was ₹5.29 million compared to ₹2.77 million during the three months period ended June 30, 2023, representing an increase on 90.98%. The increase was primarily due to increase in interest income on fixed deposits.

Expenses

The total expenses incurred by our Company during the three months period ended June 30, 2024 was ₹8,435.05 million compared to ₹6,316.54 million during the three months period ended June 30, 2023, representing an increase of 33.54%. Our total expenses comprise of the following

Cost of materials consumed, purchase of stock-in trade and changes in inventories of finished goods, work-in-progress and stock-in-trade

The cost of materials consumed coupled with purchases of stock in trade and changes in inventories of finished goods, work in progress and stock-in-trade was ₹ 7,914.22 million during the three months period ended June 30, 2024, which represented an increase of 32.87% over our cost of materials consumed of ₹ 5,956.43 million during the three months period ended June 30, 2023, which is in consonance to the increase in our revenue from operations and changes in the product mix.

Employee benefits expense

Our employee benefits expense during the three months period ended June 30, 2024 was ₹85.32 million compared to ₹ 74.69 million during the three months period ended June 30, 2023, representing an increase of 14.24%. The increase was primarily due to increase in manpower on account of commencement of new green field project at Sanand and increase in contribution to provident and other funds and provisions for employee benefits.

Finance costs

Our finance cost during the three months period ended June 30, 2024 was ₹ 140.82 million compared to ₹79.47 million during the three months period ended June 30, 2023, representing an increase of 77.20%. The increase was primarily due to increase interest expenses on working capital borrowings.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses during the three months period ended June 30, 2024 was ₹ 51.32 million compared to ₹27.33 million during the three months period ended June 30, 2023, representing an increase of 87.79%. The increase was primarily due to increase in plant, property and equipment’s on account of commencement of green field project at Sanand Unit.

Other expenses

Our other expenses during the three months period ended June 30, 2024 was ₹ 243.38 compared to ₹ 178.62 million during the three months period ended June 30, 2023, representing an increase of 36.25%. The increase was primarily on account of increase in power and freight on account of increase in sale of products.

Profit before Tax

For the reasons discussed above our profit before tax for the three months period ended June 30, 2024 was ₹ 240.02 million as compared to ₹ 107.89 million during the three months period ended June 30, 2023, representing an increase of 122.45%.

Tax expense

Total tax expense during the three months period ended June 30, 2024 was ₹ 59.49 million as compared to ₹ 27.66 million during the three months period ended June 30, 2023. The increase in tax expense is due to increase in current tax.

Profit for the year

Profit for the year during the three months period ended June 30, 2024 was ₹ 180.53 million as compared to ₹80.23 million during the three months period ended June 30, 2023. Our profit for the year, as a percentage of total income increased from 1.25% during the three months period ended June 30, 2023 to 2.08% during the three months period ended June 30, 2024, as a result of the factors described above.

Fiscal 2024 compared to Fiscal 2023

Income

Our total income during the Fiscal 2024 was ₹ 27,004.71 million, as compared to ₹ 23,881.09 during the Fiscal 2023, representing an increase of 13.08%. Our total income comprises of the following:

Revenue from operations

Our revenue from operations during the Fiscal 2024 was ₹ 26,992.93 million compared to ₹ 23,858.47 million during the Fiscal 2023, representing an increase on 13.14%. The increase was primarily due to increase in sale of value added products and general products.

Other income

Other income during the Fiscal 2024 was ₹ 11.77 million compared to ₹ 22.62 during the Fiscal 2023, representing a decrease of 47.95%. The decrease was primarily due to decrease in profit on sale of property, plant and equipments and decline in other income.

Expenses

The total expenses incurred by our Company during the Fiscal 2024 was ₹26,417.84 million compared to ₹23,371.11 million during the Fiscal 2023, representing an increase of 13.30%. Our total expenses comprise of the following

Cost of materials consumed, purchase of stock-in trade and changes in inventories of finished goods, WIP and stock-in-trade

The cost of materials consumed coupled with purchases of stock in trade and changes in inventories of finished goods, work in progress and stock-in-trade was ₹ 24,625.16 million during the Fiscal 2024, which represented an increase of 13.25% over our cost of materials consumed of ₹ 21,743.27 million during the Fiscal 2023, which is in consonance to the increase in our revenue from operations and changes in the product mix.

Employee benefits expense

Our employee benefits expense during the Fiscal 2024 was ₹ 314.57 million compared to ₹ 264.02 million during the Fiscal 2023, representing an increase of 19.15%. The increase was primarily due to increase in manpower on account of commencement of new manufacturing unit and increase in contribution to provident and other funds, provisions for employee benefits and staff welfare expenses.

Finance costs

Our finance cost during the Fiscal 2024 was ₹ 418.62 million compared to ₹ 353.01 million during the Fiscal 2023, representing an increase of 18.58%. The increase was primarily due to increase in interest expenses on working capital borrowings.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses during the Fiscal 2024 was ₹ 154.88 million compared to ₹ 137.73 million during the Fiscal 2023, representing an increase of 12.45%. The increase was primarily due to increase in plant, property and equipment on account of commencement of new manufacturing unit.

Other expenses

Our other expenses during the Fiscal 2024 was ₹ 904.61 million compared to ₹ 819.08 million during the Fiscal 2023, representing an increase of 10.44%. The increase was primarily on account of increase in power & freight on account of increase in volume.

Profit before Tax

For the reasons discussed above our profit before tax for the Fiscal 2024 was ₹ 586.87 million as compared to ₹ 498.83 million during the Fiscal 2023, representing an increase of 17.65%.

Tax expense

Total tax expense during the Fiscal 2024 was ₹ 147.57 million as compared to ₹ 122.02 million during the Fiscal 2023. The increase in tax expense is due to increase in current tax and deferred tax.

Profit for the year

Profit for the year during the Fiscal 2024 was ₹439.30 million as compared to ₹376.81 million during the Fiscal 2023. Our profit for the year, as a percentage of total income increased from 1.58% during the Fiscal 2023 to 1.63% during the Fiscal 2024, as a result of the factors described above.

Fiscal 2023 compared to Fiscal 2022

Income

Our total income during the Fiscal 2023 was ₹ 23,881.09 million, as compared to ₹ 18,797.84 million during the Fiscal 2022, representing an increase of 27.04%. Our total income comprises of the following:

Revenue from operations

Our revenue from operations during the Fiscal 2023 was ₹ 23,858.47 million compared to ₹ 18,788.47 million during the Fiscal 2022, representing an increase on 26.98%. The increase was primarily due to increase in sale of value added products and general products.

Other income

Other income during the Fiscal 2023 was ₹ 22.62 million compared to ₹ 9.37 during the Fiscal 2022, representing an increase of 141.48%. The increase was primarily due to increase in interest on deposits and other income.

Expenses

The total expenses incurred by our Company during the Fiscal 2023 was ₹ 23,317.11 million compared to ₹ 18,244.61 million during the Fiscal 2022, representing an increase of 27.80%. Our total expenses comprise of the following:

Cost of materials consumed, purchase of stock-in trade and changes in inventories of finished goods, WIP and stock-in-trade

The cost of materials consumed coupled with purchases of stock in trade and changes in inventories of finished goods, work in progress and stock-in-trade was ₹ 21,743.27 million during the Fiscal 2023, which represented an increase of 27.96% over our cost of materials consumed of ₹ 16,992.76 million during the Fiscal 2022, which is in consonance to the increase in our revenue from operations and changes in the product mix in the current year compared to the previous year

Employee benefits expense

Our employee benefits expense during the Fiscal 2023 was ₹ 264.02 million compared to ₹ 219.86 million during the Fiscal 2022, representing an increase of 20.09%. The increase was primarily due to increase in manpower and annual increments.

Finance costs

Our finance cost during the Fiscal 2023 was ₹ 353.01 million compared to ₹ 364.70 million during the Fiscal 2022, representing a decrease of 3.21%. The decrease was primarily due to decrease in interest expenses on term loans.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses during the Fiscal 2023 was ₹ 137.73 million compared to ₹ 96.63 million during the Fiscal 2022, representing an increase of 42.54%. The increase was primarily due to increase in plant, property and equipment.

Other expenses

Our other expenses during the Fiscal 2023 was ₹ 819.08 million compared to ₹ 570.67 million during the Fiscal 2022, representing an increase of 43.53%. The increase was primarily on account of increase in power and freight expenses due increase in sale of products.

Profit before Tax

For the reasons discussed above our profit before tax for the Fiscal 2023 was ₹ 498.83 million as compared to ₹ 553.23 million during the Fiscal 2022, representing a decrease of 9.83%.

Tax expense

Total tax expense during the Fiscal 2023 was ₹ 122.02 million as compared to ₹ 149.97 million during the Fiscal 2022. The decrease in tax expense is due to decrease in current tax.

Profit for the year

Profit for the year during the Fiscal 2023 was ₹ 376.81 million as compared to ₹ 403.26 million during the Fiscal 2022. Our profit for the year, as a percentage of total income decreased from 2.15% during the Fiscal 2022 to 1.58% during the Fiscal 2023, as a result of the factors described above.

CASH FLOWS

The following table summarizes our consolidated cash flow for the Fiscals 2024, 2023 and 2022:

(₹ in million)

Particulars	Fiscal		
	2024	2023	2022
Cash flow from Operating Activities	(951.90)	1,337.45	(173.16)
Cash flow from Investment Activities	(1,171.45)	(981.80)	(464.48)
Cash flow from Financing Activities	2,127.79	(345.79)	640.33
Net increase / (decrease) in cash and cash equivalent	4.44	9.86	2.69
Cash and Cash Equivalent at the Beginning of the Year	18.89	9.03	6.34

Particulars	Fiscal		
	2024	2023	2022
Cash and Cash Equivalent at the Closing of the Year	23.33	18.89	9.03

Cash flow from Operating Activities

Fiscal 2024

Cash flow used in operating activities for Fiscal 2024, was ₹ 951.90 million. Though our net profit before tax and extra ordinary activity was ₹ 586.87 million, we had operating profit before working capital changes of ₹ 1,150.50 million, primarily due to adjustments for other non-cash items of ₹ 1.25 million, depreciation and amortisation expenses of ₹ 154.88 million, interest income on bank deposits of ₹ 11.02 million, finance costs of ₹ 418.62 million and loss/ (gain) on sale of property, plant and equipment of ₹ 0.10 million. This was further adjusted for working capital changes, which primarily consisted of decrease in trade payables of ₹ 168.66 million, decrease in other current/ non-current liabilities of ₹ 47.73 million, decrease in provisions of ₹ 61.16 million, increase in trade receivable of ₹ 946.56 million, increase in inventories of ₹ 398.96 million and increase in other current assets of ₹ 365.98 million. As a result, cash used in operations for the Fiscal 2024 was ₹ 838.55 million before adjusting for direct taxes paid of ₹ 113.35 million.

Fiscal 2023

Cash flow generated from operating activities for Fiscal 2023, was ₹ 1,337.45 million. Though our net profit before tax and extra ordinary activity was ₹ 563.98 million, we had operating profit before working capital changes of ₹ 1,041.79 million, primarily due to adjustments for other non-cash items of ₹ 1.48 million, depreciation and amortisation expenses of ₹ 137.73 million, interest income on bank deposits of ₹ 13.90 million, finance costs of ₹ 353.01 million and loss/ (gain) on sale of property, plant and equipment of ₹ 0.51 million. This was further adjusted for working capital changes, which primarily consisted of increase in trade payables of ₹ 945.03 million, increase in other current/ non-current liabilities of ₹ 67.23 million, increase in provisions of ₹ 68.25 million, increase in trade receivable of ₹ 181.11 million, increase in inventories of ₹ 473.55 million, decrease in other current assets of ₹ 85.94 million and expected credit loss allowances/ doubtful debt of ₹ 65.15 million. As a result, cash generated from operations for the Fiscal 2023 was ₹ 1,488.43 million before adjusting for direct taxes paid of ₹ 150.98 million.

Fiscal 2022

Cash flow used in operating activities for Fiscal 2022, was ₹ 173.16 million. Though our net profit before tax and extra ordinary activity was ₹ 553.23 million, we had operating profit before working capital changes of ₹ 1,006.40 million, primarily due to adjustments for depreciation and amortisation expenses of ₹ 96.62 million, interest income on bank deposits of ₹ 8.15 million and finance costs of ₹ 364.70 million. This was further adjusted for working capital changes, which primarily consisted of increase in trade payables of ₹ 304.31 million, decrease in other current/ non-current liabilities of ₹ 6.20 million, decrease in provisions of ₹ 7.48 million, decrease in trade receivable of ₹ 468.06 million, increase in inventories of ₹ 709.36 million and increase in other current assets of ₹ 249.84 million. As a result, cash used in operations for the Fiscal 2022 was ₹ 130.23 million before adjusting for direct taxes paid of ₹ 42.93 million.

Cash flow from Investing Activities

Fiscal 2024

Cash flow used in investing activities was ₹ 1,171.45 million, primarily on account of increase in other non-current assets of ₹ 40.00 million, bank deposits considered other than cash and cash equivalents of ₹ 43.82 million, increase in non-current other financial liabilities of ₹ 1.50 million, payment for property, plant and equipment, intangible assets, CWIP of ₹ 1,091.75 million, gain on sale of property, plant and equipment of ₹ 0.10 million, investment others of ₹ 8.50 million and interest income on bank deposits of ₹ 11.02 million.

Fiscal 2023

Cash flow used in investing activities was ₹ 981.80 million, primarily on account of increase in other non-current assets of ₹ 269.89 million, bank deposits considered other than cash and cash equivalents of ₹ 31.07 million, increase in non-current other financial liabilities of ₹ 15.18 million, payment for property, plant and equipment, intangible assets, CWIP of ₹ 693.43 million, gain on sale of property, plant and equipment of ₹ 0.51 million, investments other of ₹ 17.00 million and interest income on bank deposits of ₹ 13.90 million.

Fiscal 2022

Cash flow used in investing activities was ₹ 464.48 million, primarily on account of increase in other non-current assets of ₹ 15.98 million, bank deposits considered other than cash and cash equivalents of ₹ 1.22 million, increase in non-current other financial liabilities of ₹ 2.48 million and payment for property, plant and equipment, intangible assets, CWIP of ₹ 452.20 million.

Cash flow from Financing Activities

Fiscal 2024

Cash flow generated from financing activities was ₹ 2,127.79 million, primarily due to net proceeds on conversion of share warrants of ₹ 1,145.69 million, dividend paid (including taxes) of ₹ 3.27 million, increase in long term borrowings of ₹ 375.02 million, increase in short term borrowings of ₹ 1,182.59 million, increase in other current financial liability of ₹ 212.91 million, increase in other non-current financial assets of ₹ 366.53 million and finance costs of ₹ 418.62 million.

Fiscal 2023

Cash flow used in financing activities was ₹ 345.79 million, primarily due to net proceeds on conversion of share warrants of ₹ 1,223.11 million, dividend paid (including taxes) of ₹ 6.14 million, decrease in long term borrowings of ₹ 528.47 million, decrease in short term borrowings of ₹ 765.39 million, increase in other current financial liability of ₹ 93.91 million, increase in other non-current financial assets of ₹ 9.80 million and finance costs of ₹353.01 million.

Fiscal 2022

Cash flow from financing activities was ₹ 640.33 million, primarily due to net proceeds on conversion of share warrants of ₹ 130.99 million, increase in long term borrowings of ₹ 305.71 million, increase in short term borrowings of ₹ 386.96 million, increase in other current financial liability of ₹ 171.87 million, decrease in other non-current financial assets of ₹ 1.35 million, finance costs of ₹ 364.70 million and interest income on bank deposit of ₹ 8.15 million.

BORROWINGS

The details of our total borrowings on a consolidated basis as on June 30, 2024, June 30, 2023, Fiscal 2024, 2023 and 2022 are set forth below:

(₹ in million)

Particulars	**Three months period ended June 30**		**Fiscal**		
	2024	**2023**	**2024**	**2023**	**2022**
Current Borrowings (including other current financial liabilities)	NA*	NA*	2,968.50	1,803.64	2,475.13
Non-Current Borrowings	NA*	NA*	1,064.54	940.27	1,468.73
Total	NA*	NA*	4,033.04	2,743.91	3,943.86

**Not available*

CONTINGENT LIABILITIES

Contingent liabilities as per Ind AS 37 as at March 31, 2024 are described below:

(₹ in million)

Particulars	**As at March 31, 2024**
Corporate guarantee given for subsidiaries	

Particulars	As at March 31, 2024
Disputed UP Value Added Tax Demand	4.33
Performance Bank Guarantee	145.77
Total	**150.10**

CAPITAL COMMITMENTS

As at March 31, 2024, our Company has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. Our Company does not have any other long term commitments or material non-cancellable contractual commitments / contracts, including derivative contracts for which there were any material foreseeable losses.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. Our credit risk arises principally from the trade receivables and advances. Our trade receivables are generally categorised into following categories:

1. Export customers
2. Institutional customers
3. Dealers

We have an ongoing credit evaluation process in respect of customers who are allowed credit period. Customer credit risk is managed centrally by the group and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, vintage, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

Liquidity Risk

Liquidity risk refers to the risk of financial distress extra ordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. We require funds both for working capital needs as well as for capex purposes. We generate sufficient cashflow for operations, which together with the available cash and cash equivalents and short term borrowings provide liquidity. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continues monitoring of actual cash flows, and by matching the maturity profiles of financial assests and liabilities. We have a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings is in rupees with a mix of fixed and floating rates of interest. We have exposure to interest rate risk, arising principally on changes in lending rates. We use a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term borrowings. The risk is managed us by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and further by keeping a close eye view on the market variables and time to time negotiations with the bankers for reduction of rate of interest.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Foreign currency risk sensitivity is the impact on the profit before tax is due to changes in the fair value of monetary assets and liabilities on unhedged exposures. Our functional currency is Indian Rupees (INR). We do not undertake transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations are not arises. Therefore, we are not exposed to any exchange rate risk under its trade and debt portfolio.

Commodity Price Risk

Our revenue is exposed to the market risk of price fluctuations related to the sale of its products. Market forces generally determine prices for the steel products sold by us. These prices may be affected by supply and demand, production costs (including the cost of raw material inputs) global, regional economic conditions, growth and so on. adverse changes in any of these factors may reduce the revenue that we earn from the sale of our products. We purchase the steel and other building products in the open market from third parties in prevailing market price. We are therefore subject to fluctuations in the prices of HR Coils, Zinc etc. We sell the products at prevailing market prices. Similarly, we procure the products based on prevailing market rates as the selling prices of steel products and the prices of inputs moves in the same direction.

SEASONALITY OF BUSINESS

Seasonality does not have a material impact on our operations.

RELATED PARTY TRANSACTIONS

For details, please see the chapter titled "*Related Party Transactions*" beginning on page 41.

CHANGES IN ACCOUNTING POLICIES

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

SUMMARY OF RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OR EMPHASIS OF MATTER IN THE AUDITORS' REPORT IN THE LAST FIVE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF FILING THIS PLACEMENT DOCUMENT.

Except as stated below our auditor have not made any reservations or qualifications or adverse remarks or emphasis of matter in their reports in the last five financial years immediately preceding the year of filing this Preliminary Placement Document:

Fiscals / period ended	**Reservation/ qualifications/ matter of emphasis/ adverse remarks**	**Impact on the financial statements and financial position of the Company**	**Corrective steps taken and/ or proposed to be taken by the Company**
Three months period ended June 30, 2024	Nil	Nil	Nil
Fiscal 2024	Nil	Nil	Nil
Fiscal 2023	Nil	Nil	Nil
Fiscal 2022	Nil	Nil	Nil
Fiscal 2021	Nil	Nil	Nil
Fiscal 2020	Nil	Nil	Nil

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

Given the nature of our business, there is no significant dependency on single or few customers.

SIGNIFICANT DEVELOPMENT AFTER JUNE 30, 2024

As on the date of this Preliminary Placement Document there have been no circumstances that have arisen since the date of the last reviewed financial statements as disclosed in this Preliminary Placement Document which materially or adversely affect or are likely to affect, the trading or profitability of our Company, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

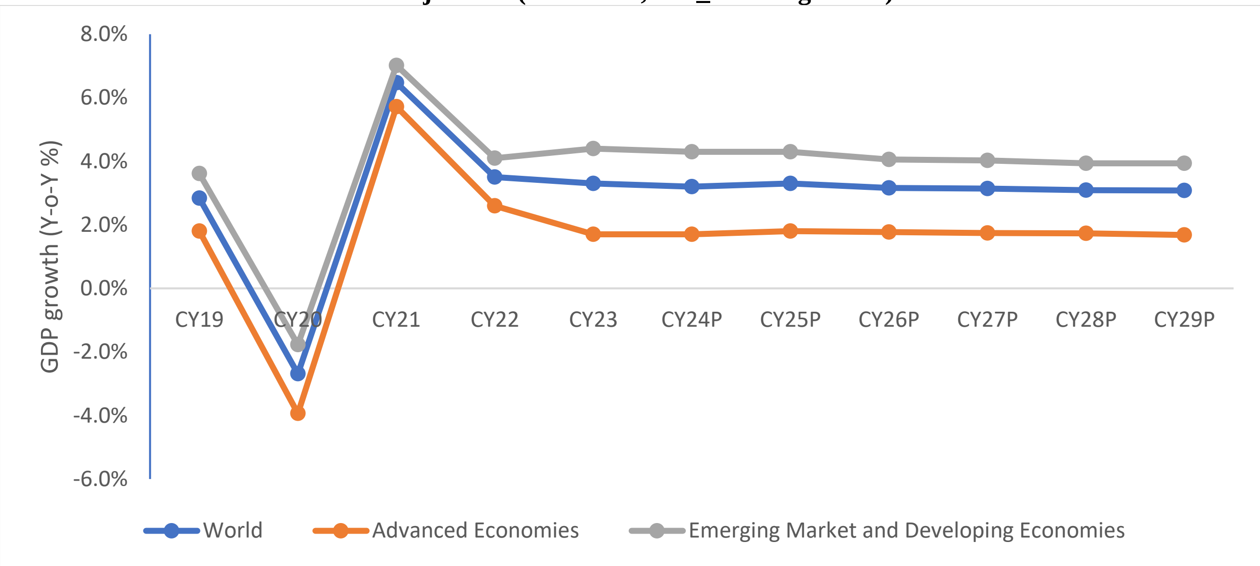
INDUSTRY OVERVIEW

Economic Outlook

Global Economy

Global growth, which stood at 3.3% in CY23, is anticipated to fall to 3.2% in CY24 and then bounce back again to 3.3% in CY25. The CY24 forecast has remained same compared to the April 2024 World Economic Outlook (WEO) Update, and increased by 0.1 percentage point compared to the January 2024 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, inflation woes, reduced fiscal support, lingering effects of Russia's Ukraine invasion, Iran–Israel Cold War, sluggish productivity growth, and heightened geo-economic fragmentation.

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o_Y Change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, July 2024

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.8	9.7	7.0	8.2	7.0	6.5	6.5	6.5	6.5	6.5
China	2.2	8.5	3.0	5.2	5.0	4.5	3.8	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	1.7	4.7	4.0	3.5	3.0	3.5
Brazil	-3.3	4.8	3.0	2.9	2.1	2.4	2.1	2.0	2.0	2.0
Euro Area	-6.1	5.9	3.4	0.5	0.9	1.5	1.4	1.3	1.3	1.2
United States	-2.2	5.8	1.9	2.5	2.6	1.9	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (July 2024)

Advanced Economies Group

Advanced economies are expected to experience a gradual increase in growth, remaining same at 1.7% in CY23 and CY24 and increasing to 1.8% in CY25. The projection for CY24 and CY25 remains unchanged compared to the April 2024 WEO Update.

The United States is expected to see growth rise to 2.6% in CY24, followed by a slight slowdown to 1.9% in CY25. This deceleration is attributed to gradual fiscal tightening and labor market softening, which dampen aggregate demand. The CY24 projection has been revised downward by 0.1 percentage points since the April

CY24 WEO Update. This revision primarily reflects carryover effects from stronger-than-expected growth in the fourth quarter of CY23, with some of this momentum expected to continue into CY24.

The **Euro Area's** growth is anticipated to rebound from its sluggish rate of 0.5% in CY23, mainly influenced by significant exposure to the conflict in Ukraine. Projections indicate an increase to 0.9% in CY24 and further to 1.5% in CY25. This recovery is driven by stronger household consumption, as the impact of elevated energy prices diminishes and declining inflation bolsters real income growth. Additionally, strong momentum in services, higher than expected net exports, and higher investments have further driven this growth. But, countries like Germany are expected to have a sluggish recovery on account of weak manufacturing growth.

Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.3% in both CY24 and CY25. This forecast has been revised upwards by 0.1 percentage point as compared to the April 2024 WEO update on account of stronger activity in Asia, particularly China and India. Growth prospects in economies across the Middle East and Central Asia continue to be weighed down by oil production and regional conflicts. Growth forecast of sub-Saharan Africa has also been revised downward on account of weak economic activity. Low-income developing countries are anticipated to experience a gradual growth uptick, starting at 3.9% in CY23 and climbing to 4.4% in CY24 and 5.3% in CY25, as certain constraints on near-term growth begin to ease.

The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.7% in CY23 to 5.4% in CY24 and 5.1% in CY25. **China's** trajectory reflects a slowdown, transitioning from 5.2% in CY23 to 5.0% in CY24 and 4.5% in CY25 due to fading post-pandemic stimuli and ongoing property sector challenges. In contrast, **India's** growth remains robust, with anticipated rates of 7.0% in CY24 and 6.5% in CY25, bolstered by resilient domestic demand and a burgeoning working-age populace.

The **Indonesian** economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25 with a strong domestic demand, a healthy export performance, policy measures, and normalization in commodity prices. **Saudi Arabia's** growth slowed at -0.8% in CY23 attributed to lower oil production. CY24 is predicted to see a revamp in the growth rates to 1.7% on account of Vision 2030 reforms that helped advance the country's economic diversification agenda, including through reduced reliance on oil. The forecast for CY24 has been revised downward as compared to the April 2024 WEO update on account of extension of oil production cuts. Going forward, GDP is expected to grow at 4.7% and 4.0% in CY25 and CY26, respectively. On the other hand, **Brazil's** growth is projected to ease to 2.1% in CY24, driven by fiscal consolidation, the lingering impact of tight monetary policies, and reduced contributions from the agricultural sector. There has been a downward revision in forecast for CY24 compared to April 2024 WEO update on account of the near-term impact of flooding. Going forward, GDP is expected to grow at 2.4% in CY25 on account of reconstruction following the floods and supportive structural factors.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been at USD 3.6 trillion for CY23 and is projected to reach USD 5.3 trillion by CY27 and USD 6.4 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.6% share in the global economy, with China [~18.7%] on the top followed by the United States [~15.6%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country.

Despite Covid-19's impact, high inflationary environment and interest rates globally, and the geopolitical tensions in Europe, India has been a major contributor to world economic growth. India is increasingly becoming an open economy as well through growing foreign trade. Despite the global inflation and uncertainties, Indian economy continues to show resilience. This resilience is mainly supported by stable financial sector backed by well-capitalized banks and export of services in trade balance. With this, the growth of Indian economy is expected to fare better than other economies majorly on account of strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners.

Indian Economic Outlook

GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. In Q1FY24, the economic growth accelerated to 8.2%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum remained in the range in the Q2FY24 with GDP growth at 8.1%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24. The GDP growth number improved for Q3FY24 at 8.6%.

India's GDP at constant prices surged to Rs. 47.24 trillion in Q4FY24 from Rs. 43.84 trillion in Q4FY23, marking a 7.8% growth rate. This upswing was fueled by robust performances in construction, mining & quarrying, utility services, and manufacturing sectors and investment drove the GDP growth, while both private and government consumption remained subdued.

Real GDP in the year FY24 is estimated to grow at 8.2% at Rs. 173.82 trillion as per provisional estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

GDP Growth Outlook

- Driven by fixed investment and improving global environment, domestic economic activity continues to expand. The provisional estimates (PE) placed real GDP growth at 8.2% for FY24.

- Industrial activity led by manufacturing continues its momentum on the back of strengthening domestic demand. Moreover, the services sector maintained buoyancy as could be observed by growth in high frequency indicators such as E-way bills, GST revenues, toll collections, aggregate, and a healthy growth in domestic air cargo and port cargo. The purchasing managers' index for both manufacturing and services continues to exhibit a sustained and healthy expansion.

- Domestic economic activity remains strong. On the supply side, the south-west monsoon is progressing well, with higher cumulative kharif sowing and improving reservoir levels, which bodes well for kharif output. The potential development of La Niña conditions in the latter half of the monsoon season could impact agricultural production in 2024-25. On the demand side, household consumption is bolstered by a recovery in rural demand and consistent discretionary spending in urban areas. Fixed investment activity is robust, supported by the government's ongoing focus on capital expenditure, healthy balance sheets of banks and corporates, and other policy measures. Private corporate investment is picking up, driven by an increase in bank credit. Merchandise exports grew in June, albeit at a slower rate, while the growth in non-oil-non-gold imports accelerated, indicating resilience of domestic demand. Services exports saw double-digit growth in May 2024 before slowing down in June 2024.

- Improved agricultural activity would improve rural consumption, while urban consumption would be supported by buoyancy in services activity. Additionally, improvement in global trade prospects are expected to support external demand.

Persistent geopolitical tensions and volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its August 2024 monetary policy, has projected real GDP growth at 7.2% y-o-y for FY25.

Table 2: RBI's GDP Growth Outlook (Y-o-Y %)

FY25P (complete year)	Q1FY25P	Q2FY25P	Q3FY25P	Q4FY25P	Q1FY26P

7.2%	7.1%	7.2%	7.3%	7.2%	7.2%

Note: P-Projected; Source: Reserve Bank of India

Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.

- The **agriculture sector** was holding growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than the previous year which affected the agricultural performance. Whereas FY20 witnessed growth on account of improved production. During the pandemic-impacted period of FY21, the agriculture sector was largely insulated as timely and proactive exemptions from COVID-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

In FY23, the agriculture sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y, garnering Rs. 22.3 trillion.

In Q1FY24, this sector expanded at a slower pace of 3.7% y-o-y growth compared to y-o-y growth a quarter ago. This further stumbled to 1.7% in Q2FY24.Further, it experienced y-o-y growth of 0.4% in Q3 and 0.6% in Q4. leading to expectations of a modest 1.4% rise for the full year, contrasting sharply with the 4.7% growth recorded in FY23. In the Budget 2024-25, the government plans to boost private and public investment in post-harvest activities and expand the application of Nano-DAP across agro-climatic zones. Strategies for self-reliance in oilseeds and dairy development are to be formulated, alongside ramping up the Pradhan Mantri Matsaya Sampada Yojana and establishing Integrated Aquaparks. Allocation for PM-Formalisation of Micro Food Processing Enterprises scheme has increased from Rs. 639 in FY24 to Rs. 880 crores in FY25.

Going forward, rising bank credit to the sector and increased exports will be the drivers for the agriculture sector. However, a deficient rainfall may have impact on the reservoir level, weighing on prospects of Kharif sowing. Considering these factors, the agriculture sector is estimated to attain Rs. 23.7 trillion and mark 1.4% y-o-y growth for complete FY24.

- From March 2020 onwards, the nationwide lockdown due to the pandemic significantly impacted the **industrial sector**. In FY20 and FY21, this sector felt turbulence due to the pandemic and recorded a decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of the economy and resumption of industrial activities, it registered 11.6% y-o-y growth in FY22, albeit on a lower base.

The industrial output in FY23 grew by only 2.1% with estimated value Rs. 44.74 trillion owing to decline in manufacturing activities.

The industrial sector grew by 6.0% in Q1FY24, while Q2FY24 growth was up by 13.6% owing to positive business optimism and strong growth in new orders supported manufacturing output. The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing, industries such as pharma, motor vehicles, metals, petroleum and pharma witnessed higher production growth during the quarter. The construction sector (13.6% growth in Q2FY24) benefited from poor rainfall during August and September and higher implementation of infrastructure projects. This was reflected in robust cement and steel production and power demand in Q2FY24. Overall, H1FY24 picked up by 9.3% with manufacturing and construction activities witnessing significant acceleration. In Q3FY24, growth rate slowed down to 10.5%. It further fell down to 8.4% in Q4FY24.

India's industrial sector is experiencing strong growth, driven by significant expansion in manufacturing, mining, and construction. This growth is supported by positive business sentiment, declining commodity prices, beneficial government policies like production-linked incentive schemes, and efforts to boost infrastructure development. These factors collectively contribute to the sustained buoyancy in industrial growth due to which the industrial growth is estimated at 9.5% on y-o-y basis registering the value of Rs. 48.9 trillion in FY24.

- The **Services sector** was the hardest hit by the pandemic and registered an 8.2% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in FY22.

Overall, in FY23, benefitting from the pent-up demand, the service sector was valued at Rs. 80.6 trillion and registered growth of 10.0% y-o-y.

In Q1FY24, the services sector growth jumped to 10.7%. Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate, and professional services. Trade, hotels, and transport sub-sectors expanded at a healthy pace gaining from strength in discretionary demand. The service sector growth in Q2FY24 moderated to 6.0% partly due to the normalization of base effect and some possible dilution in discretionary demand. Considering these factors, service sector marked 8.3% growth in H1FY24. In Q3FY24 growth increased to 7.1% compared to 7.2% last year in the same quarter. In Q4FY24, growth declined to 6.7% compared to 7.2% last year in the same quarter.

With this performance, steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit are expected to support the services sector. With this, the growth of service sector is estimated at Rs. 86.7 trillion registering 7.6% growth in FY24 overall.

Table 3: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

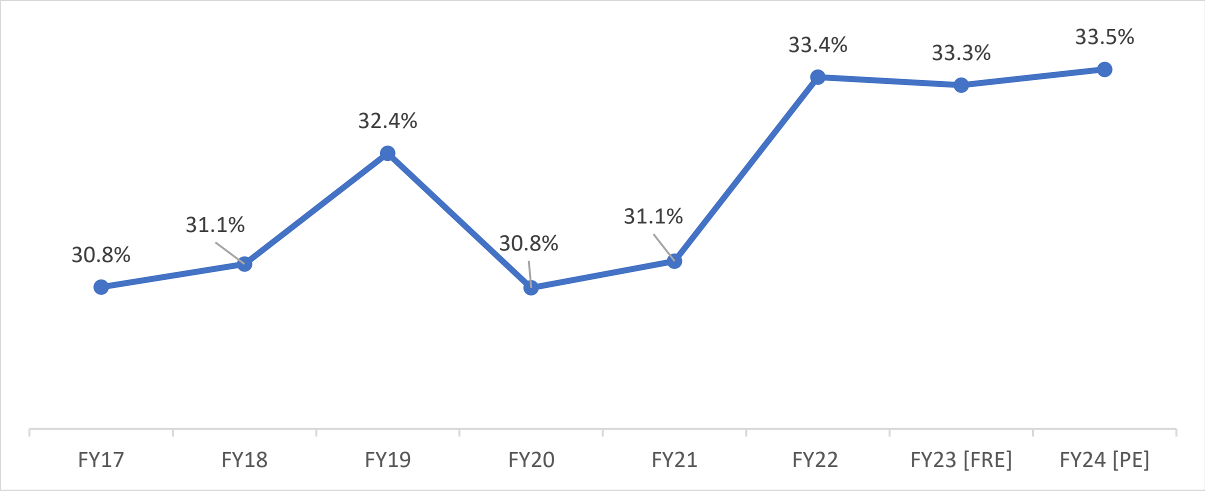
At constant Prices	FY19	FY20	FY21	FY22	FY23 (FRE)	FY24 (PE)
Agriculture, Forestry & Fishing	**2.1**	**6.2**	**4.1**	**3.5**	**4.7**	**1.4**
Industry	**5.3**	**-1.4**	**-0.9**	**11.6**	**2.1**	**9.5**
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	1.9	7.1
Manufacturing	5.4	-3.0	2.9	11.1	-2.2	9.9
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	9.4	7.5
Construction	6.5	1.6	-5.7	14.8	9.4	9.9
Services	**7.2**	**6.4**	**-8.2**	**8.8**	**10.0**	**7.6**
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	12.0	6.4
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	9.1	8.4
Public Administration, Defence and Other Services	7.5	6.6	-7.6	9.7	8.9	7.8
GVA at Basic Price	**5.8**	**3.9**	**-4.2**	**8.8**	**6.7**	**7.2**

Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 33.4%, which is the highest level in 5 years (since FY17). In FY23, the ratio of investment (GFCF) to GDP remained flat at 33.3%. Continuing in its growth trend, this ratio has reached 33.5% in FY24.

Chart 1: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate, FAE-First Advance Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

Industrial Growth

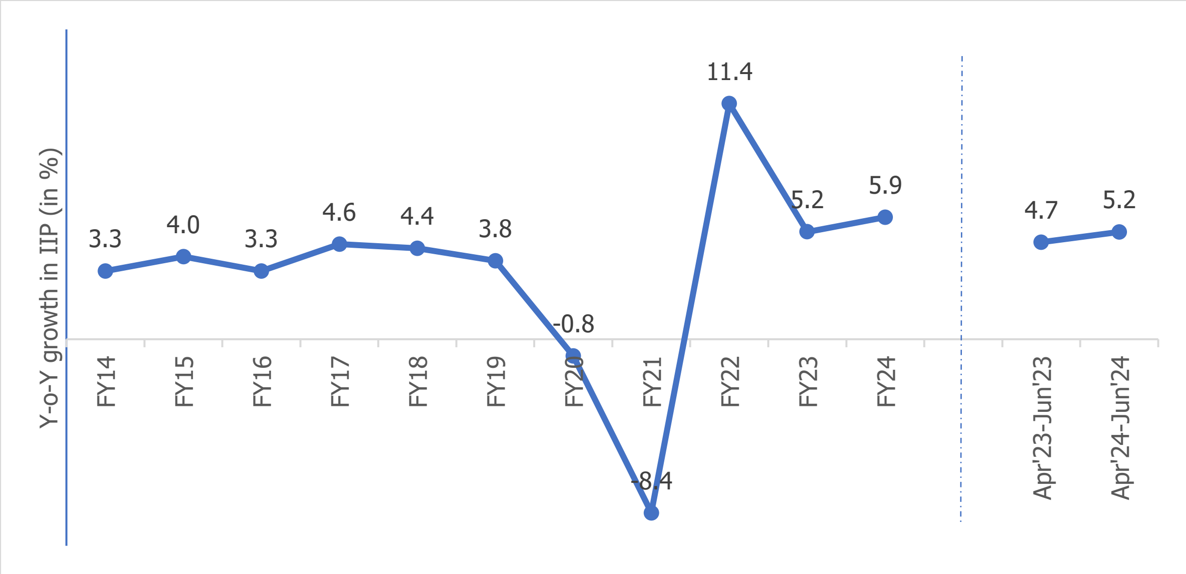
Improved Core and Capital Goods Sectors helped IIP Growth Momentum

The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by a low base of FY21. FY22 IIP was higher when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway. During FY23, the industrial output recorded a growth of 5.2% y-o-y supported by a favorable base and a rebound in economic activities.

During FY24, the industrial output recorded a growth of 5.9% y-o-y supported by growth in manufacturing and power generation sectors. The period April 2024 – June 2024, industrial output grew by 5.2% compared to the 4.7% growth in the corresponding period last year. For the month of June 2024, the IIP growth increased to 4.2% compared to the last year's 4.0%, on account of growth in mining. The manufacturing sector showed a decline in June 2024 from 3.5% in June 2023 to 2.6% in June 2024. Within the growth in manufacturing, the top three positive contributors were Manufacture of basic metals, Manufacture of electrical equipment, and Manufacture of motor vehicles, trailers, and semi-trailers.

So far in the current fiscal, the government's spending on infrastructure has been strong, and there are visible signs of pick up in private investment. Consumer durables production increased due to favorable conditions, while non-durables saw a slight decline. Urban demand is driving consumption, while rural demand is recovering. Good monsoon forecasts are positive, but high unemployment and food inflation pose challenges. Infrastructure/construction output is growing well due to government spending. Private investment and manufacturing capacity utilization are increasing, supporting hopes for private sector growth. Good monsoon could boost rural demand, but food inflation remains a concern. Overall, sustained improvements in consumption and private investment are crucial for industrial performance.

Chart 2: Y-o-Y growth in IIP (in %)



Source: MOSPI

Consumer Price Index

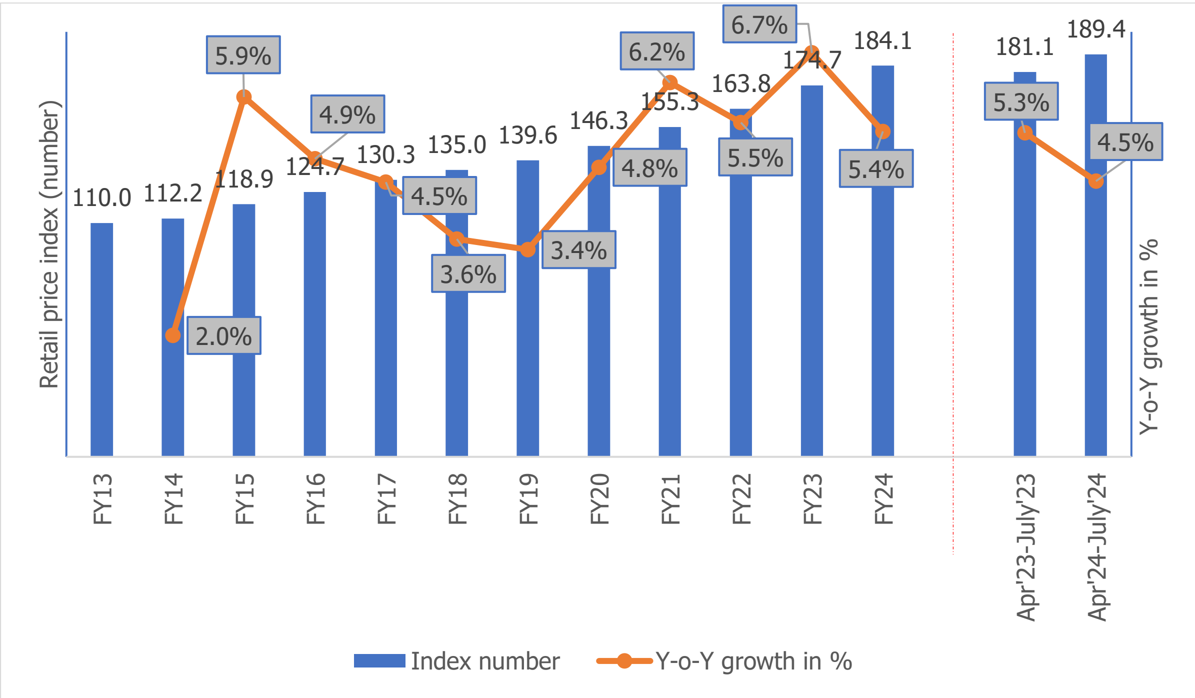
India's consumer price index (CPI), which tracks retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, consumer inflation started to upswing from October 2021 onwards and reached a tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail inflation came from a moderation in food inflation.

In FY24, the CPI moderated for two consecutive months to 4.7% in April 2023 and 4.3% in May 2023. This trend snapped in June 2023 with CPI rising to 4.9%. In July 2023, the CPI had reached its highest point at 7.4%, this was largely due to increase in food prices. The notable surge in vegetable prices and in other food categories such as cereals, pulses, spices, and milk have driven this increase. In August 2023, the food inflation witnessed some moderation owing to government's active intervention. This was further moderated for second consecutive month in September 2023 to 5%, led by a sharp correction in vegetables prices and lower LPG prices. Helped by deflation in the fuel and light category, the retail inflation in October 2023 softened at 4.9%. This trend reversed in November 2023 due to spike in certain vegetable prices as well as sticky inflation in non-perishable food items such as cereals, pulses and spices and the CPI rose to 5.6%. In the month of December 2023, elevated food prices and an unfavourable base drove headline inflation to a four-month peak of 5.7%. However in the month of January and February, food prices softened and the inflation was reported at 5.1% for both the months. March witnessed furthur softning of prices registering 4.9% growth. For FY24 inflation moderated to 5.4% which are within the boundaries set of 2% to 6% by the RBI.

High inflation in specific food items poses inflation risk, even though an improvement in south-west monsoon and progress in sowing are improving the food inflation outlook. This makes it crucial to monitor monsoon distribution. Additionally, global food prices also show some softening in July, post increases in March 2024. While government initiatives are expected to mitigate upward price pressure, external risks from geopolitical tensions may affect supply chains and commodity prices. The numbers for April 2024-July 2024 show a decline in inflation growth y-o-y to 4.5% as compared to inflation growth y-o-y of 5.3% in April 2023-July 2023 period. For July 2024, CPI inflation stood at 3.5% which has been the lowest retail inflation in the last 5 years. There was a decline in inflation among all groups with significant decline in vegetables, spices, and fruits subgroup. Additionally, food inflation was also at the lowest in this month since June 2023.

Chart 3: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)

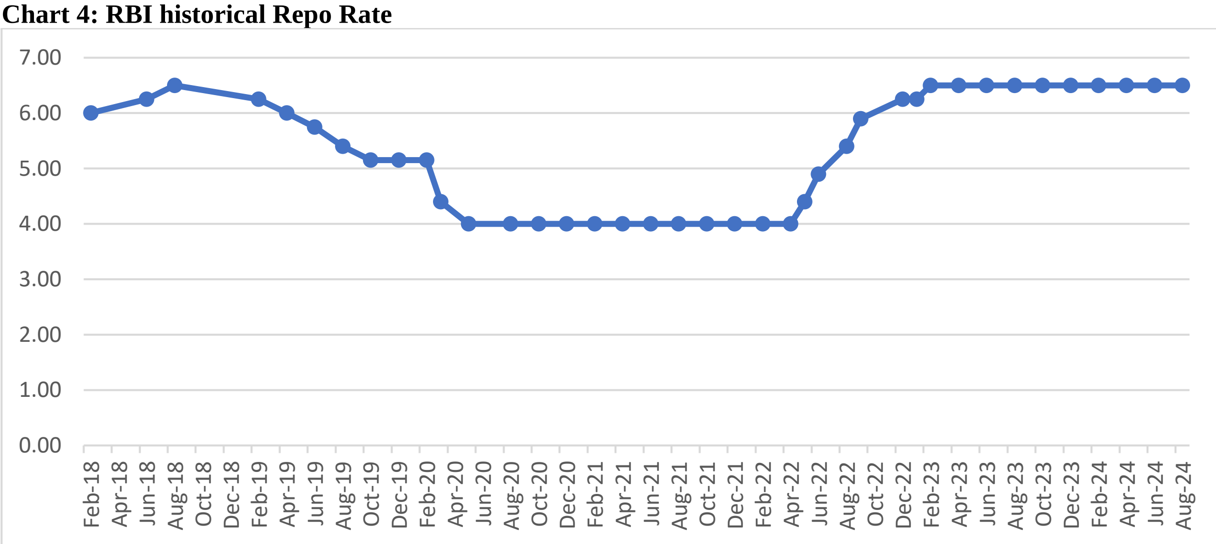


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. At the bi-monthly meeting held in August 2024, RBI projected inflation at 4.5% for FY25 with inflation during Q2FY25 at 4.4%, Q3FY25 at 4.7%, Q4FY25 at 4.3%, and Q1FY26 at 4.4%.

Considering the current inflation situation, RBI has kept the repo rate unchanged at 6.5% again in the August 2024 meeting of the Monetary Policy Committee.

Chart 4: RBI historical Repo Rate



Source: RBI

In a meeting held in August 2024, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

Further, the central bank continued to remain focused on the withdrawal of its accommodative stance. While headline inflation has started easing due to softening in core component and economic activity has been resilient supported by domestic and investment demand, volatility in food proces due to adverse weather conditions pose a risk to the path of disinflation. Given the uncertainities in food prices that might derail the path to bring down inflation, the Central Bank has decided to be vigilant and maintain an active disinflationary stance to ensure complete transmission of past rate cuts and anchoring of inflation expectations until a better alignment of the headline CPI inflation with the target is achieved, while supporting growth.

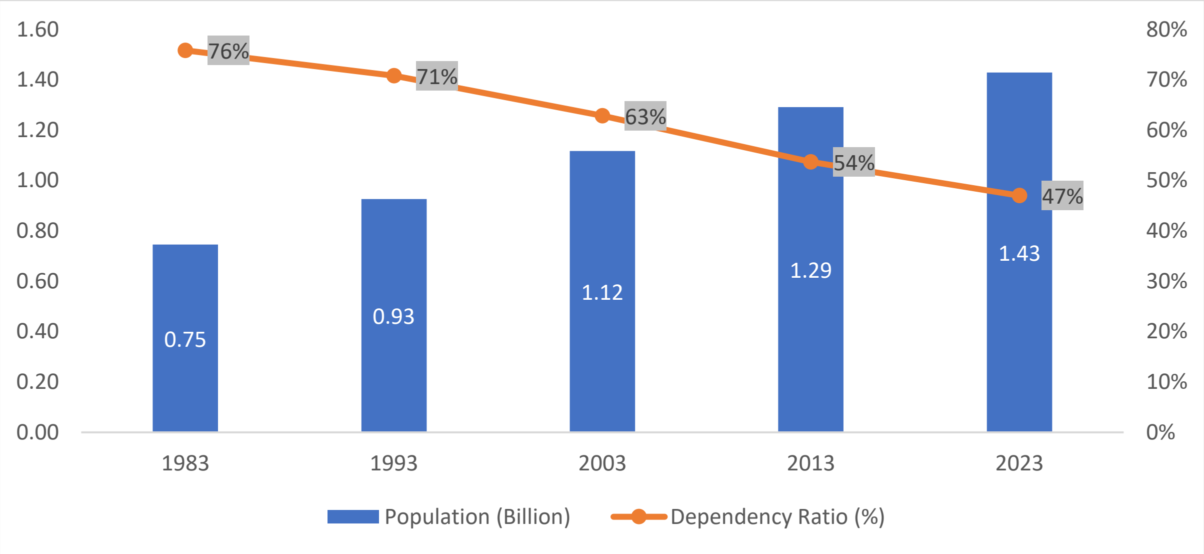
Overview on Key Demographic Parameters

- **Population growth and Urbanization**

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. According to the world bank, India's population in 2022 surpassed 1.42 billion slightly higher than China's population 1.41 billion and became the most populous country in the world.

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76% in 1983, which has reduced to 47% in 2023. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy.

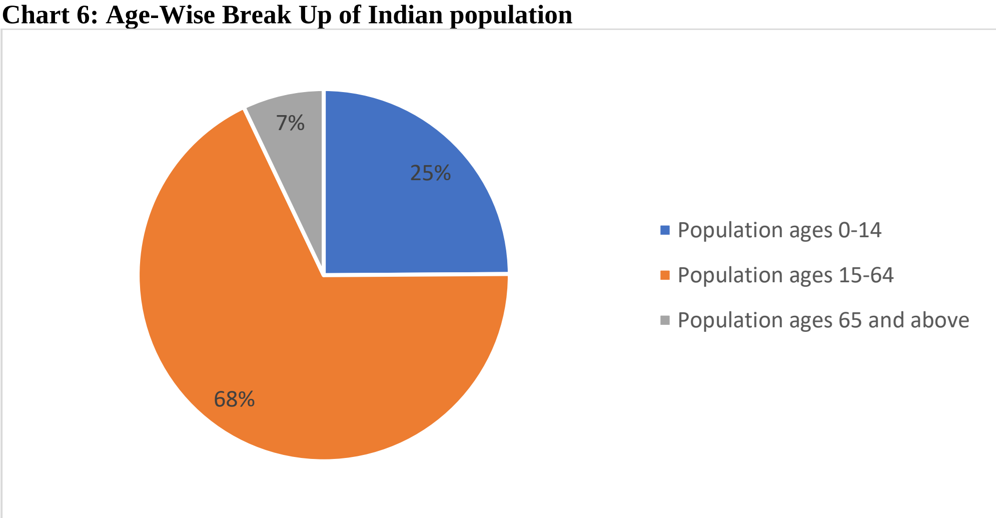
Chart 5: Trend of India Population vis-à-vis dependency ratio



Source: World Bank Database

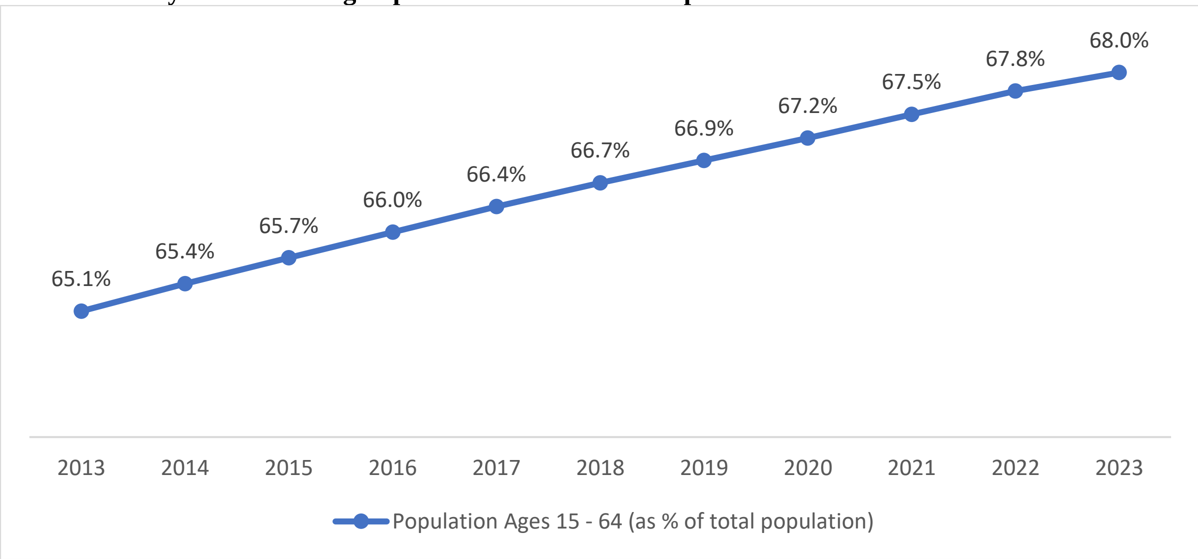
With an average age of 29, India has one of the youngest populations globally. With vast resources of young citizens entering the workforce every year, it is expected to create a 'demographic dividend'. India is home to a fifth of the world's youth demographic and this population advantage will play a critical role in economic growth.

Chart 6: Age-Wise Break Up of Indian population



Source: World Bank Database

Chart 7: Yearly Trend - Young Population as % of Total Population

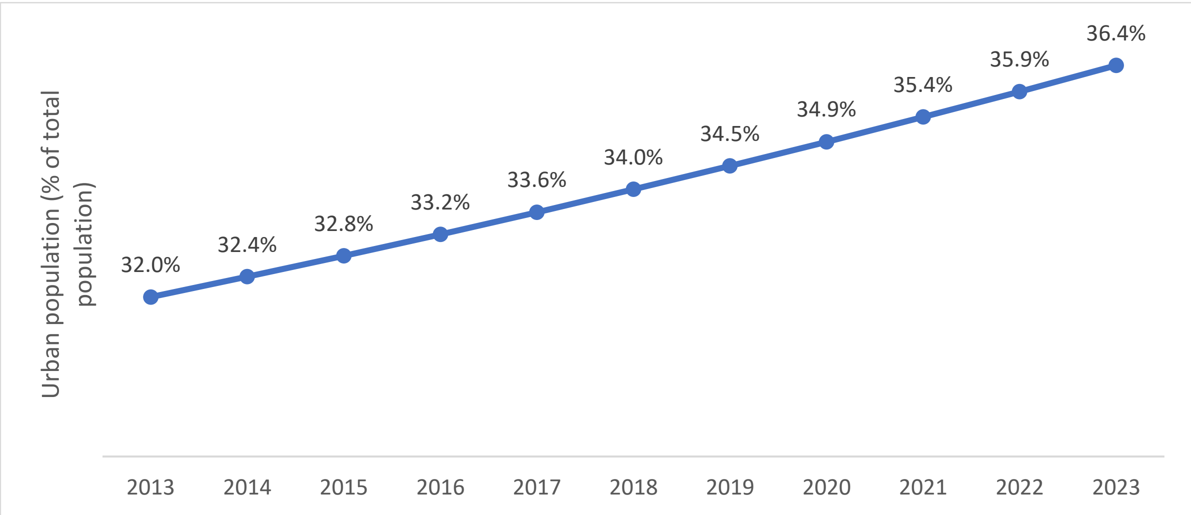


Source: World Bank database

➢ **Urbanization**

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 413 million (32% of total population) in 2013 to 519.5 million (36.4% of total population) in the year 2023. People living in Tier-2 and Tier-3 cities have greater purchasing power.

Chart 8: Urbanization Trend in India



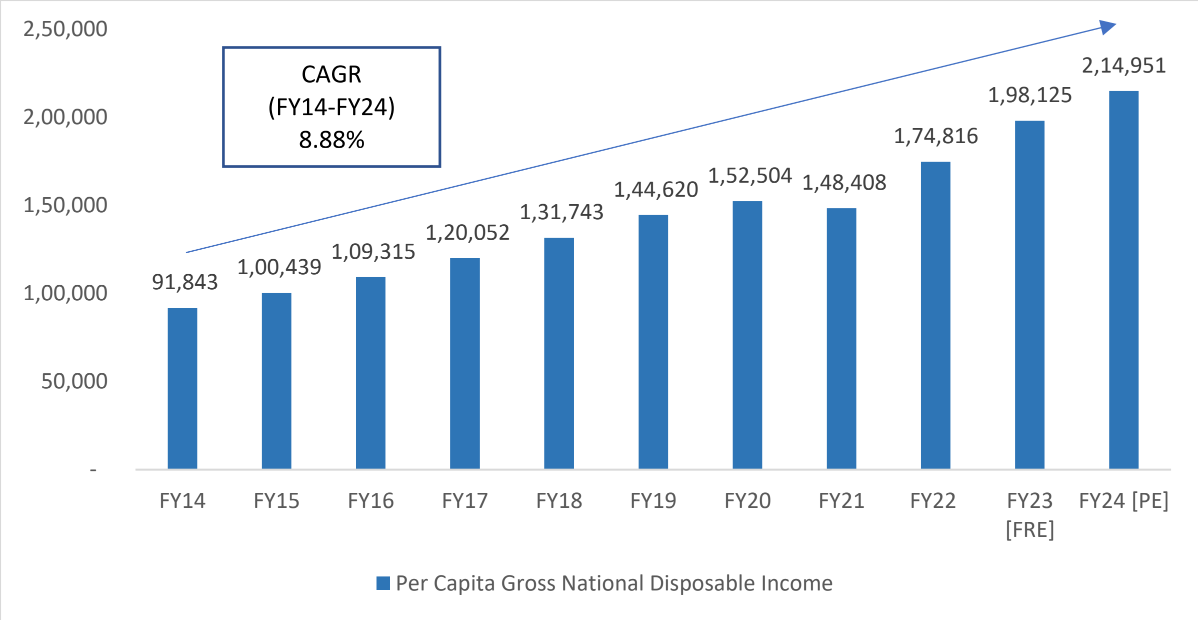
Source: World Bank Database

- **Increasing Per Capita Disposable Income**

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY24, per capita GNDI at current prices registered a CAGR of 8.88%. More disposable income drives more consumption, thereby driving economic growth.

The chart below depicts the trend of per capita GNDI in the past decade:

Chart 9: Trend of Per Capita Gross National Disposable Income (Current Price)

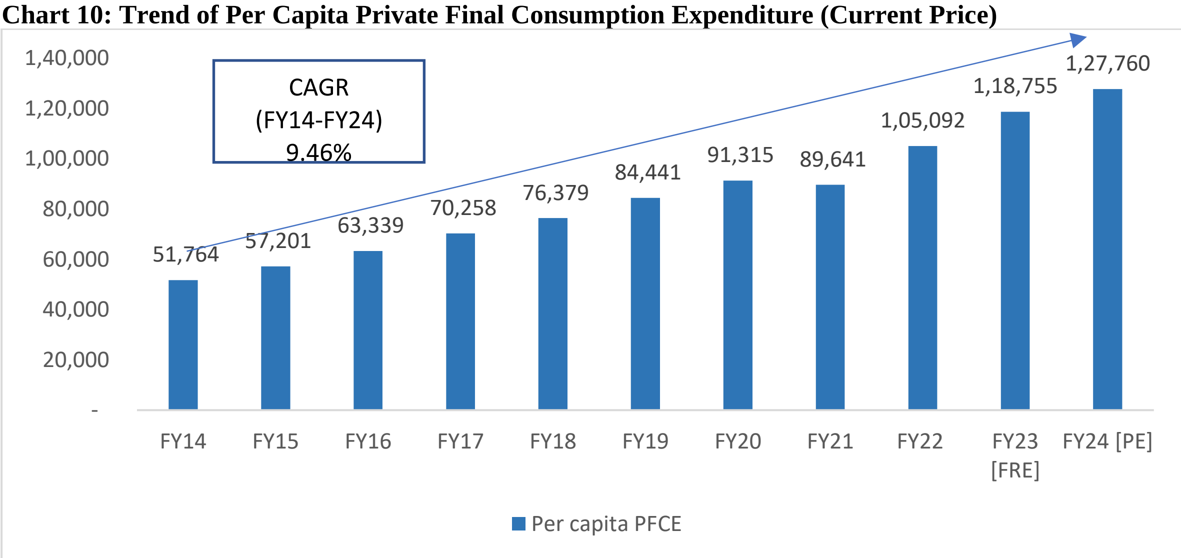


Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

- **Increase in Consumer Spending**

With increase in disposable income, there has been a gradual change in consumer spending behaviour as well. Private Final Consumption Expenditure (PFCE) which is measure of consumer spending has also showcased significant growth in the past decade at a CAGR of 9.46%. Following chart depicts the trend of per capita PFCE at current prices:

Chart 10: Trend of Per Capita Private Final Consumption Expenditure (Current Price)



Source: MOSPI

Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, high interest rates, inflation woes, volatility in international financial markets, climate change, rising public debt, and new technologies. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF's forecast, it is expected to be 7% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, E-way bills, bank credit, toll collections and GST collections have shown improvement in FY24. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

The India Meteorological Department (IMD) has made a significant forecast, predicting "above normal" rainfall for the upcoming monsoon season, marking the first time in a decade that such an optimistic outlook has been declared at the initial stage. This forecast, coupled with an anticipated eight-year-high rainfall, offers promising prospects for the agrarian economy and inflation. The expected development of La Nina conditions in the second half of the year (August-September) further adds to the positive outlook. La Nina is a climate patter that tends to enhance rainfall activity. IMD's more optimistic prediction is expected to bolster agricultural growth and incomes, while also potentially alleviating stubborn food inflation pressures.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector’s intent to invest is also showing improvement as per the data announced on new project investments and resilience shown by the import of capital goods. Additionally, improvement in rural demand owing to healthy sowing, improving reservoir levels, and progress in south-west monsoon along with government’s thrust on capex and other policy support will aid the investment cycle in gaining further traction.

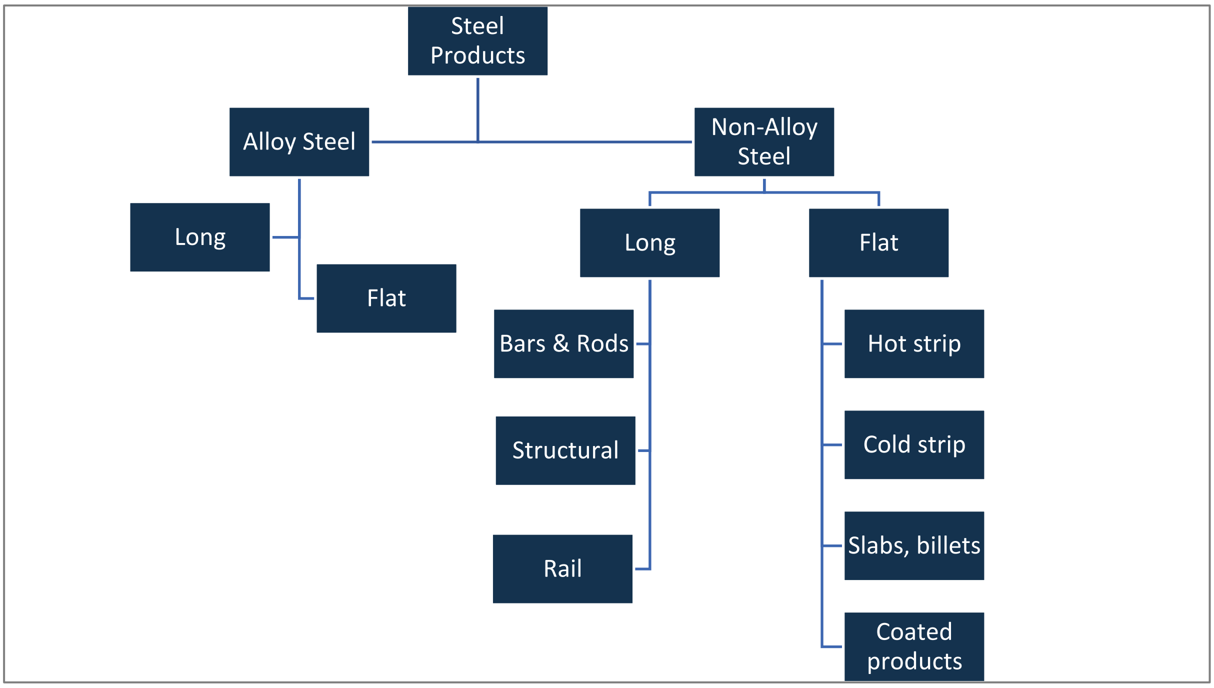
Global and Indian Steel Industry

Global Steel Industry

Overview

Steel is a paramount material in the fields of construction and engineering. It has widespread applications in industries such as automotive, construction, consumer goods, infrastructure, capital goods, mechanical & medical equipment, packaging, and utensils, among others. Its popularity stems from its abundant availability, cost-effectiveness, exceptional strength and durability, ductility, and recyclability. According to the World Steel Association, there are over 3,500 different grades of steel produced worldwide, each possessing unique physical, chemical, and environmental properties to suit various applications.

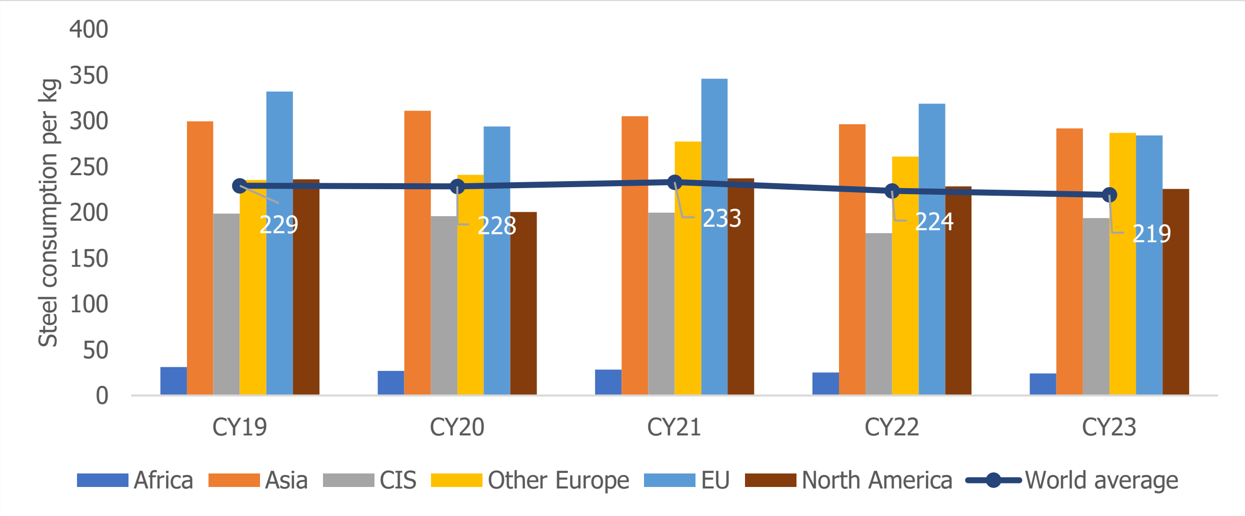
Chart 11: Types of Steel Products



Source: Industry Sources, CareEdge Research

Further, the global per capita consumption of steel has been on the rise. For instance, the consumption increased to 233 kg in CY21 from 229 kg in CY19. However, it decreased to 224 Kg in CY22 as the demand was affected by macroeconomic factors such as global slowdown and uncertainties due to the Russia-Ukraine war. It further fell down to 219 kg in CY23 due to ongoing geopolitical uncertainty, fluctuations in energy prices, persistent inflation, and bleak economic outlook. As of CY23, the per capita consumption of steel in Asia was the highest at 292 kg in CY23, driven by high consumption in South Korea and China followed by Other Europe (287 kg) and EU (European Union) (284 kg).

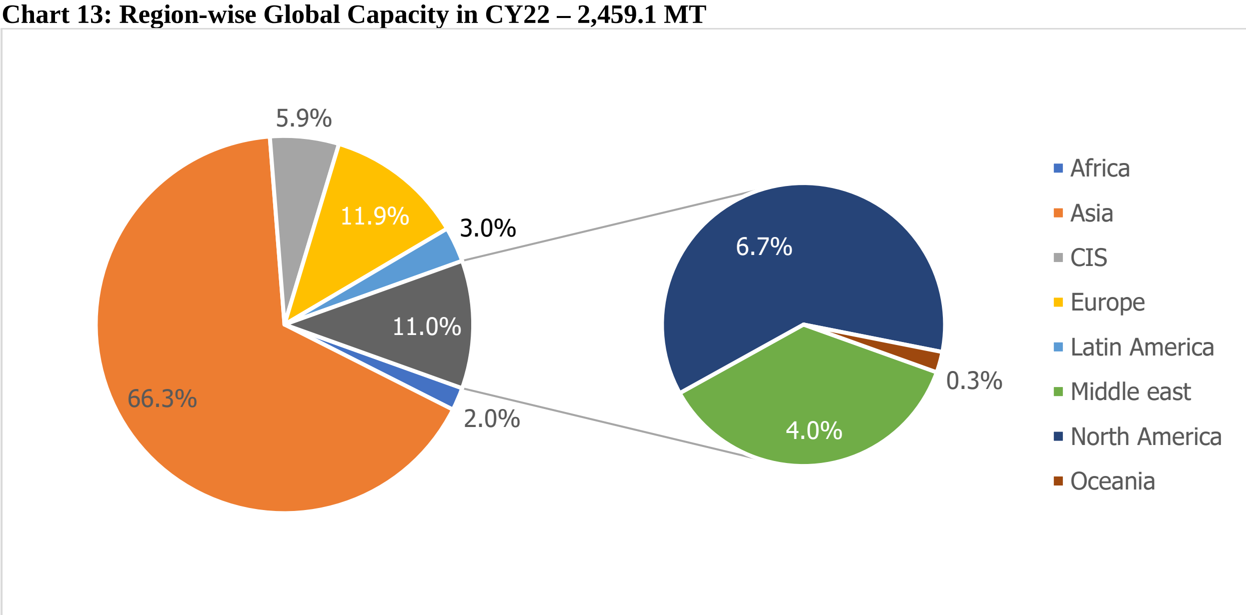
Chart 12: Global Per Capita Consumption (in kg)



Source: World Steel Association

Further, the global steel production capacity reached 2,459.1 million tonnes (MT) in CY22 with Asia accounting for the largest share of 66.3%. China holds a dominant position in steelmaking capacity, production, and consumption, boasting the highest steel production capacity globally, followed by India and Japan. Additionally, Europe, North America, CIS, Middle East, also contribute significantly to the global steel production capacity.

Chart 13: Region-wise Global Capacity in CY22 – 2,459.1 MT



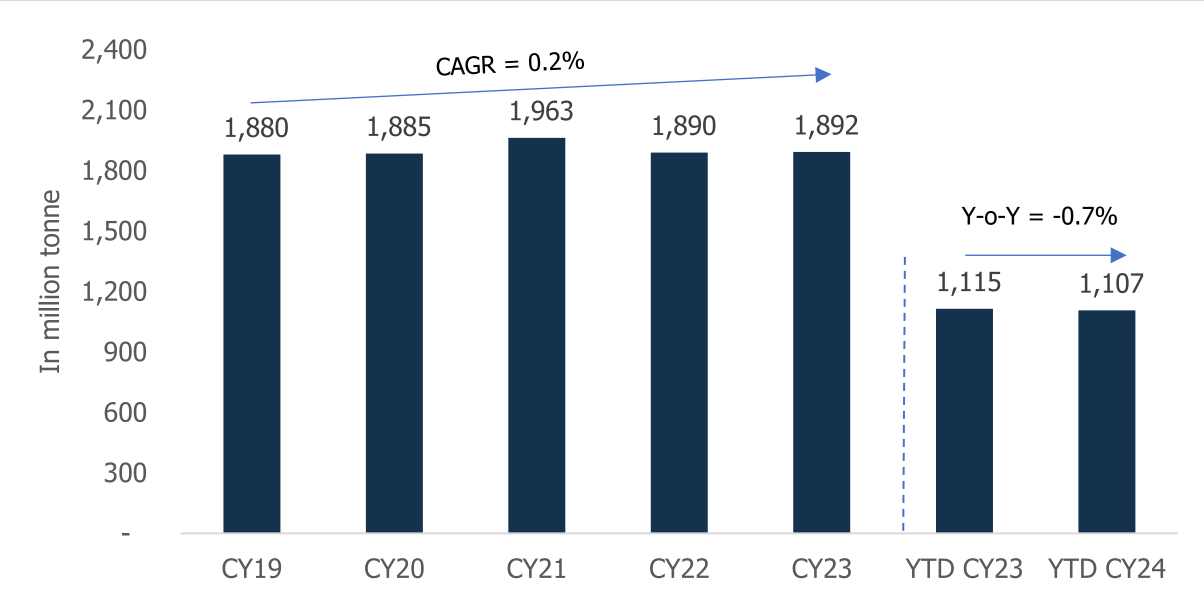
Source: Organisation for Economic Co-operation and Development (OECD)

Global Steel Production

The global crude steel production has grown at a CAGR of around 0.2% to 1,892 MT in CY23 from 1,880 MT in CY19. However, it declined by ~4% y-o-y in CY22 from 1,963 MT in CY21 due to a slowdown in China, monetary tightening in the United States and Europe, inflationary pressures leading to increased input costs, and supply chain disruptions caused due to the Russia-Ukraine war. Global Crude Steel production remained almost flat in CY23. While for countries like India, Russia, South Korea, and the United States, production increased, production fell in Japan, Germany, Turkey, and Brazil. Moreover, the production remained flat for China and Iran.

During YTD CY24 (January 2024-July 2024), the production of global crude steel decreased marginally by 0.7% corresponding to the same period in CY23.

Chart 14: Global Crude Steel Production

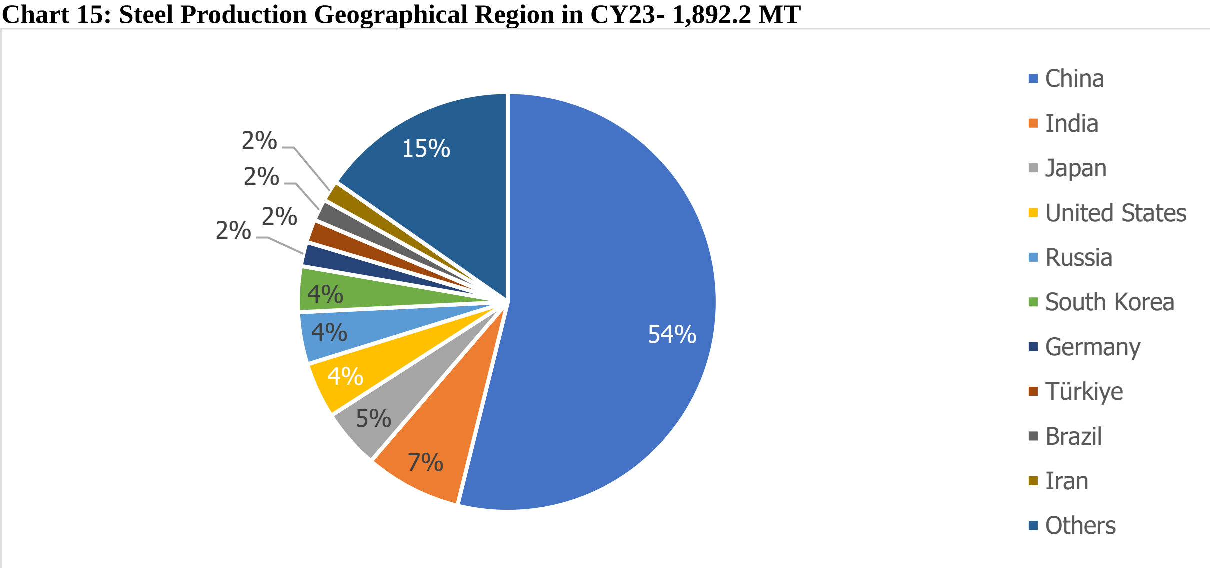


Source: World Steel Association
Note: YTD CY23 refers to the period from January 2023-July 2023
YTD CY24 refers to the period from January 2024- July 2024

Further, China continued to be the largest crude steel producer with 54% share in CY23. However, Chinese production remained flat in CY23 from CY22. This is due to the decline in steel consumption by property sector and slow progress of infrastructure projects.

India was the second-largest producer of crude steel in CY23 with ~7% share, followed by Japan with ~5% share. The USA, Russia, and South Korea accounted for around 4% share each in the total production during CY23.

Chart 15: Steel Production Geographical Region in CY23- 1,892.2 MT



Source: World Steel Association

- **Global Steel Consumption**

Steel is used in industries like energy, construction, automotive, transportation, infrastructure, packaging, and machinery. There was a strong recovery in finished steel consumption post-COVID-19. In developed economies like the USA, Europe, Japan, and South Korea, the demand was driven by the automotive and durable goods sectors.

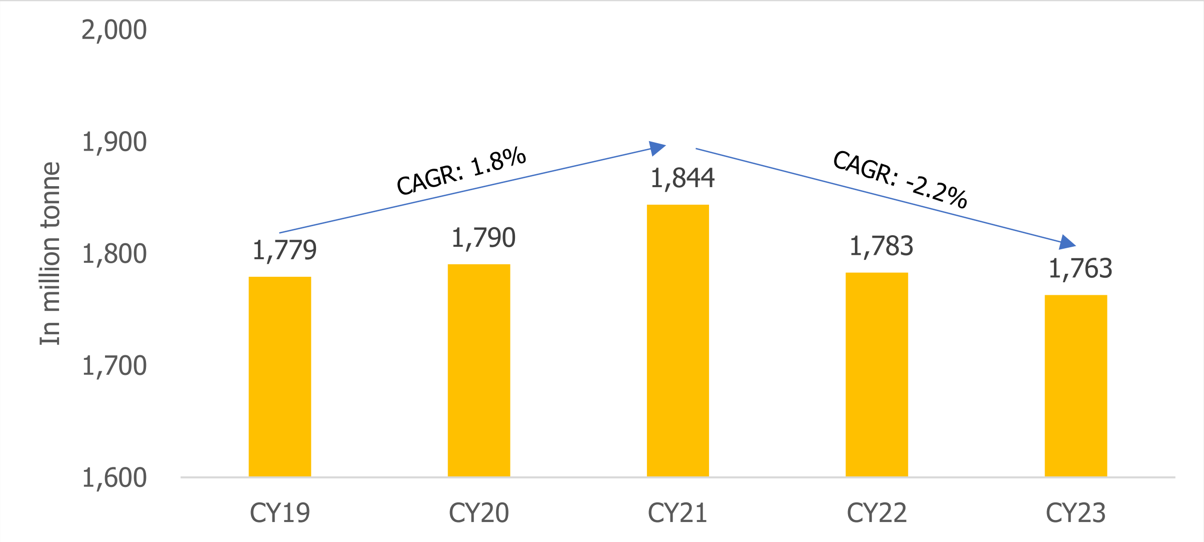
The global finished steel consumption has increased at a CAGR of 1.8% from 1,779 MT in CY19 to 1,844 MT in CY21. During the period CY21-CY23, it declined at a CAGR of 2.2% to 1,763 MT in CY23.

The global consumption of finished steel declined by 3.3% y-o-y in CY22, because global production was affected due to a slowdown in China, monetary tightening in the United States and Europe, inflationary pressures which raised input costs, and disruptions in supply chain due to the Russia-Ukraine war.

Further, the finished steel consumption in China was reduced on account of movement restrictions and lockdowns brought by COVID-19, environmental concerns, and the target to lower carbon emissions. However, government support is expected to aid in the recovery of demand with the resumption of construction and real estate activities.

Moreover, the consumption of finished steel in India has been robust given increased investments in infrastructure and policy support by the government. Despite the inflationary pressures and uncertainties around the global economy, India witnessed a healthy demand from auto, consumer durables, capital goods, and real estate sectors. Further, the finished steel demand fell by 1.1% y-o-y in CY23 globally. While India showed resilience in terms of growth in steel demand, regions like EU, United States, and China faced a downturn in steel demand.

Chart 16: Global Steel Demand



Source: World Steel Association

Trend in Global Steel prices

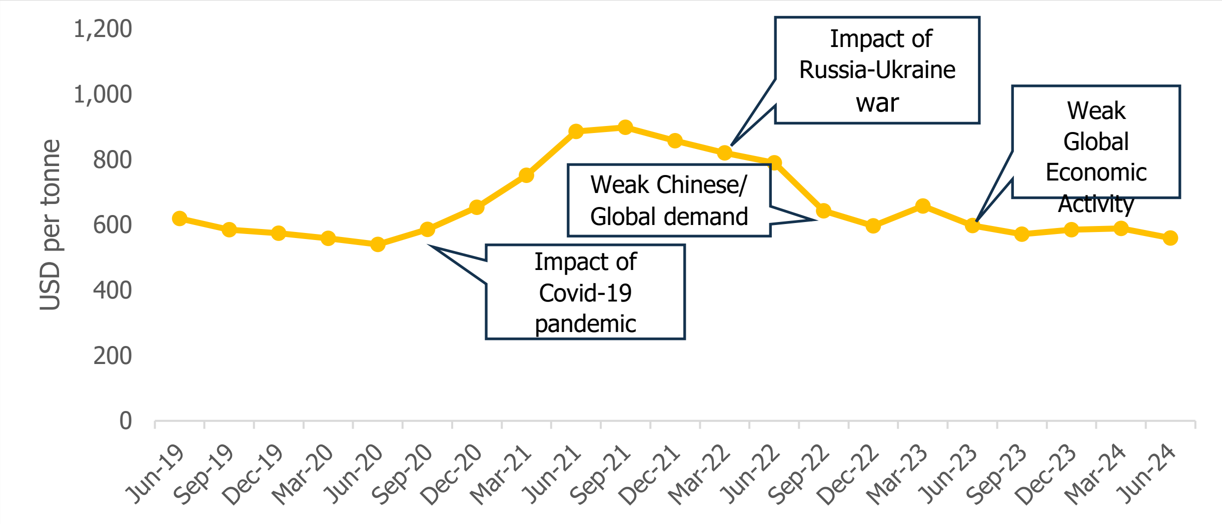
The international steel prices remained in the range of USD 605 to USD 654 per tonne from March 2019 to December 2020. The prices started rising in December 2020 on account of supply disruptions caused by the Covid-19 pandemic and high raw material prices. Escalated prices were further supported by the impact of the Russia-Ukraine war which commenced in February 2022. However, prices started declining gradually from June 2022 and fell to USD 597 per tonne during December 2022 given the weak demand from the largest consumer China due to lockdowns, COVID-19-related restrictions, and sluggish global demand. Additionally, a decline in iron ore and coking coal prices have also caused fall in international steel prices.

Post-December 2022, iron ore and steel prices started to rise as COVID-19 restrictions relaxed in China on expectations of demand recovery and the steel prices increased by 10.1% q-o-q in March 2023 and stood at USD 657 per tonne. Overall, the global steel prices averaged at around USD 672 per tonne in FY23, a fall of 22.4% y-o-y.

During FY24, the demand in China remained subdued and led to correction in the global steel prices during March-September 2023. China, that accounts for half of the world's production and consumption witnessed weak domestic steel demand on account of decline in real estate investments which in turn, led to increase in their exports in the global market putting further downward pressure on prices. Accordingly, the global steel prices declined by 11% y-o-y and stood at USD 572 per tonne during the quarter ended September 2023.

The prices increased marginally by 0.7% to USD 589 per tonne for the quarter ended March 2024 before decreasing by 5.1% to USD 560 per tonne for the quarter ended June 2024 on account of increased global supply by China amidst weak domestic demand and subpar economic activity in global steel-consuming hubs. As of FY24, the average global steel prices stood at USD 586 per tonne, a decrease of about 12.8% on a y-o-y.

Chart 17: Trend in Global Steel Prices

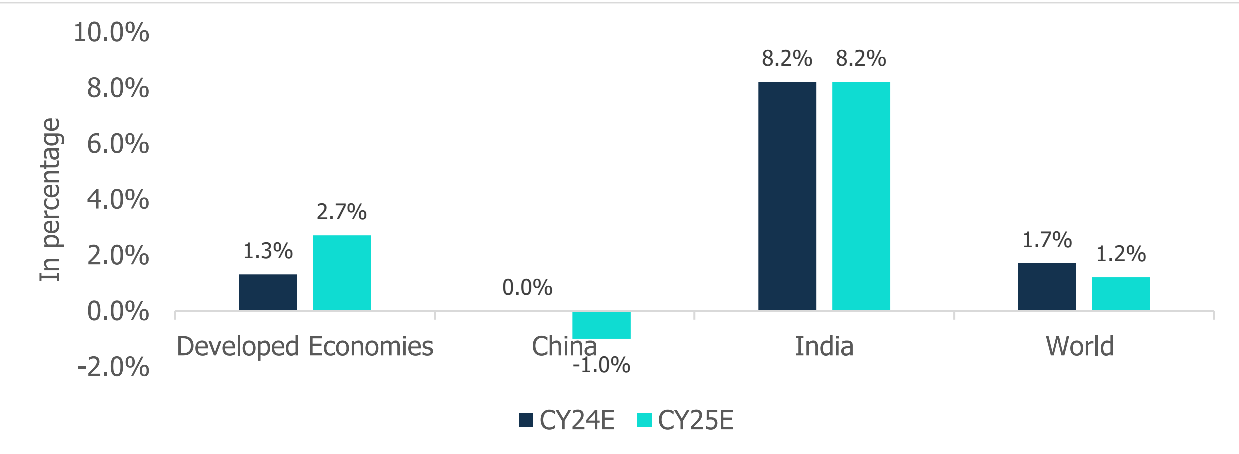


Source: CMIE

Outlook of Global Steel Consumption

The World Steel Association forecasts[1] the steel demand to increase by 1.7% y-o-y to 1,793.1 MT in CY24 and 1.2% y-o-y to 1,815.2 MT in CY25 compared to a decline of 1.1% in CY23. The growth is expected to be led by the recovery in global manufacturing activity in 2024. Further, faster than expected disinflation and monetary policy easing could provide a boost to steel consuming sectors. Moreover, an increase in efforts towards strengthening public infrastructure against climate change risks is expected to augment global steel demand. Despite this positive outlook on global economy towards a gentle slowdown due to monetary tightening, the demand for steel worldwide is expected to stay low, as market instability is expected to persist due to delayed effects of monetary policy changes, increased costs, major economies being forced to cut spending due to high and increasing public debt levels, and geopolitical uncertainties.

Chart 18: Steel Demand Growth Estimates



Source: World Steel Association

The steel demand in China, accounting for over half of the global consumption, is expected to remain flat in CY24 and decrease by 1% in CY25 largely due to decrease in real estate investments. However, steel demand in China is projected to be steady in CY24 on account of growth from infrastructure and manufacturing activities. The projected downward trend in CY25 is due to the expected view that China would reach its peak steel demand and will decline as the country might move away from a real estate and infrastructure dependent economic model.

After witnessing a growth rate of 14.8% in CY23, the steel demand in India is estimated to grow by 8.2% in both CY24 and CY25. The growth momentum is expected to stay healthy on account of rising demand for steel as a raw material in all end-use sectors, especially infrastructure as the capex (capital expenditure) allocated toward this sector by the Indian Government is on rise and is expected to flourish the growth in steel sector. Besides, government initiatives such as the Production Linked Investment (PLI) Scheme and 10 years of infrastructure development roadmap will aid in the overall growth of the industry.

Moreover, developed economies including the European Union (27), the United States, Japan, and South Korea, witnessed a 4.2% decline in steel demand in 2023, with EU facing the major challenges, due to the geopolitical uncertainty, increased energy costs, high inflation, partial withdrawal of fiscal support, monetary tightening leading to rising interest rates and decline in housing market. The World Steel Association expects demand from developed economies to increase by 1.3% in CY24 and further increase by 2.7% in CY25 as steel demand is expected to see pick up in the EU and continued resilience in US, Japan, and Korea on account of expected recovery in residential construction. In contrast to EU, US has shown resilience in steel demand and is expected to grow further in CY24 and CY25 due to strong investment activity and initiatives like the Inflation Reduction Act in the country.

Indian Steel Industry

Overview

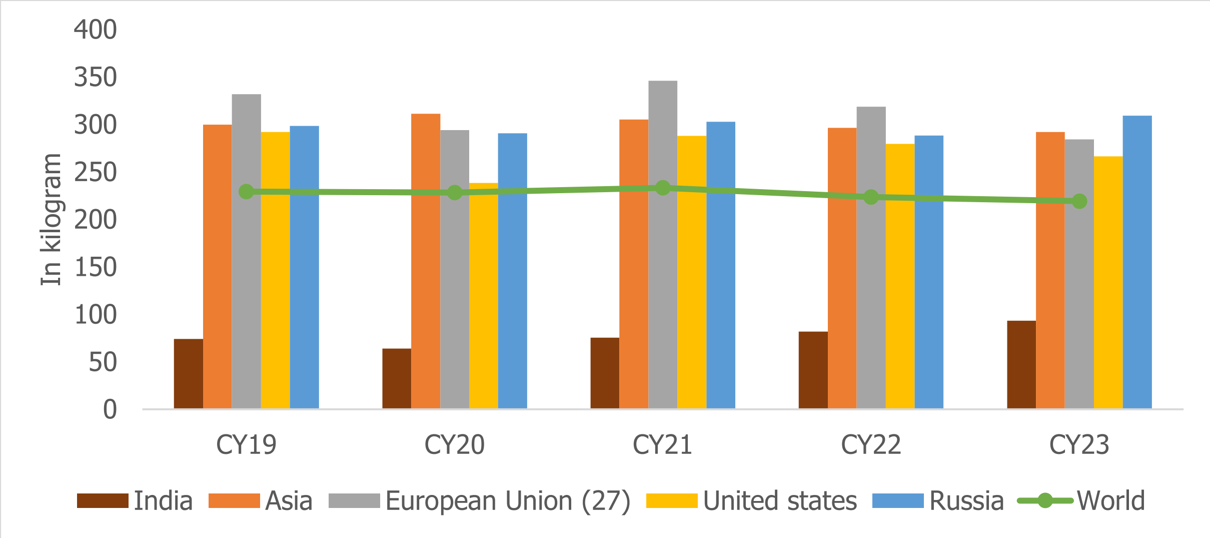
Steel is a vital and versatile material that greatly enhances convenience in our lives. As a fundamental component in various manufacturing processes, it serves as the cornerstone for national economic growth. The steel sector is frequently regarded as a barometer of economic advancement due to its essential contributions to infrastructure and industrial expansion within a nation.

Additionally, initiatives such as joint ventures and 100% foreign direct investment (FDI) have propelled substantial investments into India's steel sector.

Steel industry growth contributes to all aspects of the economy, including GDP, industrial, and infrastructural development. It has an output multiplier effect of 1.4x on GDP with an employment multiplier effect of 6.8x[2]. India is the second-largest steel producer in the world with an installed capacity of 161.3 MT in FY23. It is also the second-largest consumer of finished steel[3] with a consumption of 120 MT in FY23. The Indian steel sector growth over the years has been attributed to the domestic availability of raw materials such as iron ore and cost-effective labor. Additionally, the industry has benefitted from domestic demand in sectors such as construction, consumer durables, capital good, railways, real estate, and automobiles. Whereas the vast coastline has enabled exports and imports, making India one of the leading countries in the global steel industry.

Further, the per capita finished steel consumption in India was 93.4 kg in CY23, significantly lower than the world average of 219.3 kg per capita. Aligned with the government's vision of Atmanirbhar Bharat, The National Steel Policy 2017 aims to achieve 300 MT of steel-making capacity by 2030 by enhancing the per capita domestic steel consumption to 160 kg. Thus, the steel industry has significant domestic potential and is expected to play a key role in the future economic growth of the country.

Chart 19: Finished Steel Use Per Capita



Source: World Steel Association

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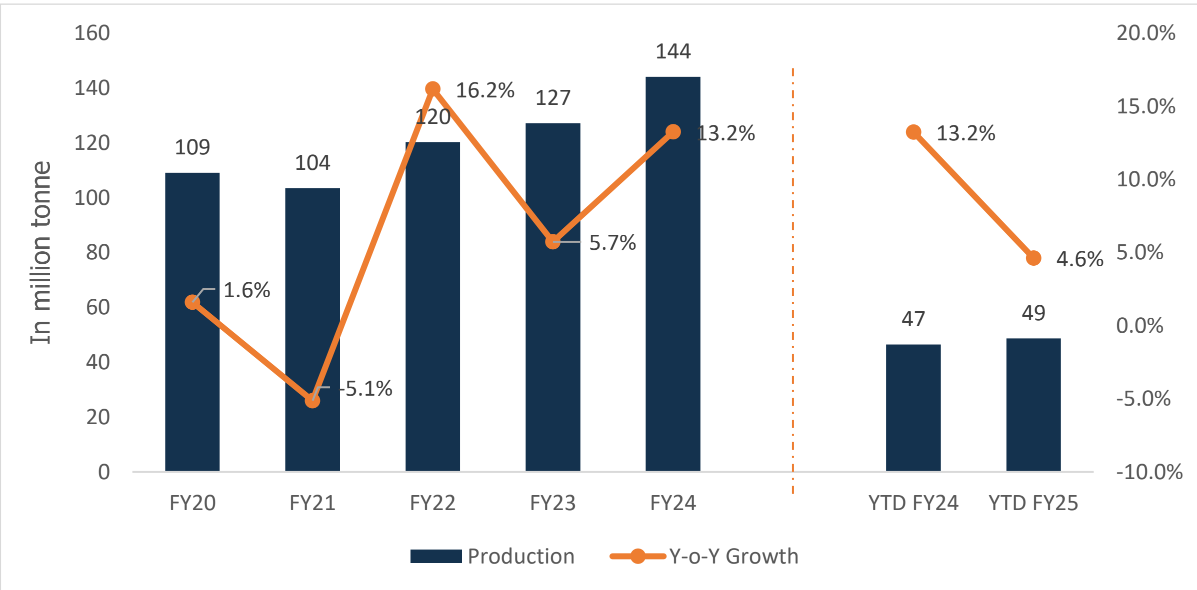
[2] National Steel Policy 2017
[3] Finished steel includes both long, flat products and specialty steel

Domestic Crude Steel Production

The domestic crude steel production has grown at a CAGR of 7.2% in the past five years to reach 144 MT in FY24 from 109 MT in FY20. Large steel manufacturers' capacity utilization has been in the range of 80% to 90% in FY23 and most players have announced the expansion of crude steel capacities. Additionally, improvements in the financial health of steel companies will also ensure that industry is comfortably leveraged to undertake capital expenditure for further capacity addition. The National Steel Policy 2017 envisages achieving 300 MT of production capacity from the current level of 161.3 MT in FY23 to cater to the expected steel demand of 230 MT by FY31. Additionally, for YTD FY25, crude steel production grew at 4.6% y-o-y from 47 MT to 49 MT.

Chart 20: Domestic Crude Steel Production

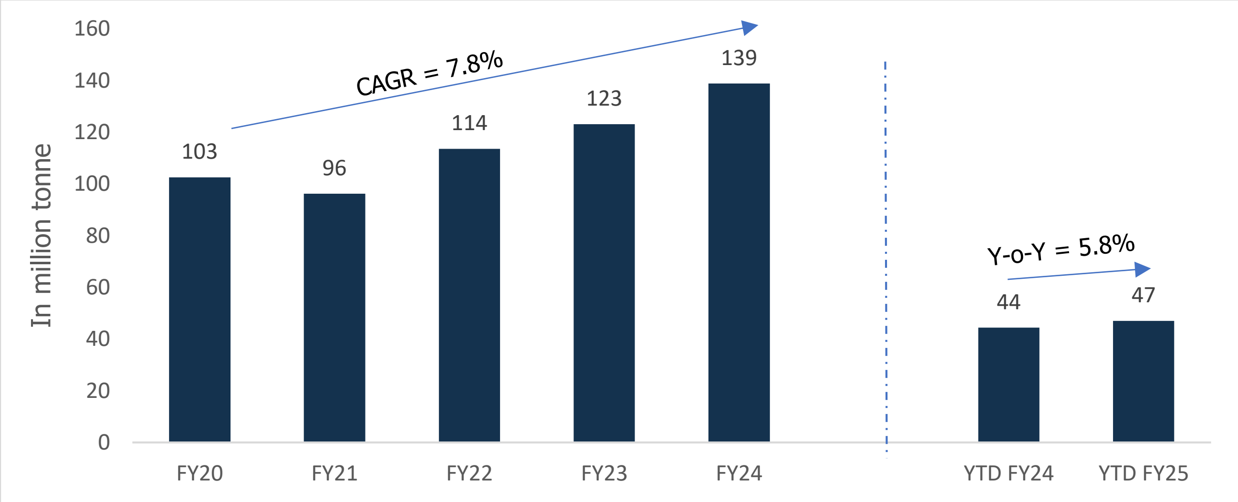


Source: CMIE
Note: YTD FY24 refers to the period from April 2023-July 2023
YTD FY25 refers to the period from April 2024- July 2024

Domestic Finished Steel Production and Consumption

In the last 5 years, the finished steel production has grown at a CAGR of 7.8% to 139 MT in FY24 from 103 MT in FY20. The growth in production has been supported by the rising domestic steel consumption due to increasing economic activities in the country. This is further supplemented by increased infrastructure and construction spending by the government and a rise in automobile and consumer durable demand, among others. Additionally, for YTD FY25, finished steel production grew at 5.8% y-o-y from 44 MT to 47 MT.

Chart 21: India's Finished Steel Production

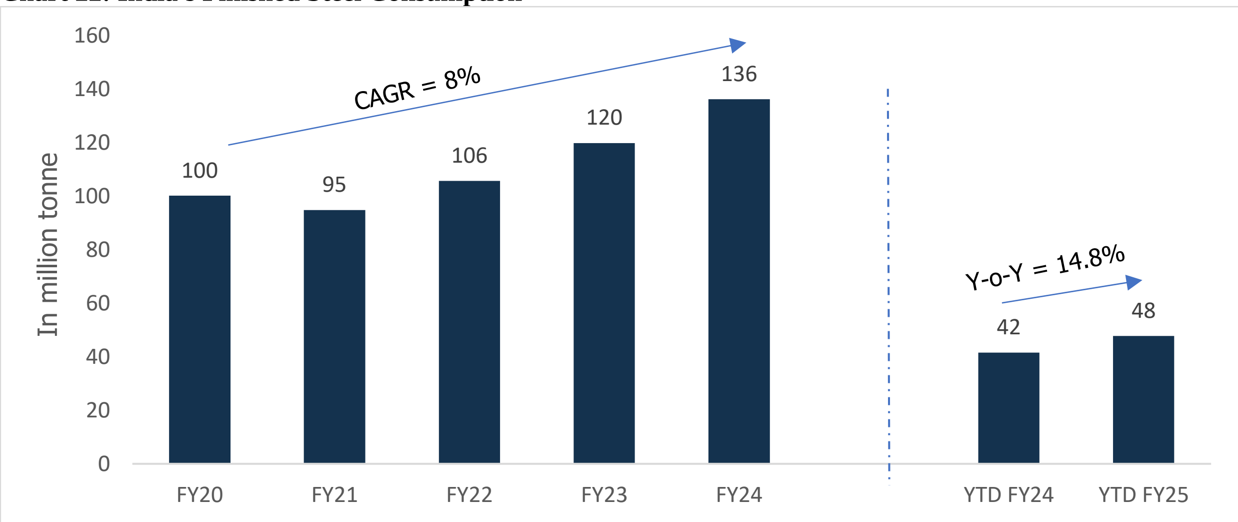


Source: CMIE
Note: YTD FY24 refers to the period from April 2023-July 2023
YTD FY25 refers to the period from April 2024- July 2024

The domestic finished steel consumption has increased at a CAGR of 8% to 136 MT in FY24 from 100 MT in FY20. Additionally, for YTD FY25, finished steel consumption grew at 14.8% y-o-y from 42 MT to 48 MT. After a steady increase in steel production, India witnessed a de-growth of 6.3% y-o-y in FY21 due to the outbreak of COVID-19. The rebound in domestic demand from the impact of COVID-19 in the previous financial years, continuous investment in infrastructure, and policy support by the government, and pick-up in real estate construction during FY23 have led to an increase in consumption of finished steel to 120 MT, implying a y-o-y growth of 13.3%.

During FY24, the domestic steel demand continued to be robust on account of increased demand from automotive and infrastructure sectors. The auto sector witnessed an improvement in demand, driven by rapid focus towards the Electric Vehicles (EVs) which registered a growth of around 42% in sales volume, while the investments in infrastructure and construction sectors continued to rise and eventually led to strong demand for steel in the country.

Chart 22: India's Finished Steel Consumption



Source: CMIE
Note: YTD FY24 refers to the period from April 2023-July 2023

YTD FY25 refers to the period from April 2024- July 2024

Price Trends

Trend in Average Finished Steel Prices

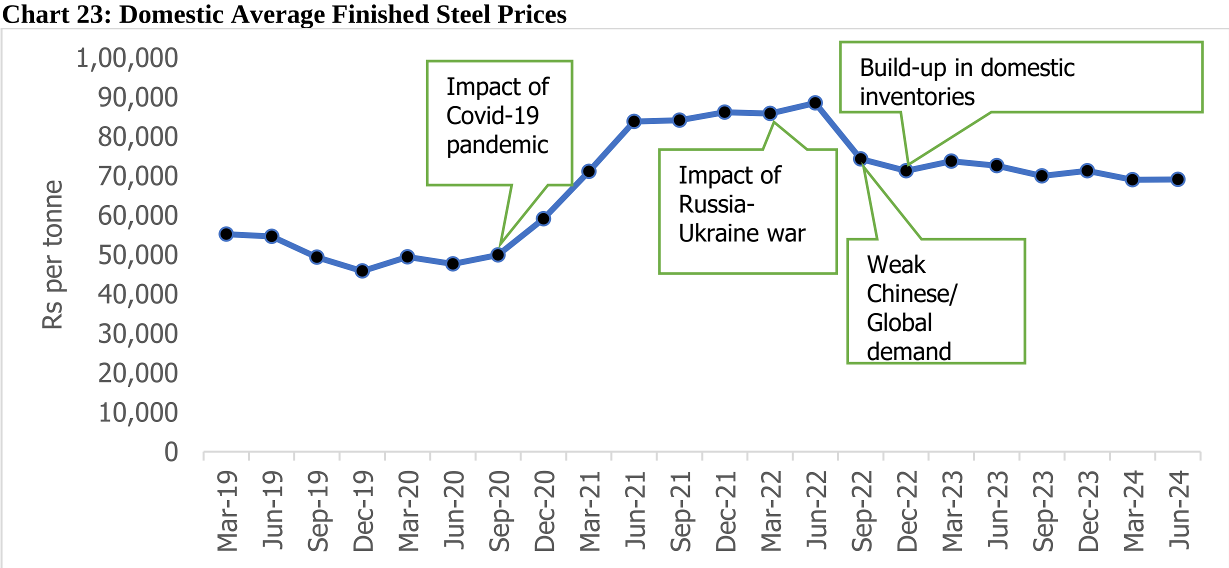
Domestic steel prices have followed global prices directionally. They remained range-bound between March 2019 to June 2019. However, they started declining as the economy was hit by the pandemic. During FY21, the average domestic finished steel prices peaked at Rs 71,157 per tonne as of March 2021. Since then, the prices increased throughout FY22 on account of a revival in domestic demand as economic activities began to pick up after the easing of restrictions and lockdowns.

During FY22, prices were impacted by the geopolitical tension between Russia and Ukraine and stood at Rs. 85,820 per tonne as of March 2022. The geopolitical crisis continued and the prices were further pushed to Rs. 88,498 per tonne in the June 2022 quarter. The escalation in prices was also due to increased coking coal and iron ore prices globally. However, after a sharp rise, the prices declined by around 16% in the quarter ending September 2022 compared to the previous quarter.

Furthermore, the prices fell to Rs 71,326 per tonne in December 2022. This decline was caused by the imposition of export duty on a range of finished steel products from the period May 2022 to November 2022, leading to lower exports and increased domestic inventories. In addition, the softening of iron ore and coking coal prices affected the steel prices in the domestic market.

Moreover, the prices observed a downward trend from the quarter ended March 2023 and fell to Rs. 70,001 per tonne as of September 2023, a decline of around 5% as compared to March 2023 and 6% on a y-o-y. Prices increased marginally in the quarter ended December 2023 to Rs. 71,320 per tonne, falling again to Rs. 69,051 per tonne in March 2024. It marginally grew by 0.05% in the quarter ended June 2024 to Rs. 69,083 per tonne. The decline in prices post peak in June 2022 (Rs. 88498 per tonne) have been on account of weak global demand, fall in international steel prices, rise in cheap imports, and pressure on export volumes.

Chart 23: Domestic Average Finished Steel Prices



Source: CMIE

HR Coil Prices

Flat steel products are produced by processing slabs in rolling mills using flat rolls. Flat steel products provide structural support, corrosion resistance, and electrical conductivity, ensuring durability and reliability making them essential across various industries, including automotive, construction, and appliances. HR coils are a form of flat steel product that have been shaped and formed through a high-temperature rolling process, where a heated slab is continuously rolled into a strip and then wound into a coil. For HR Coils of sizes 2 mm and 3.15 mm, prices fell by 6.1% while for 2.5 mm HR Coil, price fell by 6%. This has been due to the aggressive undercutting by Chinese exporters. The influx of cheap imports from Vietnam and increased competition from Chinese-owned mills has further exacerbated the situation, forcing Indian mills to adjust prices downward amid declining export volumes and weaker domestic demand.

Table 4: Pricing Trends in HR Coils

Size	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
2 mm	77,212	77,098	82,609	82,978	85,027	70,824	67,737	70,960	70,082	68,106	68,912	66,000	65,817
2.5 mm	75,928	76,554	81,019	81,005	83,302	68,975	66,435	69,497	68,848	66,506	67,825	64,600	64,735
3.15 mm	75,645	76,465	80,768	80,718	83,197	68,858	66,268	69,470	68,924	66,468	67,818	64,712	64,722

Source: CMIE

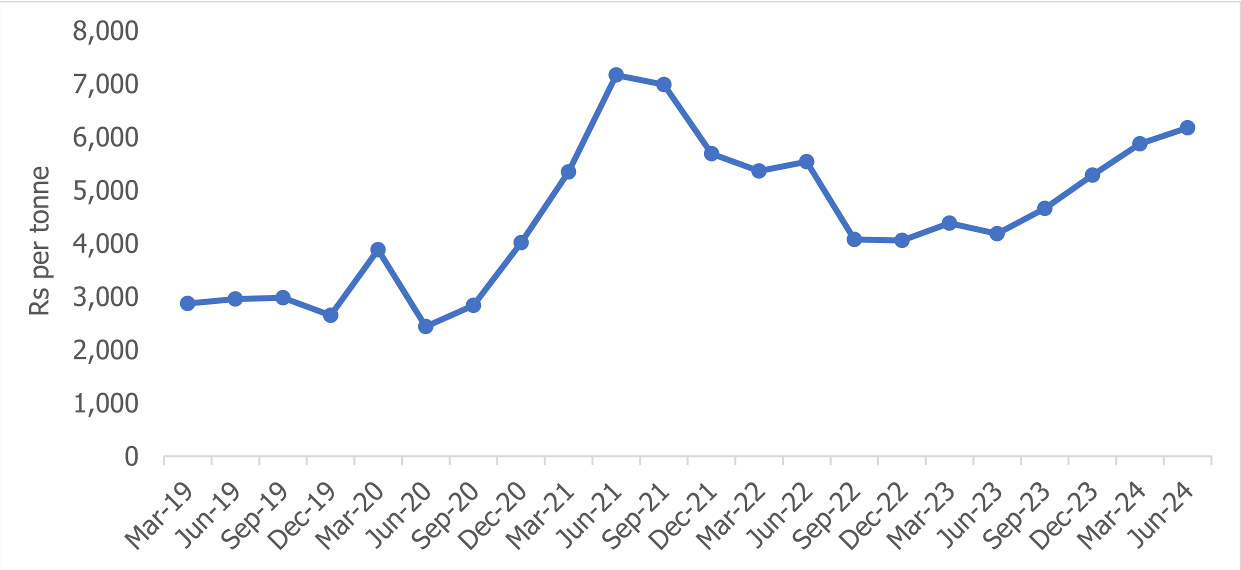
Raw Material Prices

Iron Ore

Iron ore is used in steelmaking by first turning it into pig iron in a blast furnace. The ore is mixed with coke and limestone and heated to high temperatures, where coke reduces the iron ore to molten iron, and limestone helps remove impurities. This molten iron is then refined in a basic oxygen furnace or electric arc furnace to produce steel, which is used in various applications like construction and manufacturing.

Iron ore prices remained range bound from March 2019 to December 2019. They started climbing up post quarter ended March 2020, reaching a peak of Rs. 7,164 per tonne in the quarter ended March 2021. Prices started softening post quarter ended March 2022 reaching a value of Rs. 4,184 per tonne in March 2023. Post this quarter, prices have been increasing steadily y-o-y. As of June 2024, iron ore price stood at Rs. 6,173 per tonne, reflecting growth of 5.1% as compared to last quarter.

Chart 24: Domestic Iron Ore Prices



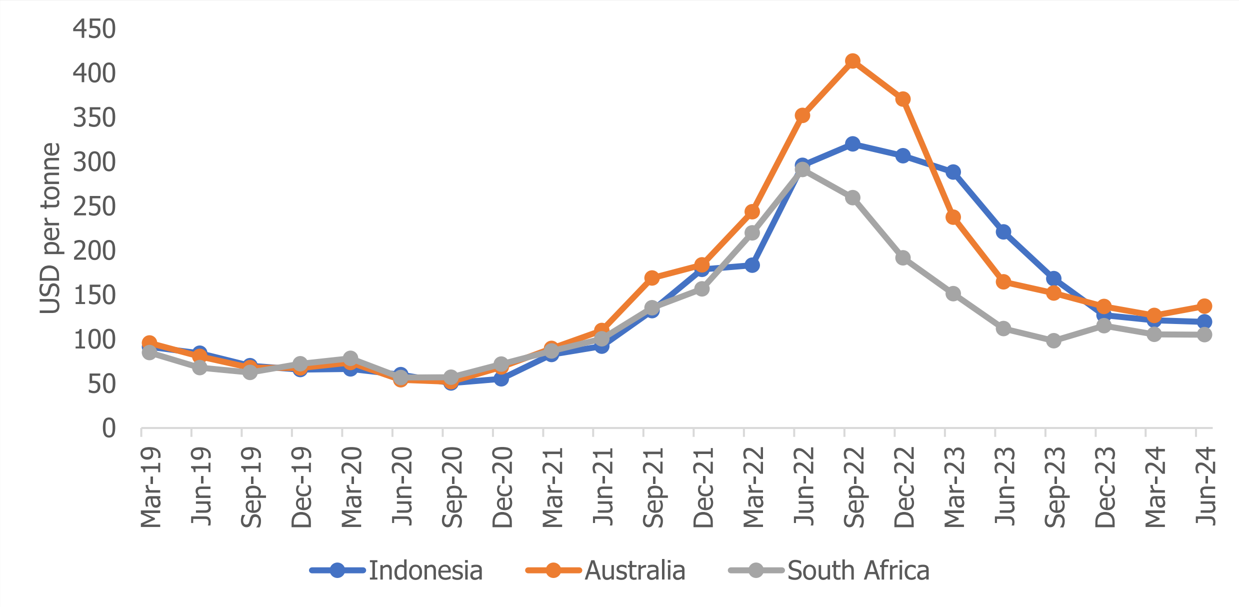
Source: CMIE

Coking Coal

Coal is crucial in steelmaking, primarily as coke, which is derived from heating coal in the absence of air. This process removes volatile compounds, leaving a carbon-rich substance called coke. In the blast furnace, coke serves as both a fuel and a reducing agent, reacting with iron ore to produce molten iron and carbon dioxide. The coke's high carbon content helps to reduce the iron ore and maintain the high temperatures needed for smelting. Additionally, coke's porosity allows for efficient airflow in the furnace. The resulting molten iron is then further refined into steel. Thus, coal's transformation into coke is essential for the steelmaking process.

In FY22, coal prices of Indonesia, Australia, and South Africa more than doubled on account of increased demand globally. This increase in coal demand from the European Union to meet energy demands following sanctions on supplies from Russia contributed to this increase. However, prices started to fall in FY23 reaching USD 119.4 per tonne, USD 137.4 per tonne, and USD 105.3 per tonne in Indonesia, Australia, and South Africa respectively, in the quarter ended June 2024.

Chart 25: Coking Coal Prices



Source: CMIE

Outlook of Indian Steel Consumption

The steel consumption in India has witnessed a double-digit growth for the third time consecutively in FY24. The growth is attributed to enhanced activities in the construction sector and the sustained momentum in the real estate and automobile sectors.

On export front, shipments remained weak during FY23 and FY24 despite the removal of export duty on steel products by the government in November 2022 and India became a net-importer of steel (with a rise in inbound shipments of around 38% y-o-y) in FY24 after being a net exporter for last four consecutive years.

Furthermore, the steel demand will be driven by end-user industries such as construction, real estate, railways, roads, power, auto, capital goods, consumer durables, etc. In addition, government expenditure on infrastructure is expected to augur well for the sector. For instance, the thrust toward infrastructure projects is majorly contributing to the increased steel demand in the domestic market.

Some of the key budgetary announcements which reflect the same are:

- Significant increase in allocation towards Product Linked Incentive (PLI) Scheme for Specialty Steel from Rs. 2.4 Crore to Rs. 270 Crore.
- An increase of 16.9% in the allocation of Capex towards infrastructure from Rs. 9.5 lakh crore to Rs. 11.1 lakh crore in Union Budget 2024-25.
- A capital outlay of Rs. 2.5 lakh crore for Indian Railways.
- Rs. 80,671 Crore was allocated towards the Pradhan Mantri Awas Yojana (PMAY) scheme from Rs. 79,590 Crore in the previous budget. Moreover, an additional 2 crore houses have been targeted for the next 5 years under PMAY Grameen.
- Also, the Budget allocated Rs. 70,163 Crore towards Jal Jeevan Mission from Rs. 70,000 Crore.

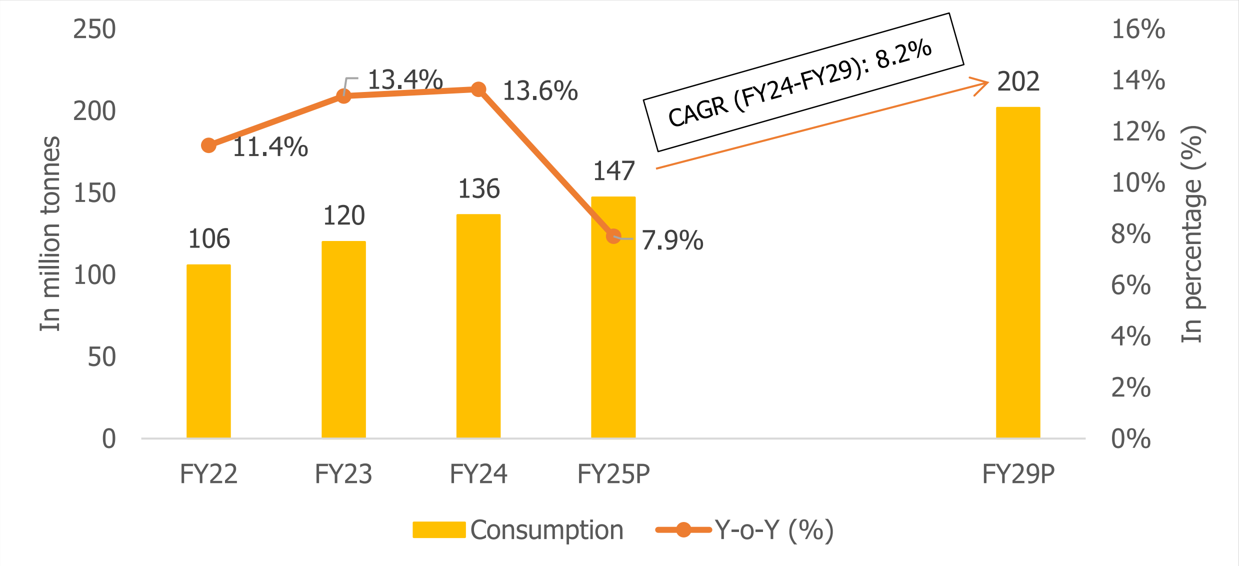
Moreover, the ongoing expansion and development of airports under the Ude Desh ka Aam Naagrik (UDAN) scheme to enhance regional air connectivity will contribute to increased demand. As of February 2024, 76 continual developments in metros are in place to promote urban transformation and enhance the railway infrastructure. Such factors are raising the demand for steel.

Based on the above factors, CareEdge Research estimates India's steel demand to be moderate at around 8% in FY25 and FY26.

Going forward, government initiatives such as Pradhan Mantri Awas Yojana (PMAY) to provide affordable housing, Sagarmala Programme to enhance port connectivity and overall coastal infrastructure, Bharatmala Pariyojana to improve roads and highway network, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) to develop water infrastructure, National Industrial Corridor Development Programme to develop smart cities, National capital goods policy to promote manufacturing of capital goods, The Automotive Mission Plan 2026, Production Linked Incentive (PLI) scheme to encourage manufacturing and reduce import substitution of steel, etc. will supplement the steel demand in coming years.

Significant infrastructure developments and stable growth from auto sector is expected to bolster the steel industry in the medium to long term. Further, the steel demand is projected to grow at a CAGR of about 8.2% over the forecast period FY24-FY29, surpassing more than 200 million tonnes of finished steel consumption.

Chart 26: Finished Steel Demand Forecast in India



Source: Industry sources, CareEdge Research

Global Steel Tubes & Pipes Industry

Overview

The global steel pipes and tubes industry is on a growth trajectory, fueled by increased investments in infrastructure and expanding sectors like oil and gas. In recent years, the sector has seen rising demand driven by construction activities, particularly in emerging markets where urbanization and infrastructure projects are booming. Steel pipes are crucial for a variety of applications, including transportation of oil and gas, water supply systems, and structural support in construction.

A key driver of market expansion is the rising investment in petrochemical plants and other industrial facilities, which boosts the consumption of steel pipes and tubes. For instance, significant investments in new petrochemical complexes are expected to enhance market growth.

The steel pipes market benefits from steel's inherent properties such as high durability and resistance to corrosion. However, challenges like high transportation costs and competition from alternative materials like plastics can temper growth. The steel industry is also grappling with volatility in raw material prices and environmental concerns, prompting a shift towards more sustainable production practices.

Despite these hurdles, the market is likely to continue expanding as steel remains a preferred choice for its strength and versatility in infrastructure projects worldwide. The ongoing focus on technological advancements and eco-friendly production methods is expected to support the industry's future growth.

Steel tubes and pipes can be divided into two types by product: Welded and Seamless.

Welded steel tubes are manufactured by joining steel pieces through welding, allowing for a range of sizes, shapes, and specifications tailored to specific project needs. This adaptability makes them highly desirable, especially in the oil and gas industry. Known for their strength and durability, welded steel tubes are well-suited to endure high pressures and corrosive environments common in these sectors. Their ability to be produced in large quantities meets the robust demand driven by infrastructure projects, maintenance, and pipeline expansions. As industry demands evolve and technology advances, the ongoing need for welded steel tubes is set to positively influence the global market's growth.

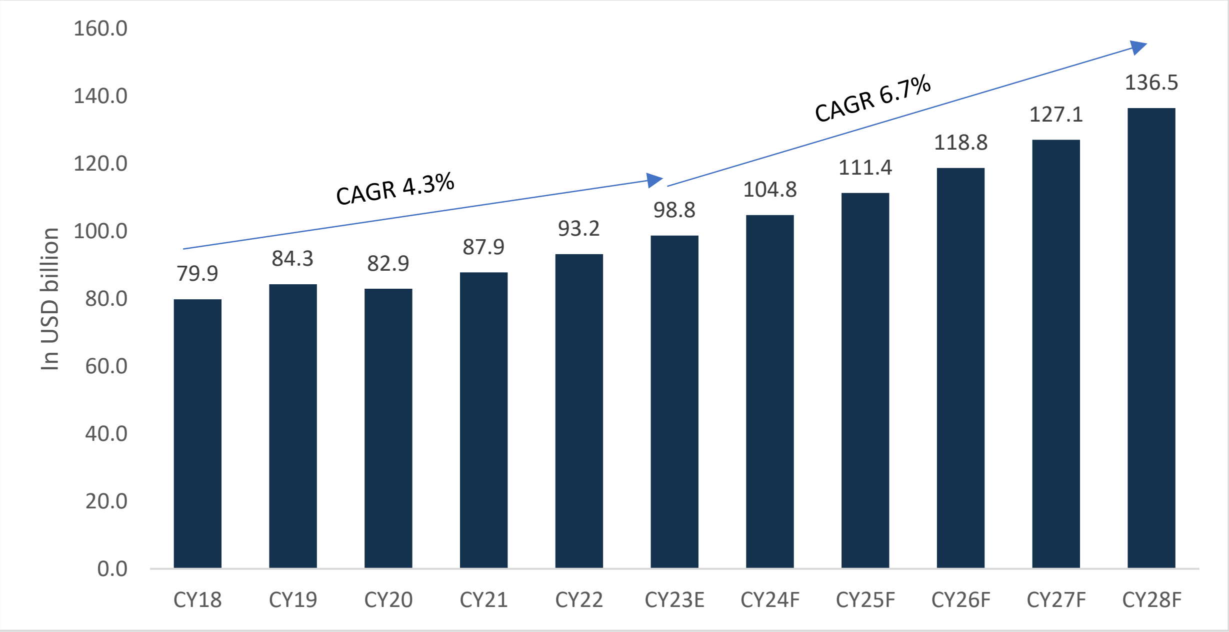
Seamless steel tubes are produced without welding seams, resulting in a uniform structure that provides superior strength and performance compared to welded tubes. Their lack of seams makes them highly reliable and ideal for high-pressure and extreme temperature applications. These tubes are particularly valued in industries like oil and gas, petrochemicals, and power generation, where they must withstand harsh environments and maintain integrity. Manufactured with high precision, seamless tubes offer consistent dimensions and smooth surfaces, suitable for critical engineering tasks. The ongoing demand for seamless steel tubes due to their exceptional durability and performance is expected to drive growth in the global steel tubes market.

Market Size

The global steel tubes and pipes market has grown at a CAGR of 4.3% from USD 79.9 billion in 2018 to USD 98.8 billion in 2023. This growth driven by rising oil and gas production, essential for transporting fluids and meeting the needs of the transportation sector. Steel pipes are crucial for infrastructure projects, including water systems, construction, and urban development. Increased investments in infrastructure, coupled with ongoing urbanization and the need for upgraded water management, are boosting demand.

The global steel tubes and pipes industry is expected to grow at a CAGR of 6.7% from 2023 to 2028 reaching a value of USD 136.5 billion by 2028. The global steel pipes and tubes industry is poised for significant growth, driven by rising energy demand and increasing petroleum exploration activities. The need for high-performance pipes in power generation, including those with excellent oxidation and creep resistance, is growing due to evolving technologies and energy demands. Population growth, urbanization, and government investments in infrastructure are further fueling the market. Additionally, the demand for low-maintenance steel tubing in construction is expected to drive continued expansion in the industry.

Chart 27: Market Size and Forecast (CY18-CY28F)



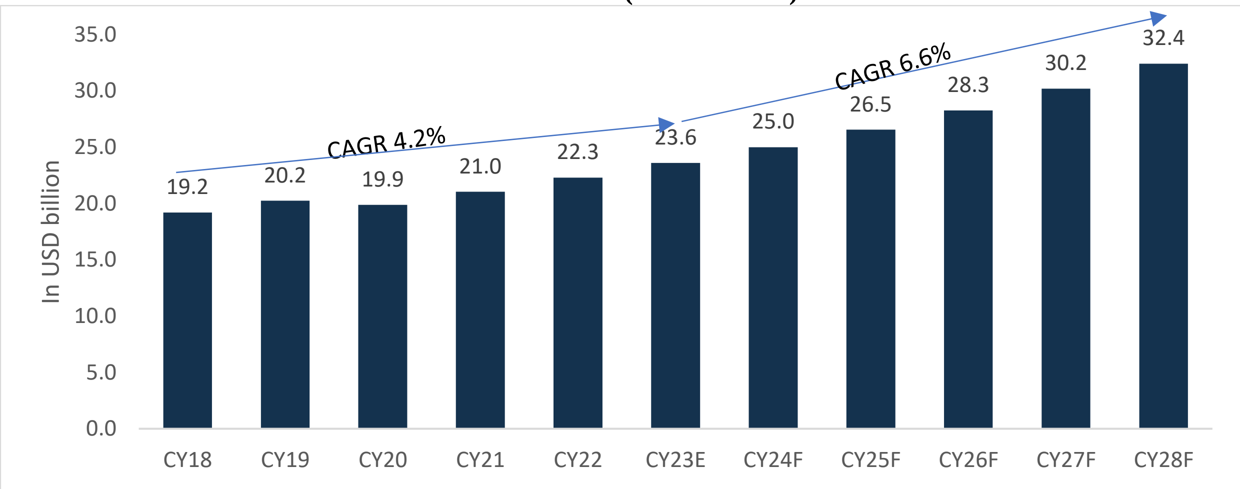
Note: E-Estimated, F-Forecasted; Source: Technavio, CareEdge Research

Market Demand by Region

North America

The demand in North America has been growing at a CAGR of 4.2% from USD 19.2 billion in 2018 to USD 23.6 billion in 2023. It is expected to grow at a CAGR of 6.6% from 2023 to 2028 reaching USD 32.4 billion in 2028. The future of the North American steel pipes and tubes market is promising, marked by technological advancements and evolving market dynamics. As innovation drives demand for cutting-edge products, stakeholders must stay agile and adapt to emerging trends to capitalize on growth opportunities. The market is expected to benefit from strong regional demand for advanced steel pipes and tubes, fueled by infrastructure developments and technological progress.

Chart 28: Market Size and Forecast of North America (CY18-CY28F)

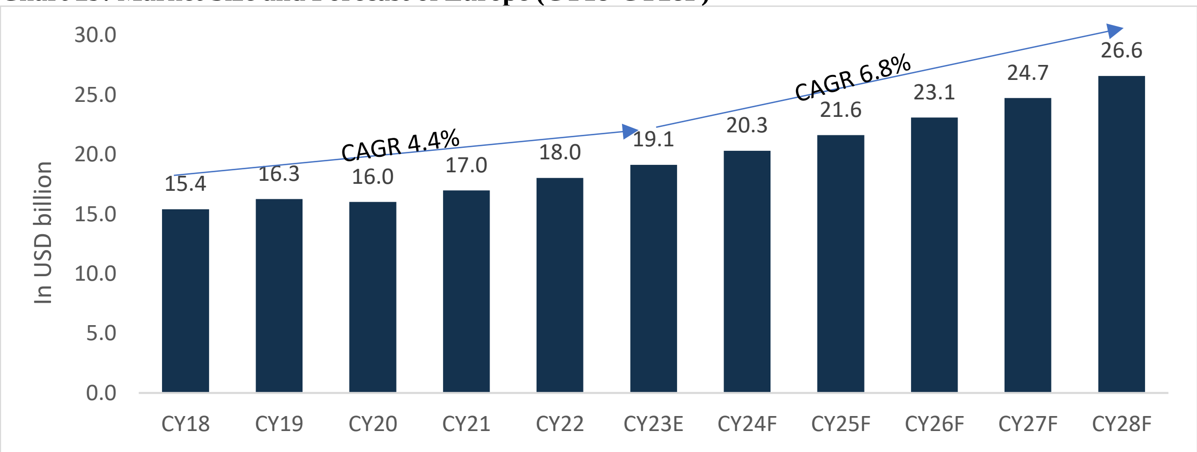


Note: E-Estimated, F-Forecasted; Source: Technavio, CareEdge Research

Europe

The demand in Europe has been growing at a CAGR of 4.4% from USD 15.4 billion in 2018 to USD 19.1 billion in 2023. It is expected to grow at a CAGR of 6.8% from 2023 to 2028 reaching USD 26.6 billion in 2028. The future outlook for the steel tubes and pipes industry in Europe is robust, driven by strong demand across multiple sectors. The construction sector continues to propel growth, with welded steel pipes essential for residential, commercial, and industrial projects. The automotive industry's focus on advanced, durable materials further boosts demand, while the energy sector relies on these pipes for critical pipeline infrastructure. Additionally, the manufacturing sector benefits from the versatility of welded steel tubes, and the water and wastewater treatment industry value their durability and corrosion resistance. As infrastructure development and technological advancements progress, the European steel pipes and tubes market is set to expand significantly.

Chart 29: Market Size and Forecast of Europe (CY18-CY28F)



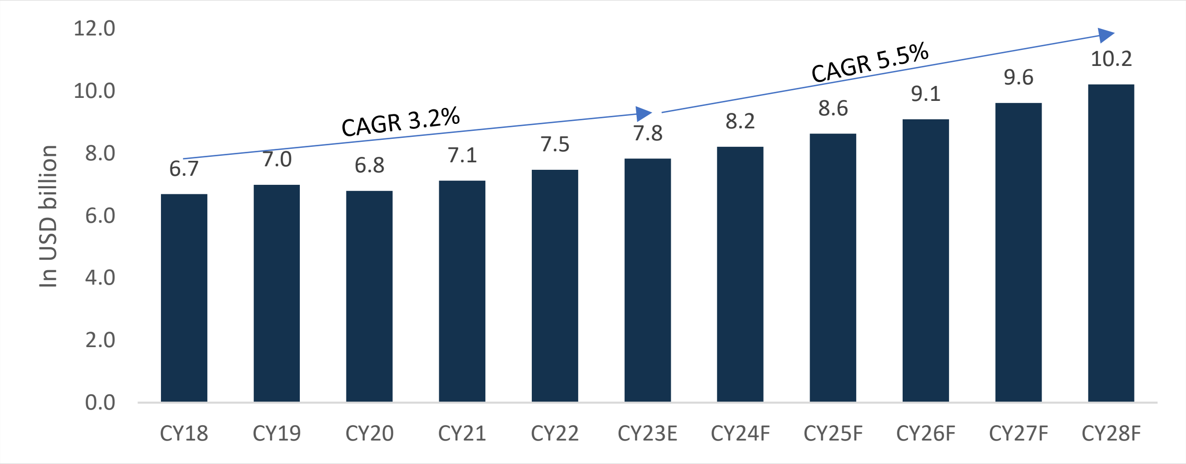
Note: E-Estimated, F-Forecasted; Source: Technavio, CareEdge Research

South America

The demand in South America has been growing at a CAGR of 3.2% from USD 6.7 billion in 2018 to USD 7.8

billion in 2023. It is expected to grow at a CAGR of 5.5% from 2023 to 2028 reaching USD 10.2 billion in 2028.

Chart 30: Market Size and Forecast of South America (CY18-CY28F)

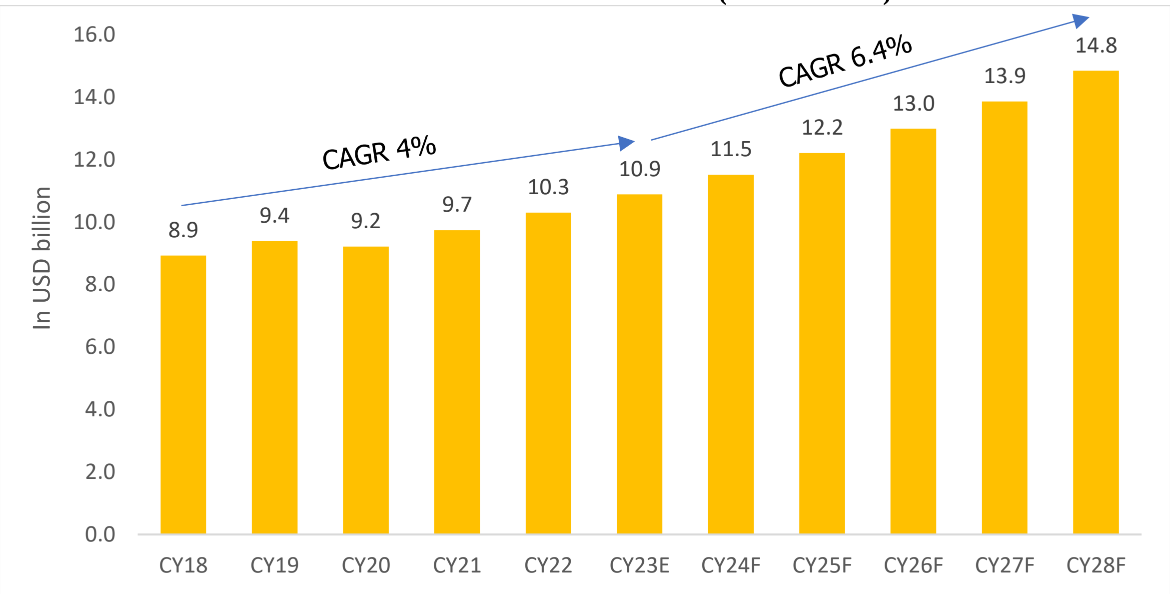


Note: E-Estimated, F-Forecasted; Source: Technavio, CareEdge Research

Middle East and Africa

The demand in Middle East and Africa has been growing at a CAGR of 4% from USD 8.9 billion in 2018 to USD 10.9 billion in 2023. It is expected to grow at a CAGR of 6.4% from 2023 to 2028 reaching USD 14.8 billion in 2028. The steel pipes and tubes market in the Middle East and Africa is set for substantial growth, driven by strong demand across various sectors. In Saudi Arabia, the market benefits from robust construction, oil and gas, and manufacturing activities, with significant investments in infrastructure and energy projects fueling demand. Similarly, in Africa, despite challenges like high production costs and infrastructure limitations, the rising focus on large-scale infrastructure projects and the expanding oil and gas industry are expected to boost steel pipe demand. As industrialization and development continue, both regions are likely to see increased market expansion and opportunities for growth in the steel pipes and tubes industry.

Chart 31: Market Size and Forecast of Middle East and Africa (CY18-CY28F)

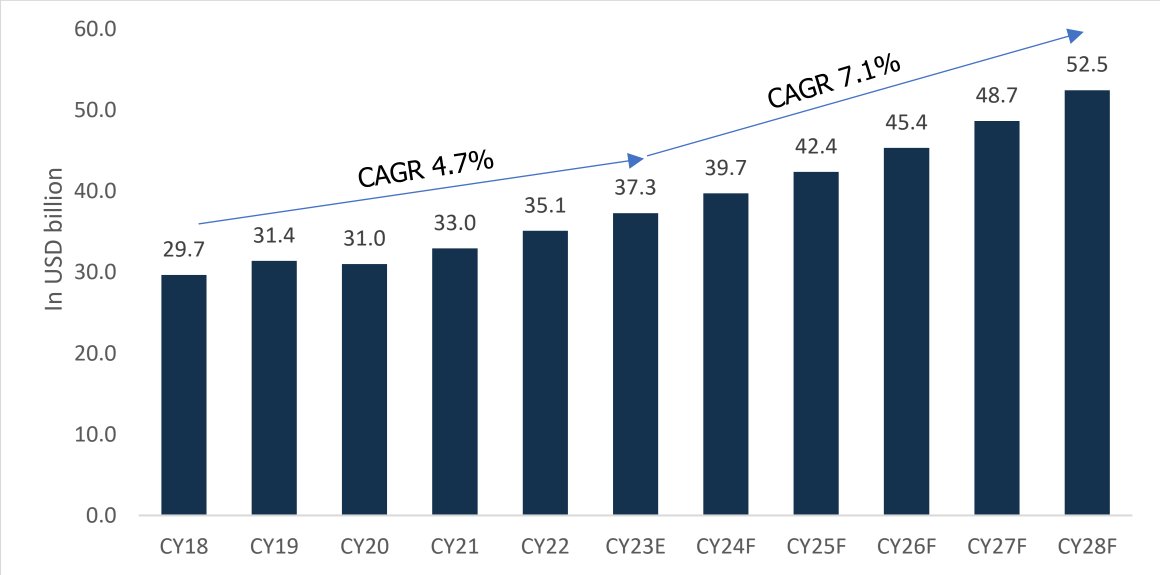


Note: E-Estimated, F-Forecasted; Source: Technavio, CareEdge Research

Asia-Pacific (APAC)

The demand in APAC has been growing at a CAGR of 4.7% from USD 29.7 billion in 2018 to USD 37.3 billion in 2023. It is expected to grow at a CAGR of 7.1% from 2023 to 2028 reaching USD 52.5 billion in 2028. The Asia-Pacific steel tubes and pipes market is poised for robust growth, driven by rapid urbanization, industrialization, and rising disposable incomes. Key manufacturers are advancing through technological innovations, strategic partnerships, and expanded production capabilities. The market is seeing a shift towards sustainability, with increased demand for eco-friendly and energy-efficient products, particularly in emerging economies like China and India. E-commerce and digitalization are reshaping consumer behavior, boosting online sales. Government infrastructure initiatives and favorable trade policies further support growth. The region's diverse economic landscape and regulatory environments present both opportunities and complexities for market players aiming to capitalize on high-growth potential.

Chart 32: Market Size and Forecast of APAC (CY18-CY28F)



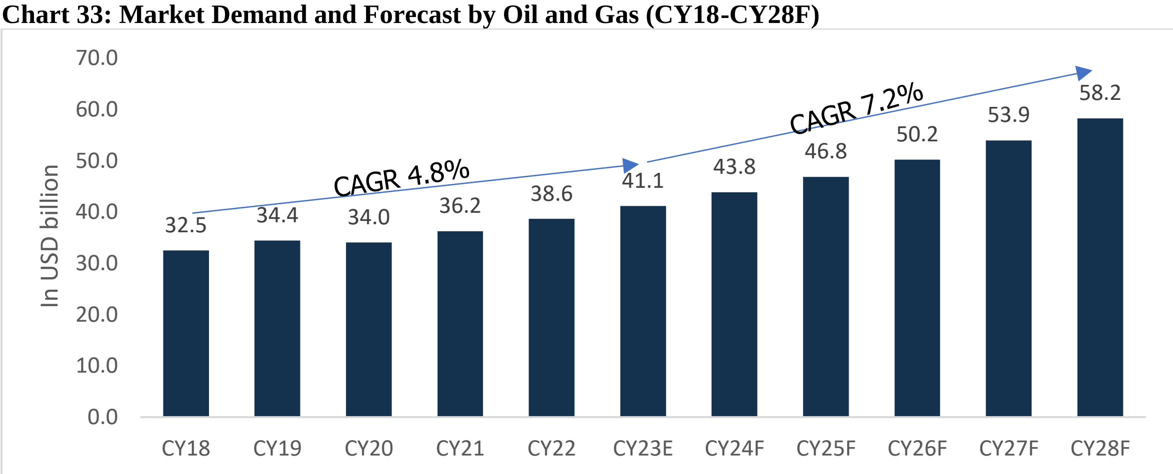
Note: E-Estimated, F-Forecasted; Source: Technavio, CareEdge Research

Market Demand by End-User Industry

Oil and Gas

The demand by the oil and gas has been growing at a CAGR of 4.8% from USD 32.5 billion in 2018 to USD 41.1 billion in 2023. It is expected to grow at a CAGR of 7.2% from 2023 to 2028 reaching USD 58.2 billion in 2028. The future outlook for steel tubes and pipes in the oil and gas industry is highly positive, driven by ongoing needs for infrastructure maintenance, expansion, and exploration. Steel tubes play a critical role in constructing pipelines, well casings, and essential equipment such as pumps and valves. Their durability, corrosion resistance, and ability to withstand high pressures and temperatures are crucial for efficient operations. As the industry continues to explore new reserves, replace aging infrastructure, and expand its facilities, the demand for steel tubes is expected to rise, significantly boosting market growth in the coming years.

Chart 33: Market Demand and Forecast by Oil and Gas (CY18-CY28F)

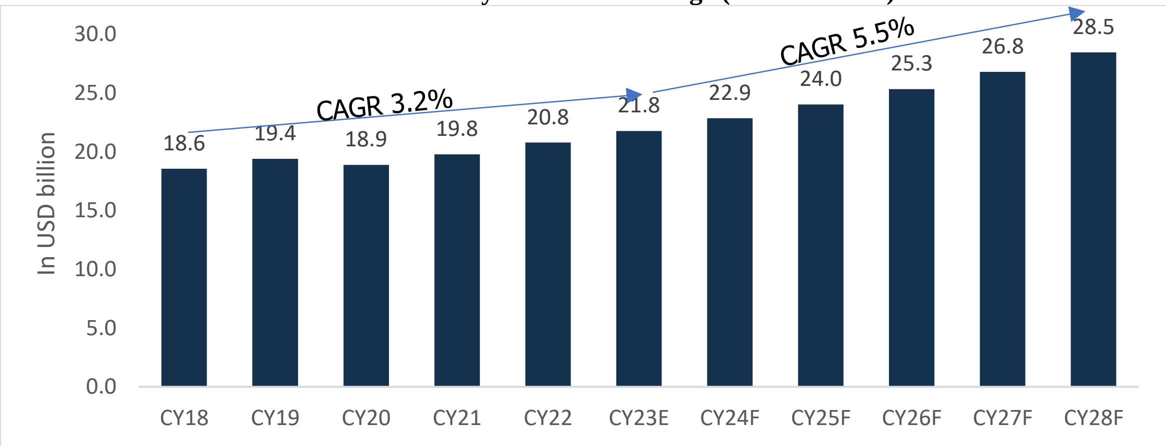


Note: E-Estimated, F-Forecasted; Source: Technavio, CareEdge Research

Water and Sewage

The demand by the water and sewage has been growing at a CAGR of 3.2% from USD 18.6 billion in 2018 to USD 21.8 billion in 2023. It is expected to grow at a CAGR of 5.5% from 2023 to 2028 reaching USD 28.5 billion in 2028.

Chart 34: Market Demand and Forecast by Water and Sewage (CY18-CY28F)

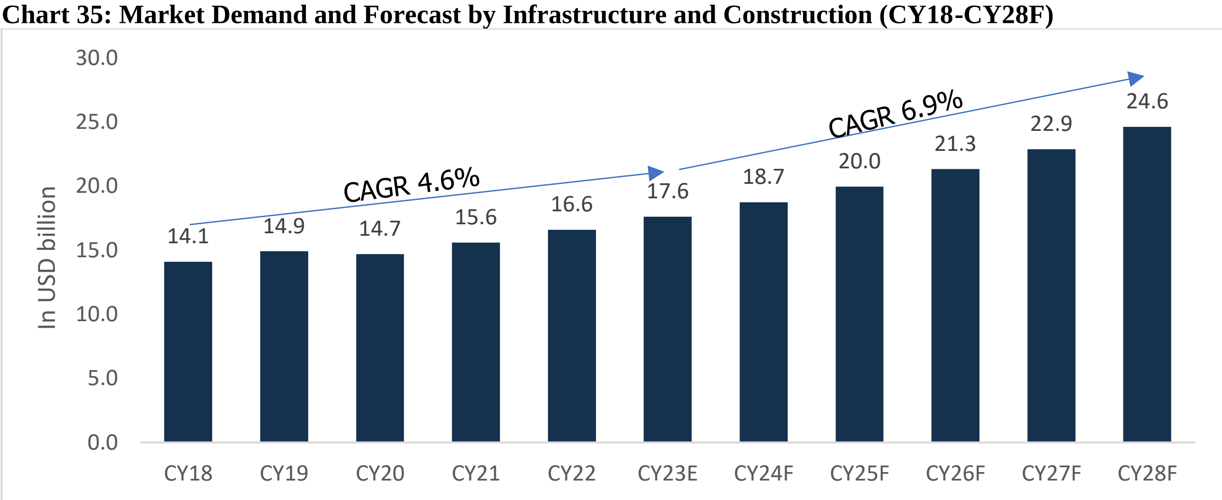


Note: E-Estimated, F-Forecasted; Source: Technavio, CareEdge Research

Infrastructure and Construction

The demand by the infrastructure and construction has been growing at a CAGR of 4.6% from USD 14.1 billion in 2018 to USD 17.6 billion in 2023. It is expected to grow at a CAGR of 6.9% from 2023 to 2028 reaching USD 24.6 billion in 2028. The future demand for steel tubes and pipes in the infrastructure and construction industry looks promising, driven by rapid urbanization and increasing global infrastructure projects. Steel tubes are essential for structural support, frameworks, and components in buildings, bridges, and mass transit systems. Their strength, lightweight nature, and cost-effectiveness makes them ideal for high-rise buildings, highways, and public infrastructures. As the construction industry evolves with smart cities and green energy projects, the need for durable and recyclable steel materials will rise. This ongoing demand, particularly in emerging economies like India and Brazil, is expected to significantly boost the growth of the steel tubes market.

Chart 35: Market Demand and Forecast by Infrastructure and Construction (CY18-CY28F)

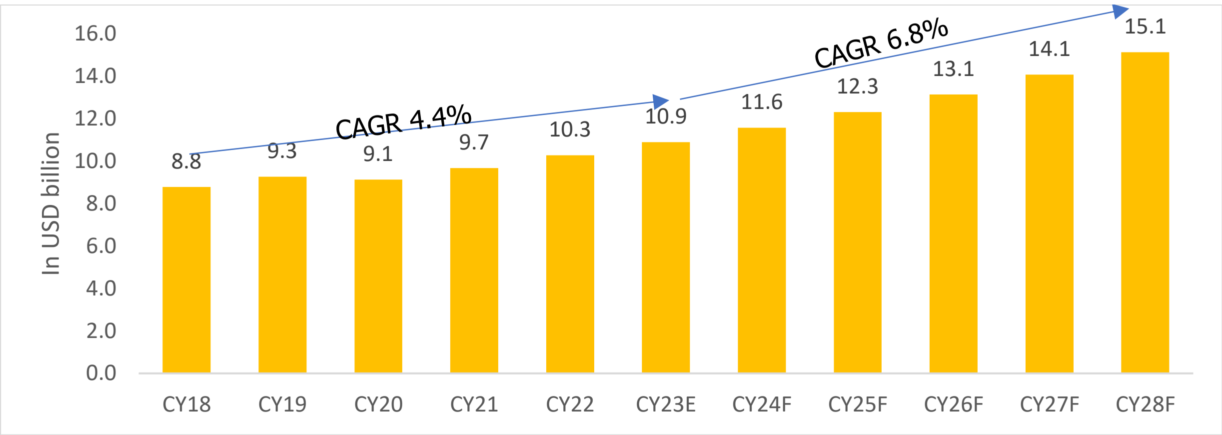


Note: E-Estimated, F-Forecasted; Source: Technavio, CareEdge Research

Automotive

The demand by the automotive has been growing at a CAGR of 4.4% from USD 8.8 billion in 2018 to USD 10.9 billion in 2023. It is expected to grow at a CAGR of 6.8% from 2023 to 2028 reaching USD 15.1 billion in 2028.

Chart 36: Market Demand and Forecast by Automotive (CY18-CY28F)

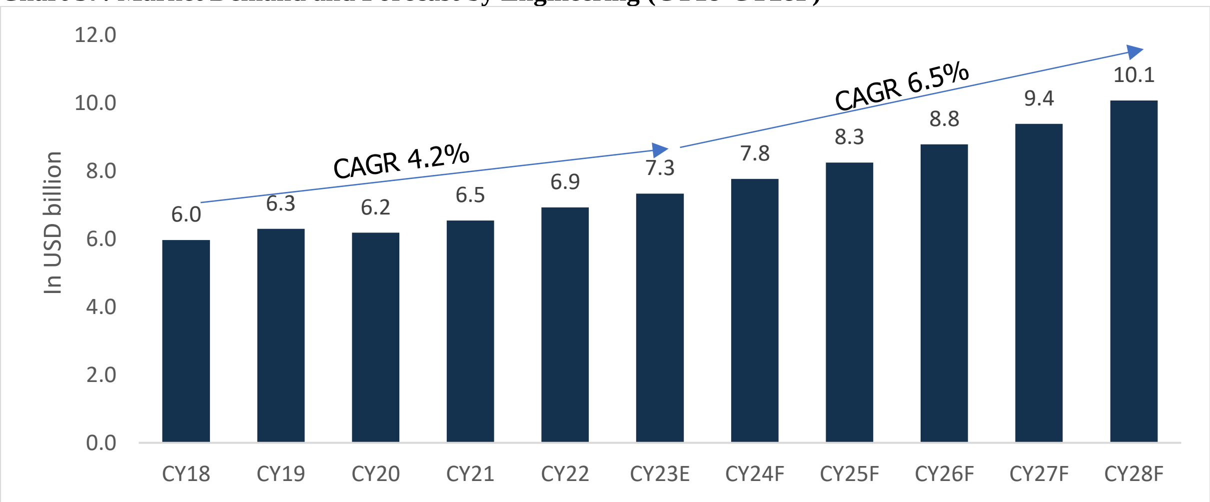


Note: E-Estimated, F-Forecasted; Source: Technavio, CareEdge Research

Engineering

The demand by the engineering has been growing at a CAGR of 4.2% from USD 6 billion in 2018 to USD 7.3 billion in 2023. It is expected to grow at a CAGR of 6.5% from 2023 to 2028 reaching USD 10.1 billion in 2028.

Chart 37: Market Demand and Forecast by Engineering (CY18-CY28F)



Note: E-Estimated, F-Forecasted; Source: Technavio, CareEdge Research

Brief Profile of Key Global Players

➢ **ArcelorMittal**

- **Year of Incorporation:** 2007
- **Headquarters:** Luxembourg
- **Description:** ArcelorMittal is one of the global leaders in the steel industry. ArcelorMittal sells its products primarily in local markets and to a diverse range of customers in approximately 140 countries, including the automotive, appliance, engineering, construction and machinery industries. ArcelorMittal's Tubular Products Division is a key player in the pipes and tubes industry. ArcelorMittal has steel production facilities, as well as iron ore mining operations, in North and South America, Europe, Asia and Africa. ArcelorMittal is committed to sustainability as they use recycled steel and innovative production methods to reduce carbon emissions.
- **Key Products Manufactured:** Flat products - including sheet and plate, and long products- including bars, rods and structural shapes. It also produces pipes and tubes for various applications. The company manufactures both seamless and welded pipes and tubes, which are used in various applications such as construction, energy, and automotive industries.

- **POSCO**
  - **Year of Incorporation:** April 1968
  - **Headquarters:** Pohang, South Korea
  - **Description:** POSCO is one of the world's largest steel producers. The company has a significant presence in the steel and pipes segment, contributing to various industries globally. POSCO is renowned for its extensive steel production capabilities. The company operates major steelworks in Pohang and Gwangyang, producing a wide range of steel products. POSCO's Tubular Products Division is a key player in the pipes and tubes industry. The company is committed to sustainability and innovation, focusing on eco-friendly production methods and the development of hydrogen reduction ironmaking technology to achieve carbon neutrality by 2050.
  - **Key Products Manufactured:** The company manufactures both welded and seamless pipes and tubes, which are used in construction projects and for transportation of oil and gas.
- **China Baowu Steel Group Corporation Limited**
  - **Year of Incorporation:** 1978
  - **Headquarters:** Shanghai
  - **Description:** China Baowu Steel Group Corp., Ltd., commonly known as Baowu, is a state-owned iron and steel company. The company was formed by Baosteel Group absorbing its smaller state-owned peer, Wuhan Iron and Steel Corporation in 2016. It is one of the world's largest steel producer. The company maintains a substantial inventory and offers customized materials and specifications for export to Europe and other regions.
  - **Key Products Manufactured:** Galvanized steel, Galvalume steel, PPGI, and PPGL. They also supply various steel materials, including carbon steel, stainless steel, aluminium, and silicon steel.
- **United States Steel Corporation**
  - **Year of Incorporation:** 1901
  - **Headquarters:** Pittsburgh, Pennsylvania
  - **Description:** United States Steel Corporation, or U.S. Steel, operates primarily in the U.S. and Central Europe. The company produces and sells steel products, including flat-rolled and tubular products for customers in industries across automotive, construction, consumer, electrical, industrial equipment, distribution, and energy. Operations also include iron ore and coke production facilities. By 2022, the company was the world's 24th-largest steel producer and the second-largest in the United States behind Nucor Corporation.
  - **Key Products Manufactured:** Hot-rolled, Cold-rolled and Coated sheets, Tin mill products and Spiral Welded pipe.
- **Tata Steel Limited**
  - **Year of Incorporation:** 1907
  - **Headquarters:** Jamshedpur, India
  - **Description:** Tata Steel, founded by Jamshedji Tata is a globally diversified steel producer with an annual crude steel capacity of 35 MnTPA. Tata Steel, certified as a Great Place to Work, employs over 77,000 people across five continents and recorded a consolidated turnover of INR 2,43,353 crore in FY23. The company is expanding its second greenfield steel plant in Odisha from 3 MnTPA to 8 MnTPA.

In Europe, Tata Steel has a crude steel production capacity of over 12 MnTPA, with primary facilities in the Netherlands and the UK, and downstream operations across several European countries. The European operations produce high-quality strip steel products for markets like construction, automotive, packaging, and engineering. In 2015, Tata Steel acquired a majority stake in Thailand-based Millennium Steel, enhancing its South-East Asian operations. The company has a distribution network across Thailand and exports to several countries in the region.

- **Key Products Manufactured:** Automotive and Special Products, Industrial Products, Branded Products, Hot-rolled, Cold-rolled, Galvanized, and branded solution offerings, High Tensile Rebars, Cut & Bend products, light structural, and specialty wire rods.

Indian Steel Tubes & Pipes Industry

Overview

Steel tubes and pipes are cylindrical structures made of steel generally in hollow shape. However, different shapes, sizes, and grades are used to cater for the requirements of various industries.

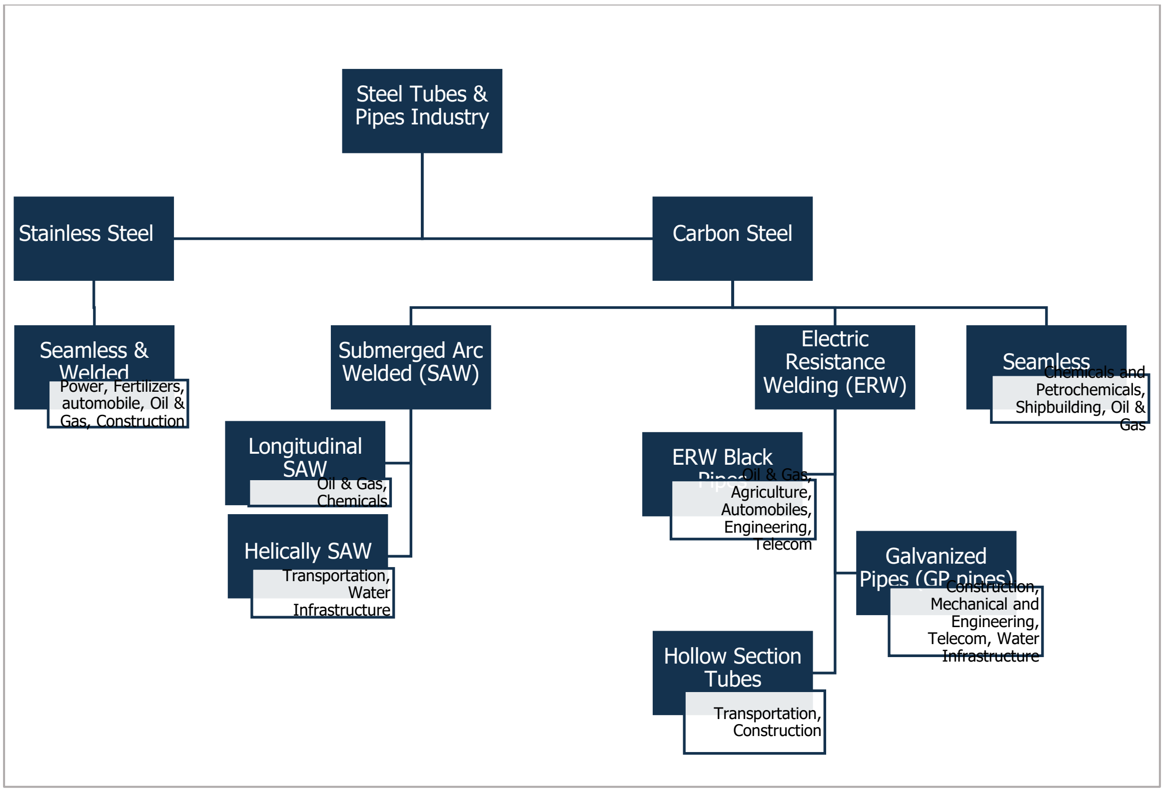
India is one of the established manufacturers of steel pipes globally, which is also one of the most important sub-industries of the Indian steel sector. Construction, railways, oil & gas, agriculture, and real estate are some of the key consumers of steel tubes and pipes. Different types of steel tubes and pipes are given in the following chart.

The usage of steel tubes and pipes is significant in construction activities and building infrastructure. These materials are used in the construction sector for constructing structural elements such as columns, beams, and trusses to provide strength and support the formation of buildings. They are also used in water infrastructure such as water supply for drinking water, plumbing, drainage, and sewerage systems. Besides, they are used by the manufacturing sector including oil & gas pipelines, agricultural equipment, automobile components, electrical cable conduits, etc.

Steel pipes are increasingly favored over conventional materials like angles, channels, and wood due to their superior strength, durability, and longevity. While wood may initially appear stronger, modern steel tubing can outperform it through advanced alloying and processing methods, making it ideal for high-stress applications like skyscrapers. Steel pipes are lightweight yet robust, making them suitable for projects where weight is a concern. They resist rot, warping, and pests, unlike wood, which requires extensive maintenance. Additionally, steel tubing can be easily shaped for precise applications, although its manufacturing process is more labor intensive and costly. Overall, steel pipes offer a reliable and efficient alternative for modern construction needs.

Several initiatives and policies have been adopted by the government to promote domestic steel production through the Make in India initiative and the National Steel Policy (NSP) 2017. The NSP envisages the development of value-added products such as alloy steel and electrical steel in the domestic market. Overall, the increasing demand for steel tubes and pipes will contribute to the country's growth and development, making them an important element of the country's infrastructure and manufacturing sectors.

Chart 38: Indian Steel Tubes & Pipes Industry

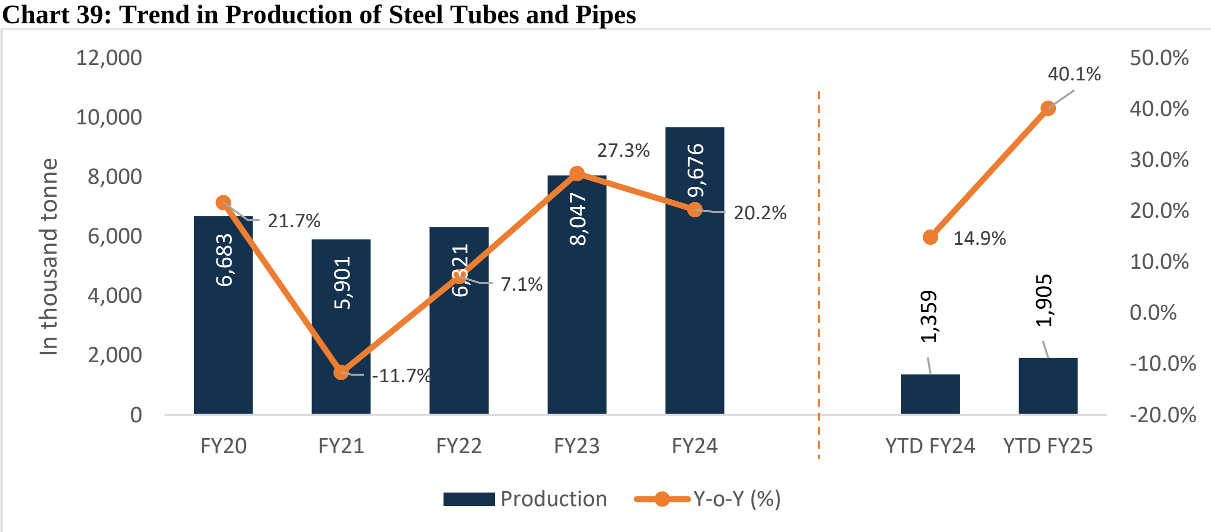


Source: Industry Sources

Domestic Production of Steel Tubes and Pipes

The production of steel tubes and pipes grew at a CAGR of about 9.7% in the past 5 years from FY20-FY24. However, the industry has witnessed a decline in FY21 due to the outbreak of COVID-19. However, as the situation normalized, the demand picked up and the production increased by 7.1% y-o-y and 27.3% y-o-y during FY22 and FY23, respectively. Whereas during FY24, the production of steel tubes and pipes increased by 20.2% on a y-o-y basis. Around 9,666 thousand tonnes of steel tubes and pipes were produced in FY24 compared to 8,047 thousand tonnes produced in the previous year. This growth is attributed to the healthy demand from the end-user segments - water transportation, oil & gas, city gas distribution, construction and the government's thrust on infrastructure such as airports, railways and metros. Additionally, for YTD FY25, production grew by 40.1% y-o-y. Further, the rise in exports have also contributed toward the increase in production.

Chart 39: Trend in Production of Steel Tubes and Pipes

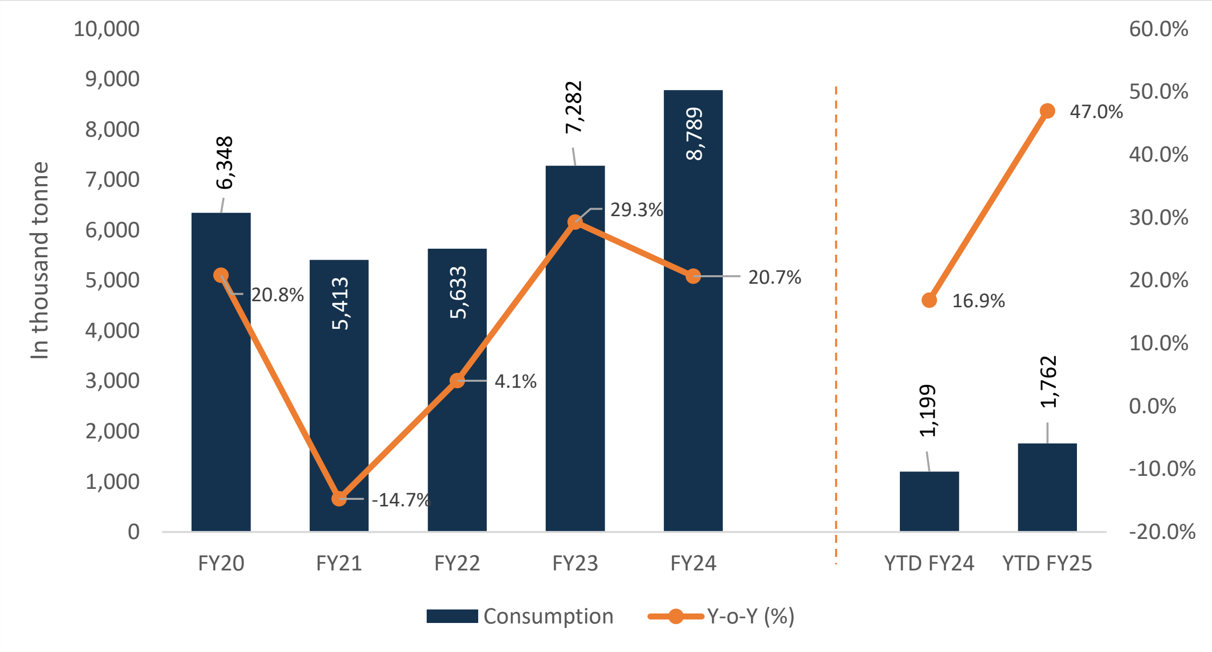


Source: CMIE
Note: YTD FY24 refers to the period from April 2023-May 2023
YTD FY25 refers to the period from April 2024- May 2024

Domestic Consumption of Steel Tubes and Pipes

The consumption of steel tubes and pipes in India has grown steadily at a CAGR of 8.5% from 6,348 thousand tonnes in FY20 to 8,789 thousand tonnes in FY24. After witnessing an uptrend till FY20, the industry observed a de-growth of 14.7% in consumption during FY21 due to the pandemic. However, during FY24, the industry witnessed a strong growth of around 20.7% y-o-y in consumption on account of factors such as improvement in construction and real estate activities, improvement in transportation activities, continuous investment in infrastructure, and policy support by the government such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Jal Jeevan Mission - 'Har Ghar Jal', National Gas Grid Project. Additionally, for YTD FY25, consumption grew by 47% y-o-y.

Chart 40: Trend in Consumption of Steel Tubes and Pipes



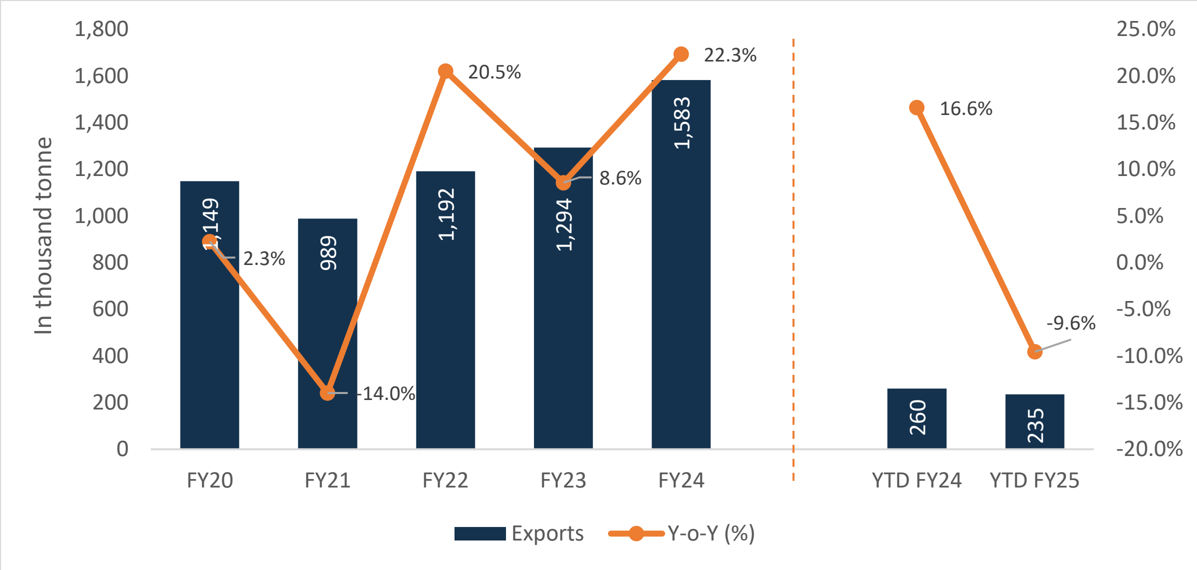
Source: CMIE
Note: YTD FY24 refers to the period from April 2023-May 2023
YTD FY25 refers to the period from April 2024- May 2024

Trends in Exports and Imports

Exports

The exports of steel tubes and pipes have grown at a CAGR of 8.3% during the past five years from 1,149 thousand tonnes in FY20 to 1,583 thousand tonnes in FY24. The export market has always been on a steady rise except for FY21 as the outbound shipments were affected by the pandemic. However, they grew by 20.5% y-o-y in FY22 after the easing of lockdown and restrictions. Moreover, during FY23, exports increased by 8.6% y-o-y. A significant y-o-y growth of nearly 70% in outbound shipments to the USA, amounting to 310 thousand tonnes, led to a rise in exports during FY23. In addition, shipments to UAE, Canada, Indonesia, and Malaysia supported the export growth. During FY24, the exports registered a growth of 22.3% on a y-o-y driven by a remarkable y-o-y growth of 22x times in outbound shipments to the Morocco, amounting to 150 thousand tonnes. This increase was mainly due to the announcement made by The Moroccan Ministry of Industry and Trade on duty-free quotas for cold rolled and coated steel products, which have been reducing over time in order to ensure a consistent supply of raw material (steel) to aid growth in construction, manufacturing and automotive sectors. In addition, shipments to Saudi Arabia, UAE, Qatar and Chile supported the export growth. Additionally, for YTD FY25, exports declined y-o-y by 9.6%.

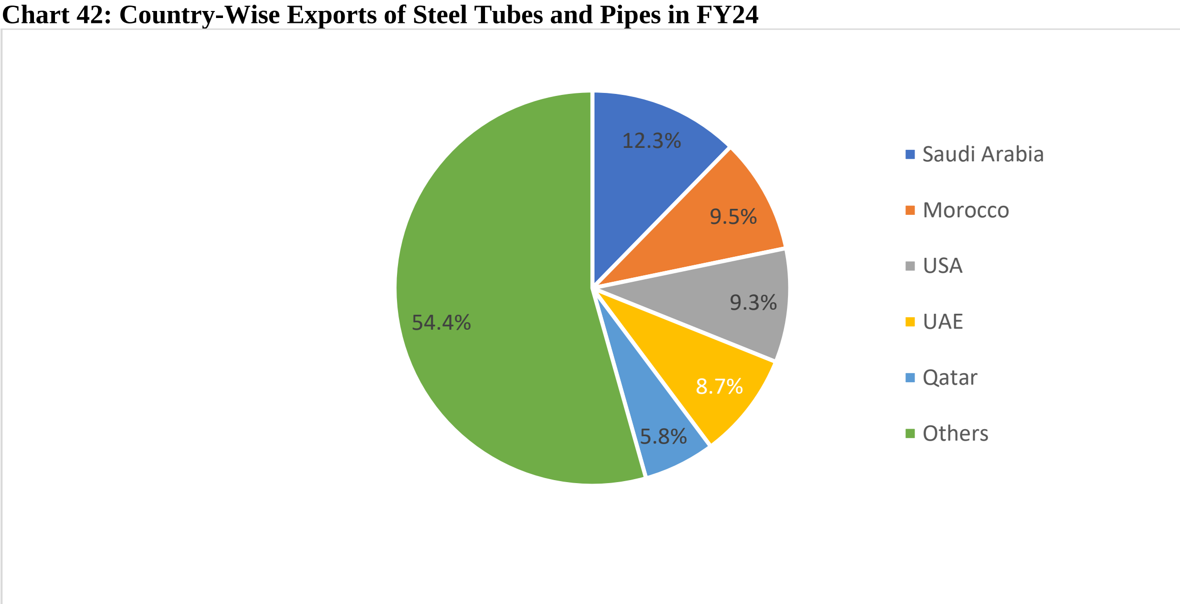
Chart 41: Exports of Steel Tubes and Pipes



Source: CMIE
Note: YTD FY24 refers to the period from April 2023-May 2023
YTD FY25 refers to the period from April 2024- May 2024

Moreover, the exports to the top 5 countries (Saudi Arabia, Morocco, the USA, the UAE and Qatar) accounted for 45.6% of the total outbound shipments from India during FY24. Saudi Arabia and Morocco were the primary export destinations, accounting for 12.3% and 9.5% of the market share, respectively. The USA grabbed the 3rd position in respect of export destinations and among others, the UAE and Qatar constituted 8.7% and 5.8% respectively, of total exports from India in FY24. An increase in oil and gas production to meet the transportation sector's needs and a rise in offshore exploration & production projects are driving the export market in the American and Middle East regions.

Chart 42: Country-Wise Exports of Steel Tubes and Pipes in FY24

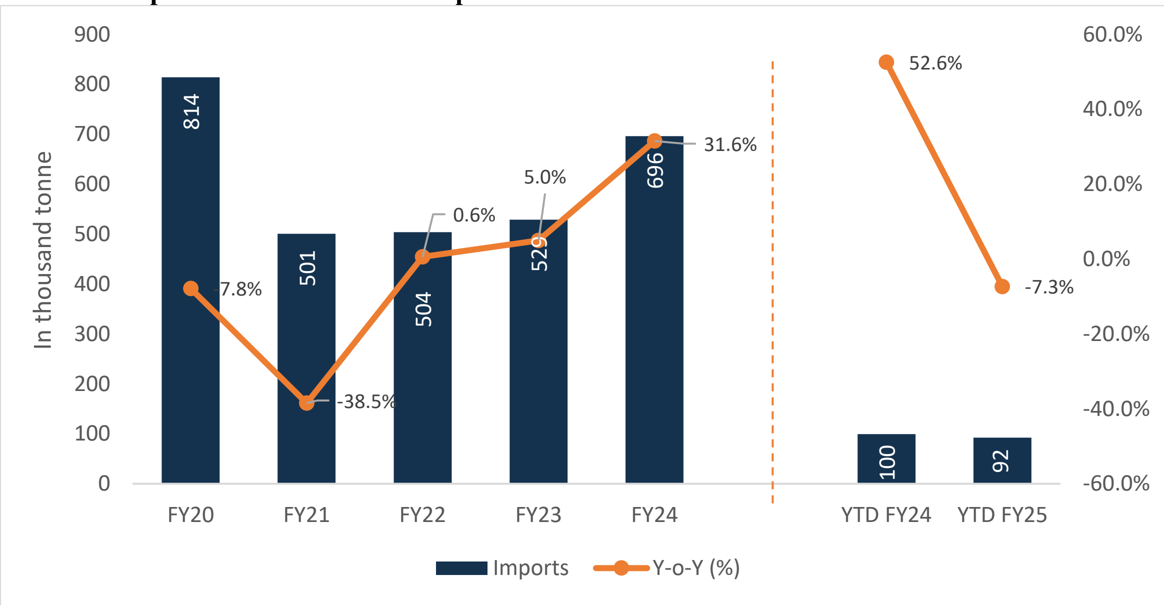


Source: CMIE

Imports

India imports steel tubes and pipes to meet the requirements of the demand-supply gap in the country primarily for high-temperature resistant pipes used for drilling and oil exploration, which are generally imported by the oil refineries in India. The inbound shipments observed a decline of 3.8% CAGR in the last five years from 814 thousand tonnes in FY20 to 696 thousand tonnes in FY24. During the FY21-FY23, the imports have remained flattish. However, the imports have shown a 31.6% year-on-year increase from 529 thousand tonnes in FY23 to 696 thousand tonnes in FY24. Additionally, for YTD FY25, imports declined y-o-y by 7.3%.

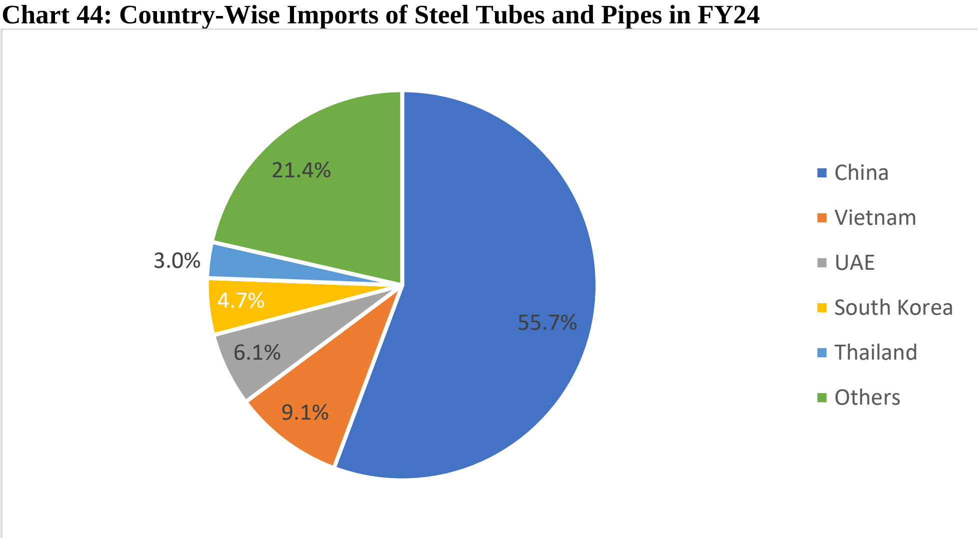
Chart 43: Imports of Steel Tubes and Pipes



Source: CMIE
Note: YTD FY24 refers to the period from April 2023-May 2023
YTD FY25 refers to the period from April 2024- May 2024

China, Vietnam, UAE, the Korea Republic, and Thailand are some of the leading suppliers to India with almost 80% share in the total imports in FY24. Among these, China continues to be the top importer to India with a share of 55.7%.

Chart 44: Country-Wise Imports of Steel Tubes and Pipes in FY24



Source: CMIE

Outlook of Indian Steel Tubes & Pipes Consumption

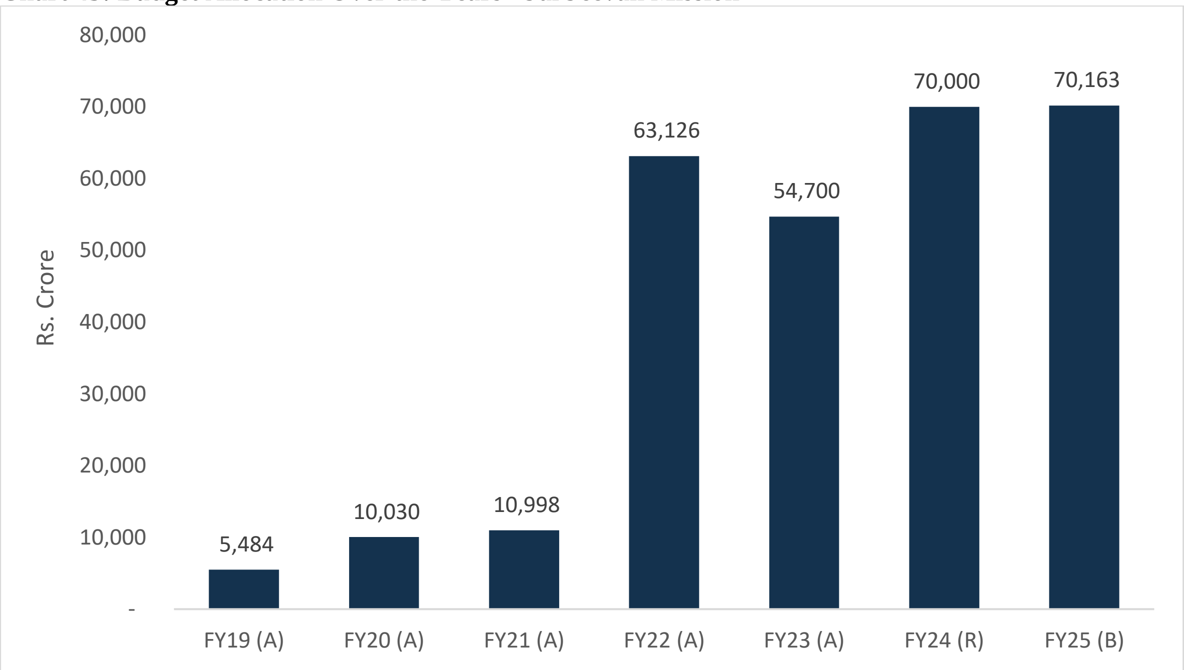
The growth momentum of the steel pipes and tubes is expected to continue in the medium term backed by rising demand from key end-user industries including oil & gas, infrastructure, real estate, etc.

• **Oil & Gas:** It is expected that the increased length of natural gas pipelines by 2025-2026 will contribute toward the expansion of steel pipe production. The natural gas sector already has seen the announcement of the 'One Nation, One Gas Grid' initiative, which will attract new investments in India's natural gas infrastructure. Also, it is expected that the gas pipeline network which has already crossed 23,000 km currently, will reach 35,000 km in the next 4-5 years. The efforts of moving toward the gas-based economy alongside the implementation of city gas distribution networks are expected to augment the demand for pipes going forward. Moreover, the increasing number of CNG stations, bio-refineries, bio plants, etc., will support the infrastructure for gas.

• **Housing Development:** The trend for affordable housing is picking up in India alongside the growing urban infrastructure. The rising income and employment opportunities have led to migration to urban areas, thereby creating a greater need for real estate in major Indian cities. Also, there is a significant thrust on providing housing for all under the Pradhan Mantri Awas Yojana (PMAY) scheme, an initiative taken by the government to provide affordable housing to the urban poor. The scheme is being steadily allocated under the union budget. In the latest budget 2024-25, there has been an increase in allocation toward the PMAY scheme to Rs. 84,670.75 crore from Rs. 79,590.03 crore in 2023-24. Furthermore, the sustained efforts in sanctioning and completing a substantial number of houses under both PMAY-Urban and PMAY-Gramin schemes demonstrate the government's commitment to promoting affordable housing and improving living conditions for individuals and families across the country.

• **Water and Irrigation**: The demand for steel tubes and pipes will expand, given their vast usage in agriculture, especially for irrigation. The 'Atal Mission for Rejuvenation and Urban Transformation' (AMRUT) scheme, which focuses on the development of basic infrastructure in selected cities and towns, focuses on the development of water infrastructure in sectors such as water supply, stormwater drainage, sewerage and septage management, green spaces and parks, and non-motorized urban transport[4]. In addition, the 'Atal Bhujal Yojana' (Atal Jal) scheme, focused on improving groundwater management through the community, will also lead to infrastructure development. Another initiative 'Jal Jeevan Mission', to provide safe and adequate drinking water to all households in rural India by 2024, launched by the government will also contribute toward the development of water infrastructure. This program has already covered around 65% of rural households in the past 4.3 years. The mission has always seen a consistent allocation in budget every year. In the union budget 2024-25, the allocation has increased to Rs. 70,163 crores from Rs. 70,000 crores (Revised estimate of 2023-24).

Chart 45: Budget Allocation Over the Years - Jal Jeevan Mission



Source: Budget documents
Note: A – Actual budget; R- Revised budget; B- Budgeted

• **Focus on Infrastructure**: The Indian government has been focussing on the development of infrastructure. It has launched reforms such as Make in India and the Production Linked Incentive (PLI) scheme to achieve its goal of having a USD 5 lakh crore economy by 2025. In the latest budget 2024-25, the outlay in Capex investment toward infrastructure has increased by 11.1% to Rs.11.11 Lakh crore from Rs. 10 lakh crores in the 2023-24 budget. Additionally, the Indian government continues to prioritize infrastructure development with substantial investments in the road and rail sectors. In the latest budget, the Ministry of Road Transport and Highways was allocated ₹2.78 lakh crore, marking a 2.8% increase from the previous year. Indian Railways received ₹2.55 lakh crore, following last year's historic allocation of ₹2.4 lakh crore. These funds are designated for the development of three major economic railway corridors and various modernization projects, focusing on energy, mineral, and cement transportation, port connectivity, and high-traffic density routes as part of the PM Gati Shakti initiative.

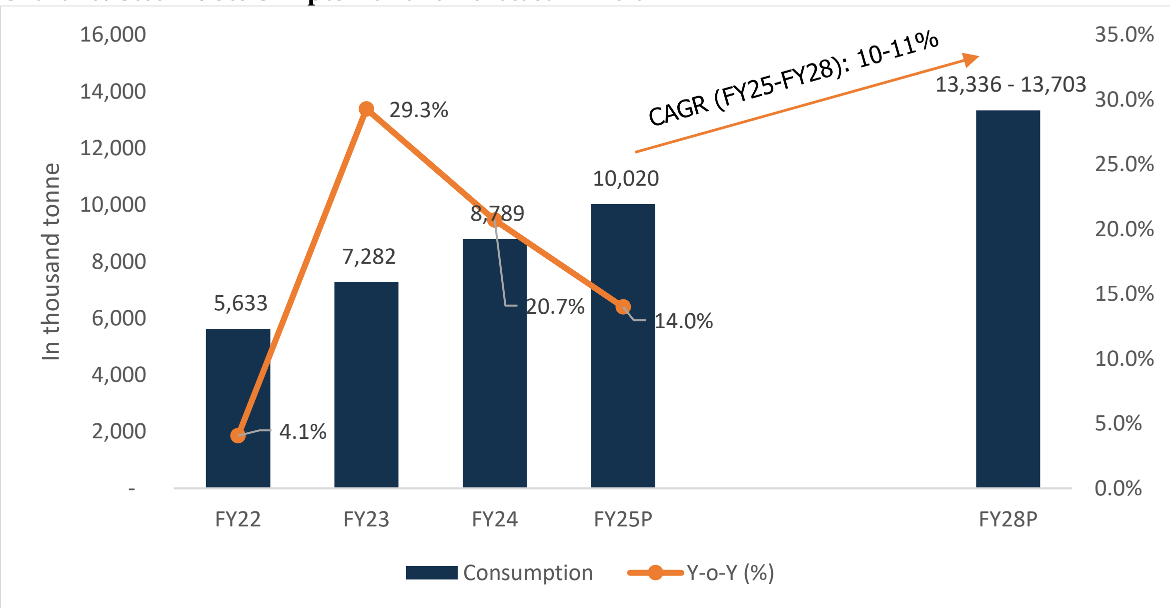
The aim is to enhance

[4] Non-motorized urban transport entails active and human powered transportation such as small-wheeled transport like cycle rickshaws, skates, skateboards, push scooters, hand carts and wheelchair travel

logistics efficiency, reduce costs, and decongest the existing rail network, thereby improving both freight and passenger services. The government plans to expand the Vande Bharat train fleet, with trials for sleeper trains set to begin soon and operational services expected within the next six months. The goal is to introduce 250 sleeper Vande Bharat trains by 2029, enhancing passenger safety, convenience, and comfort. Increased capital expenditure in these sectors is expected to yield significant economic benefits, including job creation, boosted private consumption, and attraction of further investment. Enhanced transportation infrastructure will facilitate faster movement of goods and passengers, driving economic activity and improving efficiency. Finance Minister Sitharaman emphasized the positive impact of these investments, noting that the new railway corridors will improve freight logistics and passenger train operations, accelerate GDP growth, and reduce logistical costs.

Driven by the above factors, CareEdge Research expects the domestic consumption of steel tubes and pipes to increase by 14% y-o-y during FY25. Further, it is expected to grow at a CAGR of 10-11% from FY25-FY28 reaching a range of 13,336 to 13,703 thousand tonnes by FY28.

Chart 46: Steel Tubes & Pipes Demand Forecast in India



Source: Industry sources, CareEdge Research

End-use industry overview

Steel significantly impacts our lives, found in everything from buildings and vehicles to power lines and pipelines. Its versatility makes it vital for modern development, supporting advanced economies and enhancing daily life safety and convenience. They play a vital role across various industries due to their strength, durability, and versatility. In borewell applications, they provide essential structural support and prevent contamination, making them ideal for deeper wells in unstable soils. Stainless steel casing pipes enhance longevity and reliability, suitable for both domestic and industrial use. In agriculture, greenhouse steel pipes made from carbon or galvanized steel are crucial for constructing resilient structures. Their corrosion resistance ensures a stable environment for plant growth, making them popular in both commercial and home gardening. In fire safety systems, steel pipes are indispensable due to their ability to withstand high pressure. Often galvanized to prevent corrosion, they are widely employed in industrial complexes, commercial buildings, and large residential areas, ensuring effective fire suppression. For renewable energy, steel pipes are used in solar torque tubes, which support solar panels and allow for optimal sun exposure. Typically made from high-strength pre-galvanized steel, these pipes are lightweight and durable, making them suitable for various installation locations, including rooftops and carports. Additionally, in the furniture industry, steel pipes provide structural integrity for frames, legs, and supports, combining durability with aesthetic appeal. Their cost-effectiveness makes them a favoured choice for both functional and decorative designs.

A brief overview of the various end use industries steel pipes and tubes are utilised in is provided below.

Oil & Gas

Oil & gas are some of the major end-users driving the steel demand. Refineries, pipelines, gas terminals, storage capacity, gas cylinder bottling plants, retail outlets, etc., require large amounts of steel pipes. Oil and gas are generally transported through steel pipelines. Further, steel tubes and pipes are widely used in this sector for drilling and extraction operations.

In India's oil and gas sector, pipes are crucial for transportation and distribution across the entire value chain—upstream, midstream, and downstream. They are primarily used for drilling (upstream), transporting crude oil, natural gas, and refined products (midstream), and distribution (downstream). Materials like carbon steel and high-strength alloy pipes are preferred due to their durability and resistance to high pressure and corrosive environments. Growing domestic demand for energy, pipeline infrastructure expansion, and government initiatives like the National Gas Grid are driving demand for pipes in this sector.

Natural Gas Infrastructure

The natural gas industry in India is expected to witness substantial growth over the next decade. The current industry and regulatory environment bode well for achieving a shift toward gas becoming more prominent in the Indian fuel mix. Driven by the increasing usage across various end-user customer segments, the Government of India has come up with multiple reforms to raise the share of natural gas in the primary energy mix to 15% by 2030 from 6.7% in December 2023 in the overall energy mix. Accordingly, the government has been taking a range of measures to expand domestic production, facilitate imports, and encourage demand by expanding the National Gas Grid and City Gas Distribution network.

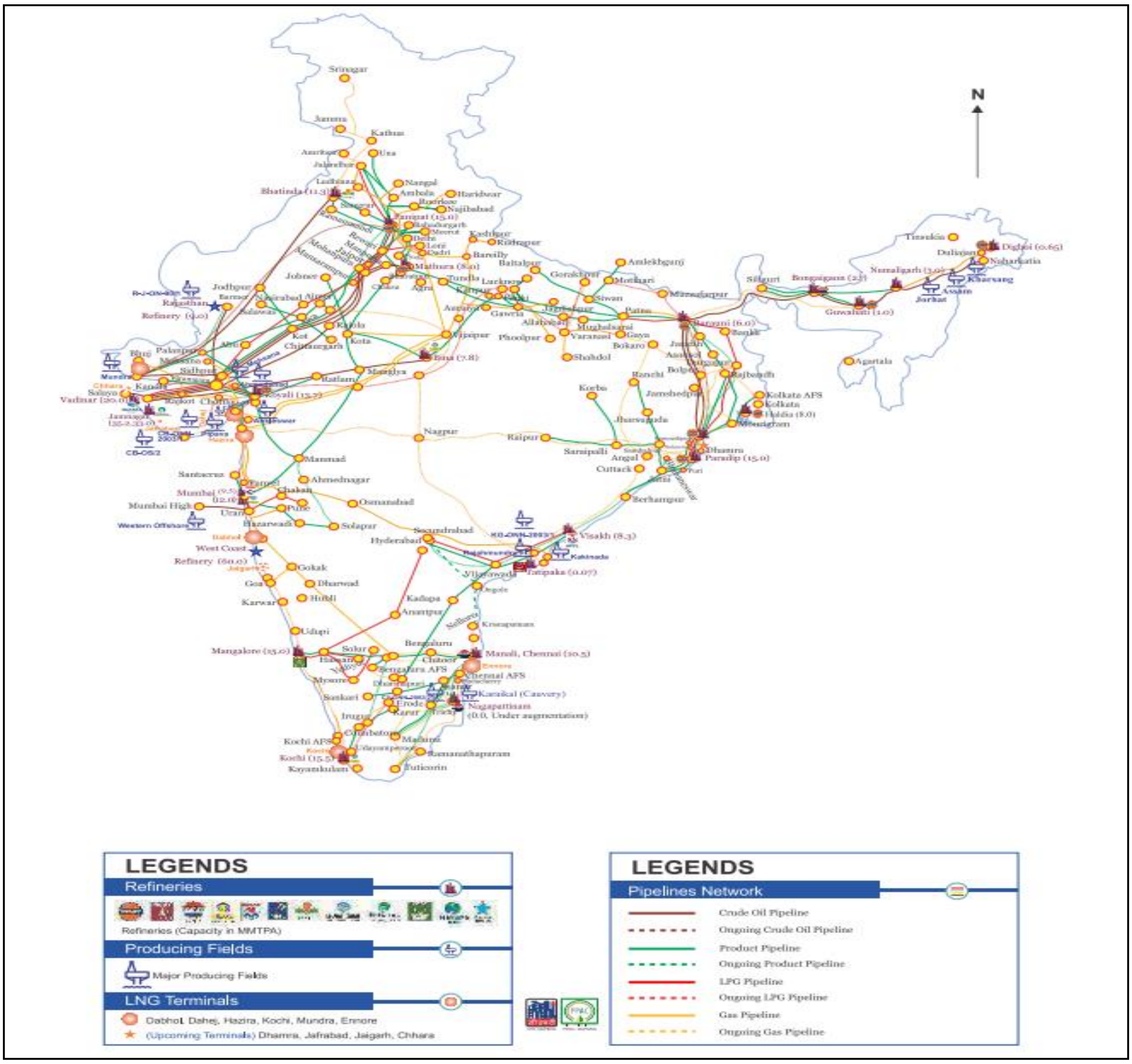
The sector requires significant investments in the coming years to build up terminals and pipelines. India is expected to have its first floating LNG terminals at Chhara and Jafrabad, which will possibly commence operations in 2024. Further, the increasing production and exploration activities will drive the requirement of steel pipes in the industry. To facilitate the National Gas Grid (One Nation, One Gas Grid) and increase the availability of natural gas across the country, the Petroleum and Natural Gas Regulatory Board (PNGRB) has authorised approximately 33,475 km of natural gas pipeline network across the country. Around 24,921 km of gas pipelines were operational in India as of June 2024, while 10,789 km of pipelines were under construction.

Furthermore, there is the government's thrust to enhance the supply and consumption of natural gas. Also, the usage of cleaner sources of energy such as natural gas is being encouraged in line with the growing concern toward the environment and climate change. This has received significant impetus from the government's commitment toward clean energy under COP 27. Moreover, the demand for natural gas is expected to increase subsequently in the coming years in anticipation of higher power demand. The demand revival will also be supported by the ease in natural gas prices.

Crude and Petroleum Product Pipeline Infrastructure

According to the Petroleum Planning and Analysis Cell (PPAC), 10,941 km of crude oil pipeline and 23,367 km of petroleum product pipeline were operational in India as of July 01, 2024. As pipelines are a more efficient mode of fuel transportation, the crude and petroleum product pipeline infrastructure are expected to expand to cater to the growing domestic demand.

Figure 1: Oil & Gas Map of India



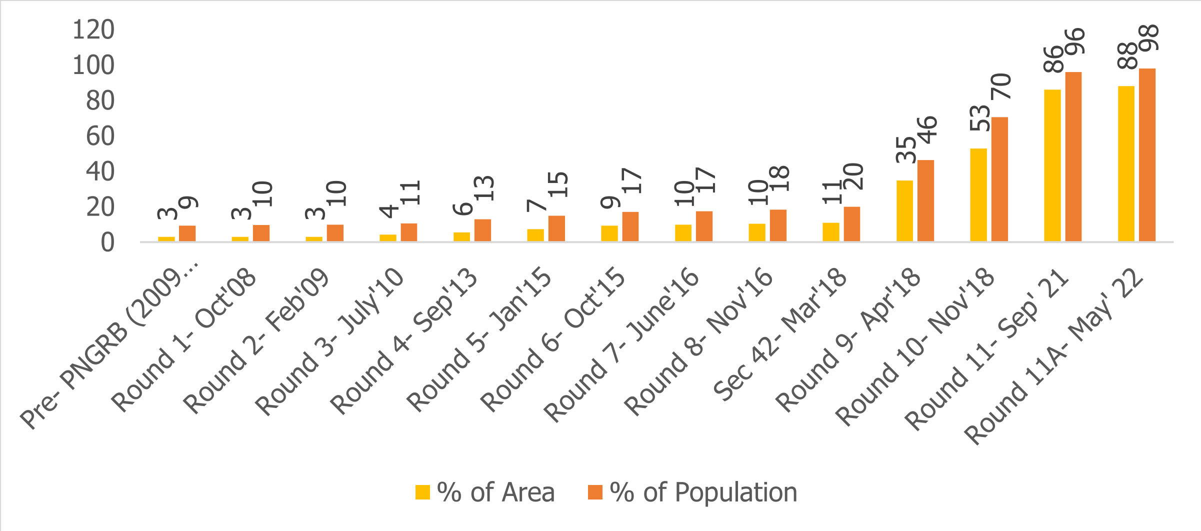
Source: PPAC

City Gas Distribution

The CGD network in India has expanded significantly in the past decade. Cumulatively up to Round 11A of CGD Bidding, there are 300 GAs authorised by PNGRB covering around 88% of the country's geographical area and 98% of its population. To cover 100% geographical area for the development of the CGD network, the 12th CGD bidding round will offer 7 Geographical Areas (GA) covering five North East states viz. Arunachal Pradesh, Meghalaya, Manipur, Nagaland, and Sikkim and UTs of Jammu & Kashmir and Ladakh.

Further, CGD now constitutes around 20% of the total natural gas consumption in India. Over the past few years, the overall consumption of natural gas was driven by the CGD sector, the contribution of which has significantly increased from around 6% to around 20% from 2012-13 to 2023-24 (April-May, 2023). As per the ongoing study on the India National Gas Grid conducted by ICF, the CGD contribution to total gas consumption is expected to increase in the range of 32% to 38% by 2030.

Chart 47: City Gas Authorization in India (Category-wise) (Cumulative %)



Source: PNGRB

As per PPAC, there were 6,959 compressed natural gas (CNG) stations, 1.31 crore domestic piped natural gas (PNG) connections, 44,471 commercial PNG connections, and 19,211 industrial PNG connections as of June 1, 2024.

The following factors will drive the expansion of the CGD network going forward:

- Expansion of CGD network to around 307 geographical areas post-Round 12th of CGD bidding.
- Industries using blast furnaces such as steel, oil refineries, long-haul transport, and heating & cooling requirements.
- Continued high requirements from the fertilizer as well as the power sector.

Infrastructure & Construction

Real Estate

In India's infrastructure and construction sector, pipes play a critical role in various applications such as water supply systems, drainage, sewage management, and HVAC (heating, ventilation, and air conditioning) systems. The growing urbanization, coupled with large-scale government initiatives like Smart Cities Mission and AMRUT (Atal Mission for Rejuvenation and Urban Transformation), has increased the demand for high-quality pipes. Materials like PVC, HDPE, and steel pipes are widely used due to their durability, corrosion resistance, and ease of installation. Moreover, the expansion of residential, commercial, and industrial projects further drives the need for advanced piping solutions in the sector.

The real estate industry is one of the most crucial sectors across the globe. The industry can be further segmented into four sub-sections, housing, commercial, retail, and hospitality. Of these, the residential segment contributes a majority share in the overall sector. The growth of the overall real estate industry also depends upon the growth in the corporate environment and the demand for office space and urban & semi-urban accommodations.

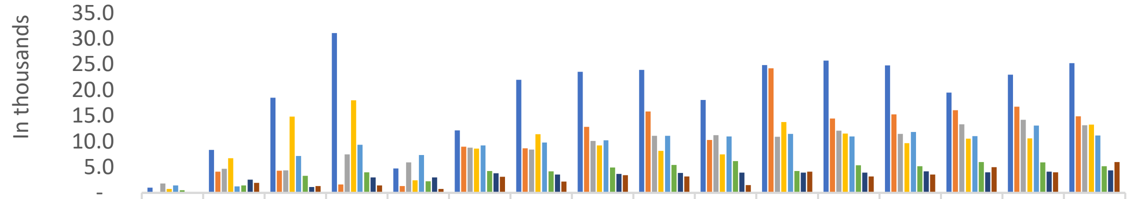
Residential Real Estate:

The residential real estate segment was performing exceptionally well during the first half of the previous decade on account of the thriving economy and the services sector. However, problems related to elevated property prices, delayed launches by developers, and stalled projects triggered some cold feet towards the sector. Additionally, the Coronavirus outbreak in early 2020 and the accompanying lockdowns across the country caused acute stress to the residential real estate segment during H1CY20.

However, after the reopening of the economy, there was a notable increase in demand for residential properties, primarily driven by end-users in the affordable housing segment. Foreign investments continued to flow into the sector, aided by the easing of the pandemic situation, resumption of travel, favourable policies such as tax benefits, and advantageous currency exchange rates, further contributing to increased investments from Non-Resident Indians (NRIs), particularly in the residential sector.

Moreover, during FY23, the residential real estate market witnessed steady growth with increased sales momentum supported by past inventory levels and continued new project launches specifically in the affordable and mid-size segments. The momentum continued to rise in FY24 and during Q4 FY24, the sales and new project launches reported a growth rate of 9.1% and 7%, respectively, corresponding to the same period in the previous year.

Chart 48: New Launches in the Top 8 Indian Cities in Residential Real Estate



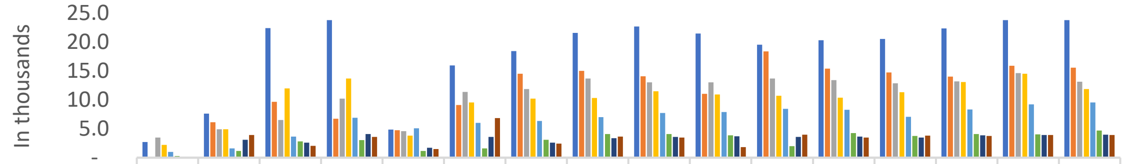
	Q1FY 21	Q2FY 21	Q3FY 21	Q4FY 21	Q1FY 22	Q2FY 22	Q3FY 22	Q4FY 22	Q1FY 23	Q2FY 23	Q3FY 23	Q4FY 23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
Mumbai	1.0	8.4	18.5	31.1	4.7	12.1	22.0	23.6	23.9	18.1	24.9	25.7	24.8	19.5	23.0	25.3
NCR	-	4.1	4.3	1.6	1.3	9.0	8.7	12.9	15.8	10.3	24.2	14.5	15.3	16.1	16.8	14.9
Bengaluru	1.8	4.7	4.4	7.5	5.9	8.8	8.4	10.1	11.1	11.3	10.9	12.1	11.5	13.4	14.2	13.1
Pune	0.8	6.7	14.8	18.0	2.4	8.6	11.4	9.2	8.2	7.5	13.8	11.5	9.7	10.6	10.6	13.3
Hyderabad	1.4	1.2	7.2	9.3	7.4	9.3	9.8	10.3	11.1	11.0	11.5	11.0	11.9	11.0	13.1	11.1
Ahmedabad	0.5	1.5	3.3	4.0	2.2	4.3	4.2	5.0	5.4	6.2	4.2	5.3	5.2	6.0	5.9	5.2
Chennai	-	2.5	1.2	3.0	3.0	3.8	3.6	3.7	3.9	3.9	3.9	4.0	4.2	4.0	4.2	4.4
Kolkata	-	1.9	1.4	1.4	0.8	3.1	2.2	3.5	3.2	1.5	4.1	3.2	3.6	5.0	4.0	6.0

Mumbai NCR Bengaluru Pune Hyderabad Ahmedabad Chennai Kolkata

Source: Knight Frank & CareEdge Research

Trend in Sales in Top 8 Cities in Residential Real Estate

Chart 49: City-Wise Quarterly Unit Sales in Residential Real Estate



	Q1FY 21	Q2FY 21	Q3FY 21	Q4FY 21	Q1FY 22	Q2FY 22	Q3FY 22	Q4FY 22	Q1FY 23	Q2FY 23	Q3FY 23	Q4FY 23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
Mumbai	2.7	7.6	22.4	23.8	4.9	15.9	18.4	21.5	22.7	21.5	19.5	20.3	20.5	22.3	23.8	23.7
NCR	-	6.1	9.6	6.7	4.7	9.1	14.5	15.0	14.1	11.0	18.3	15.4	14.7	14.0	15.9	15.5
Bengaluru	3.5	4.9	6.5	10.2	4.6	11.3	11.9	13.7	13.0	13.0	13.7	13.4	12.9	13.2	14.6	13.1
Pune	2.2	4.9	12.0	13.7	3.8	9.6	10.2	10.3	11.5	10.9	10.7	10.4	11.3	13.1	14.5	11.8
Hyderabad	1.0	1.6	3.7	6.9	5.1	6.0	6.4	7.0	7.7	7.9	8.5	8.3	7.1	8.3	9.2	9.6
Ahmedabad	0.3	1.2	2.8	3.0	1.2	1.6	3.1	4.1	4.1	3.9	2.0	4.2	3.8	4.1	4.0	4.7
Chennai	-	3.1	2.6	4.1	1.7	3.6	2.6	3.4	3.6	3.7	3.6	3.7	3.5	3.9	3.9	4.0
Kolkata	-	3.9	2.1	3.6	1.5	6.9	2.4	3.6	3.5	1.8	4.0	3.5	3.8	3.8	3.9	3.9

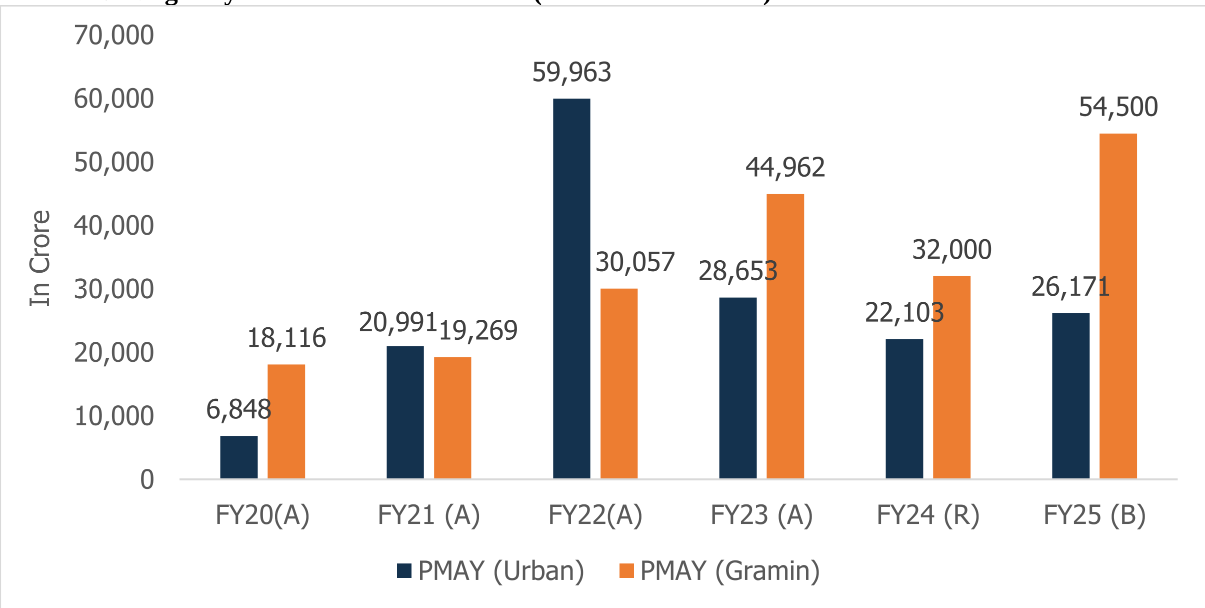
Mumbai NCR Bengaluru Pune Hyderabad Ahmedabad Chennai Kolkata

Source: Knight Frank & CareEdge Research

The relocations and shifting buying behavior with a desire to live in a space with modern amenities, proximity to their workplace, and leisure & desire to relocate closer to extended families and friends are projected to increase the demand for projects with good architecture, uncluttered space, and recreational activities for children and elderly.

Furthermore, the government's initiatives, including the Pradhan Mantri Awas Yojana (PMAY), the Urban Development Plan, and the digitization of land records, have been playing a pivotal role in stimulating growth within the sector. Under the PMAY scheme of the Union Ministry of Housing and Urban Affairs, more than 1.19 crore houses have been sanctioned under the PMAY-Urban, out of which 83.67 lakhs have been completed as of 10th June 2024, and the rest are under construction. Moreover, about 2.94 crore houses have been sanctioned under PMAY-Gramin out of which 2.62 crore have been completed as of 12th June 2024.

Chart 50: Budgetary Allocation Under PMAY (Urban and Gramin)



Source: Budget Documents
Note: A – Actual budget; R- Revised budget; B- Budgeted

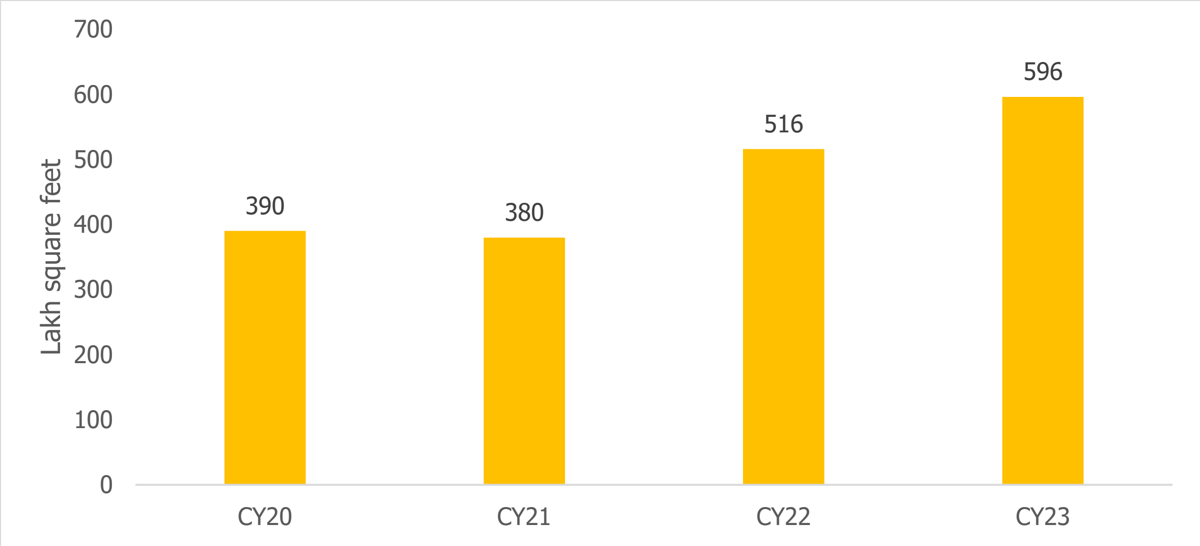
Commercial Real Estate:

The Indian real estate industry witnessed a slowdown in the years prior to the pandemic due to the general slowdown in the economy. However, this had little impact on the demand for office space. The demand for office space grew by leaps and bounds for the better part of the past decade with the unavailability of good quality supply being the only impediment to higher growth. The office segment growth was aided by investors with a keen interest in the commercial space. Alongside, NRIs have initiated investing in this segment, given the lucrative returns.

Furthermore, with residential real estate becoming end-user-driven, commercial real estate emerged as a more attractive investment proposition for individual investors and institutional funds. Commercial properties typically offer higher rental yields and potential returns compared to residential properties as businesses are willing to pay premium rents for prime locations

Accordingly, due to the investment potential of commercial spaces, developers are responding to the demand. Eventually, a better performance of the office segment will trickle to greater demand for the residential segment. This is because as job opportunities expand, there is a potential influx of individuals looking for housing near their workplace, which can drive up demand for residential properties. As a result, the commercial space is crucial in terms of both, its impact and its linkages.

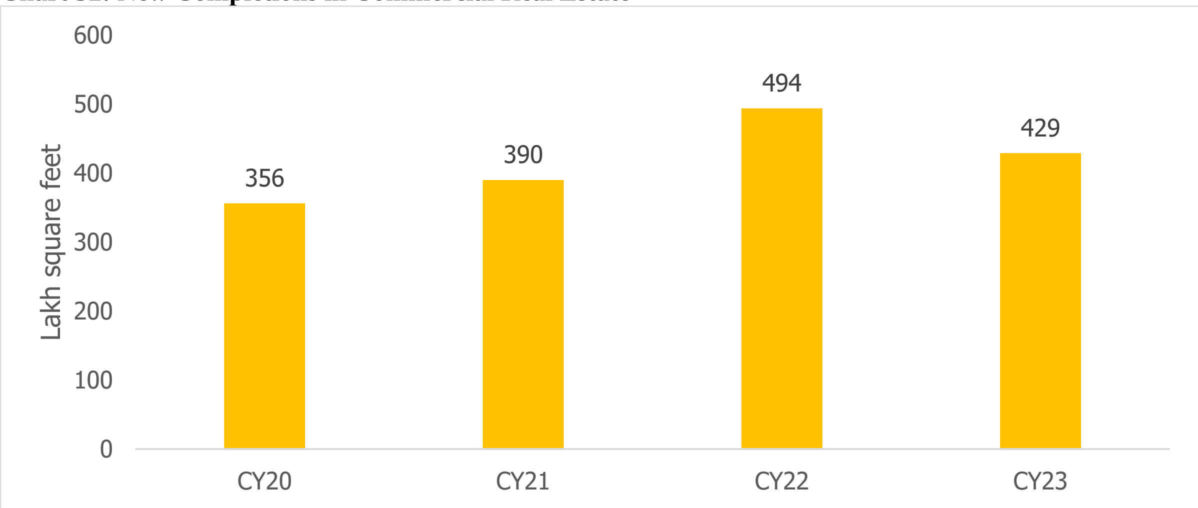
Chart 51: Transactions in the Commercial Segment



Source: Knight Frank & CareEdge Research

Furthermore, the outbreak of the pandemic resulted in the near stoppage of business activities across all markets and the phased resumption amid economic slowdowns weighed heavily on occupiers' minds. Transactions stood at 390 lakh square feet during CY20. They inched up following the gradual resumption of economic activities in the second half. Whereas CY21 witnessed a fall of 2.5% in transactions on account of the lethal second wave. However, transactions picked up in CY22 to 516 lakh square feet, a growth of 36% y-o-y. For CY23, transactions maintained their momentum at 596 lakh square feet, registering a growth of 15.5% when compared to y-o-y.

Chart 52: New Completions in Commercial Real Estate



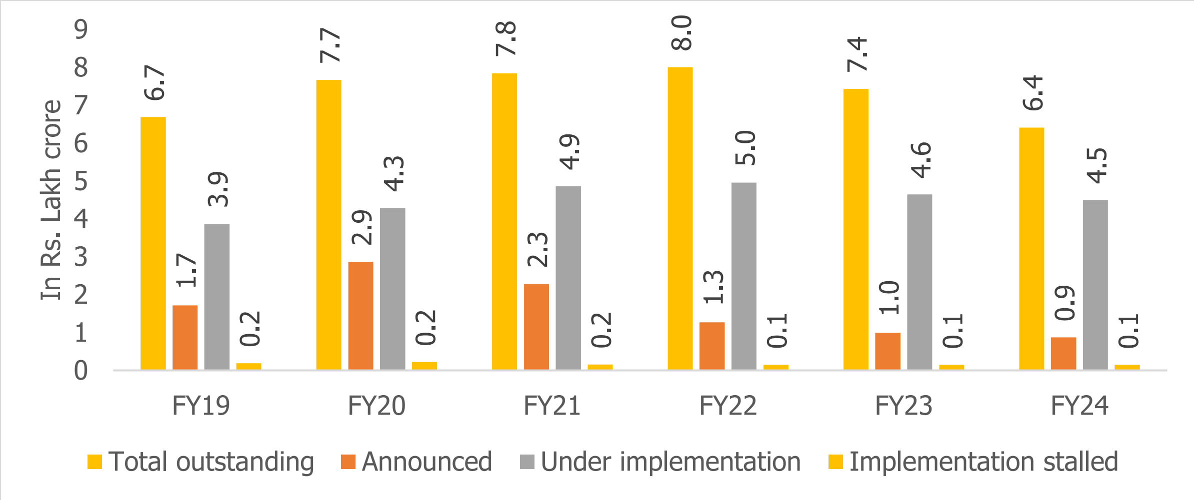
Source: Knight Frank and CareEdge Research

New completions witnessed a marginal drop during H2 CY20, possibly due to uncertainty surrounding the pandemic. These fell further during H1 CY21 before picking up in the second half. Accordingly, CY21 witnessed new completions to the tune of 390 lakh square feet.

CY22 registered an uptick when compared to CY20 and CY21 as developers stepped on the pedal with respect to the completion of projects amidst improved demand for office spaces as corporates began working from the office.

To an extent, the availability of labor, which had migrated to hometowns during the pandemic, also began returning to the construction sector in cities and this aided the pace of completions. For the CY22, new completions stood at 494 lakh square feet. There has been a decrease of 13.2% y-o-y in new completions in CY23.

Chart 53: Trend in Investments in Commercial Real Estate



Source: CMIE and CareEdge Research

The chart above shows that total outstanding investments across India dipped in FY19. The value of announced projects increased for two straight years from FY19 to FY20. The value of new announcements peaked in FY20 following which it fell in FY21 due to COVID-19-related disruptions and uncertainty. During FY22, the value of projects under implementation rose to a three-year high, while the value of stalled projects remained low. Whereas during FY23 and FY24, the value of announced projects dipped, but the ticket size of projects under implementation was marginally lower than FY22 as demand stabilized.

The commercial real estate (including retail space) industry is expected to witness stable growth in the near-medium term driven by back-to-office/hybrid work trends, business growth especially in the e-commerce, co-working, information technology, and BFSI sectors, and rising consumer spending.

Further, the demand for office spaces will be driven by the expansion of the co-working segment, increased hiring across various sectors like IT and e-commerce, increased connectivity due to the augmentation of infrastructure, and overall economic growth in India. Also, real estate companies are focusing on Tier-II and Tier-III cities since they are quickly urbanizing due to lower rental costs. In addition, the sophistication of commercial real estate is rising due to the incorporation of new-age technologies including sensor-activated disinfectants, retina scanners for admission, digitized ventilation systems, etc.

Whereas the retail space growth will be driven by increasing disposable income, availability of a wide range of brands and food options, multiple entertainment avenues, high brand consciousness, convenience, social media marketing, availability of international brands, etc.

However, delays in project construction leading to cost overruns and the ability of the developers to lease the ready office and retail spaces are key monitorable for the industry. Whereas, the impact of the global slowdown on IT/BPO/KPO companies may lead to slow expansion and less demand for commercial space in India in the near term.

Roads

In road construction in India, pipes are essential for drainage systems, preventing water accumulation that can damage road infrastructure. These pipes, commonly made from materials like concrete, HDPE, and steel, are used in culverts, stormwater drains, and underpasses to ensure proper water flow and reduce the risk of flooding. With the rapid development of highways and rural roads under initiatives like Bharatmala and PMGSY (Pradhan Mantri Gram Sadak Yojana), demand for durable and cost-effective piping solutions has increased. Proper drainage systems using pipes enhance road longevity and safety, especially in areas with heavy rainfall or challenging terrain. The road sector of India is poised to grow with government's support and spending on the infrastructure sector of India.

Transportation of freight as well as passengers by road is one of the most cost-effective mode of transportation. With a total 6.68 Million kilometers (kms) of road network, India ranks second in the world. This road network supports movement of 60% of freight traffic in the country and 87% of the total India's passenger traffic.

The Indian road network comprises of National Highways, Expressways, State Highways, Major District Roads, Other District Roads and Village Roads. To get the country in fast forward mode, development of National Highways has been key focus area, however state highways, district and rural roads continue to be large part of overall road network.

Table 5: Breakup of Road Network as stated in January 2024:

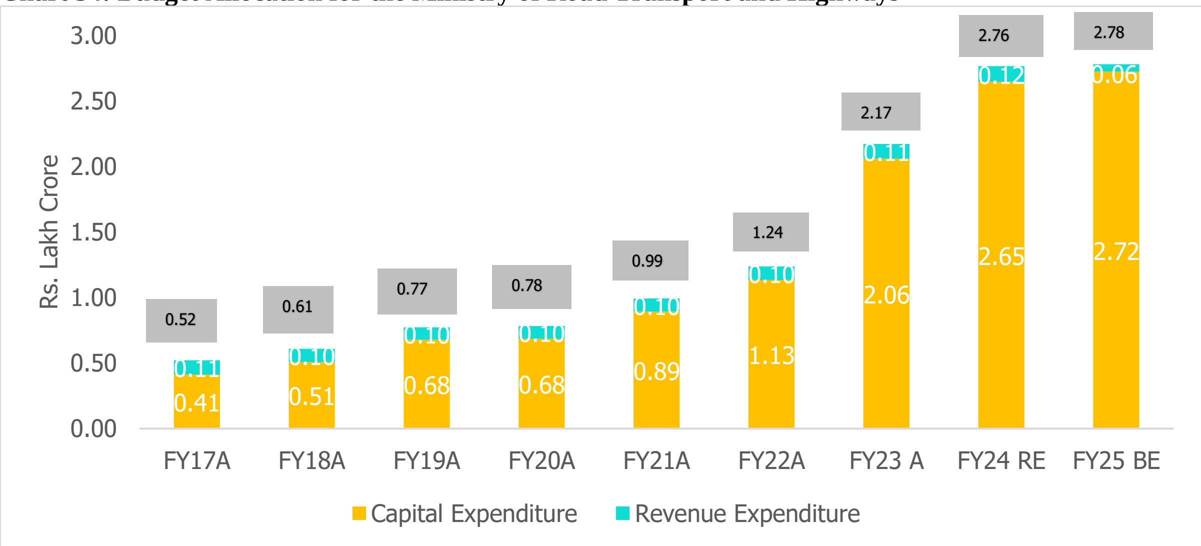
	Million kms	%
National Highways	0.15	2%
State Highways	0.18	3%
Other Roads	6.35	95%
Total	**6.68**	**100%**

Source: MoRTH & CareEdge Research

Connectivity has always been the backbone of any economy as it not only reduces the overall cost of logistics but also reduces the overall cost of production. To achieve last mile connectivity, roads and highways pave the way as they are cost effective way of connectivity. Over the years budgetary allocation has been increased from Rs 0.52 lakh crore in FY17 to Rs 2.78 lakh crore in FY25 demonstrating the Government's high focus on infrastructure sector. For better connectivity and faster movement of goods, Government is expanding 2 lane highways to 4 lanes and 4 lanes to 6 lanes. Government has also identified border areas for better connectivity and have launched various projects. This sector has higher opportunities as the connectivity of ports and other key locations such as consumption centres, metros, Tier-2 cities and strategic importance is still under developed.

To achieve the complete connectivity, private player participation is must and to attract the investment of private players, Government has brought in several Public-Private Partnership (PPP) models which has attracted significant investment over the past decade. Of all the PPP models, HAM has proven to be successful. It has given favorable condition for the participation of private players. Government is looking forward to bring in more projects under HAM followed by EPC. Lower participation for private players has at some point hampered the overall development of roads and highway sector. Issues of delay in project completion, due to land unavailability has been dealt by NHAI's decision to allot project, post completion of 90% of land acquisition. Also, to ease the burden of debt and avoid NPAs in books of private players & banks, Government has allowed 100% FDI in the sector and also allowed asset monetisation for private players post construction is complete.

Chart 54: Budget Allocation for the Ministry of Road Transport and Highways



Source: Union Budget Documents
RE – Revised Estimates; BE – Budgeted Estimates

Telecom Industry

Steel products are also used in the telecom tower industry. India is the second-largest telecom industry in the world with 924.07 million broadband subscribers and 1,199.28 million telephone subscribers as of March 2024. There has been augmented growth in the last few years because of affordable tariffs, higher penetration, roll-out of Mobile Number Portability (MNP), expansion of 4G and 5G coverage, evolving consumption patterns of subscribers, government's initiatives towards supporting India's domestic telecom infrastructure, and favourable regulatory environment. According to TRAI, the average wireless data usage per subscriber surged to 20.27 GB per month in March 2024, up from 61.66 MB in March 2014. These trends highlight India's telecom industry's dynamic and rapidly evolving landscape.

Moreover, the mobile towers in the country have increased to 8 lakhs as of July'24 as compared to 6 lakhs as of July'20. The number of mobile base transceiver stations is 29.4 lakh as of July'24 as compared to 22 lakhs as of July'20. The demand for the telecom industry is expected to surge, given the government's announcement to install additional mobile towers in the country, aiming to enhance connectivity. In addition to that, telecom reforms such as introducing guidelines for the Spectrum Regulatory Sandbox (SRS), or Wireless Test Zones (WiTe Zones), Abolition of Wireless Operating License (WoL) and MoU with Ericsson showcases the commitment to promote technological advancement, foster innovation, and ensures equitable access to telecommunications services for all citizens. This will further lead to expansion in the telecom industry, and in turn, increase the need for telecom towers.

Water Infrastructure

In India's water infrastructure sector, pipes are critical for the transportation and distribution of water in urban and rural areas, as well as in irrigation systems. Materials like PVC, HDPE, and ductile iron pipes are commonly used due to their corrosion resistance, durability, and ability to handle large volumes of water under varying pressures. These pipes are essential in municipal water supply, sewage networks, and wastewater management. With large-scale projects like the Jal Jeevan Mission and Smart Cities Mission driving improvements in water infrastructure, the demand for reliable, long-lasting piping solutions is rapidly increasing to ensure efficient water delivery, reduce leakages, and improve sanitation systems across the country.

In general, water infrastructure comprises drinking water facilities (treatment plants and distribution lines), sewage lines, storage tanks, dams, reservoirs, etc.

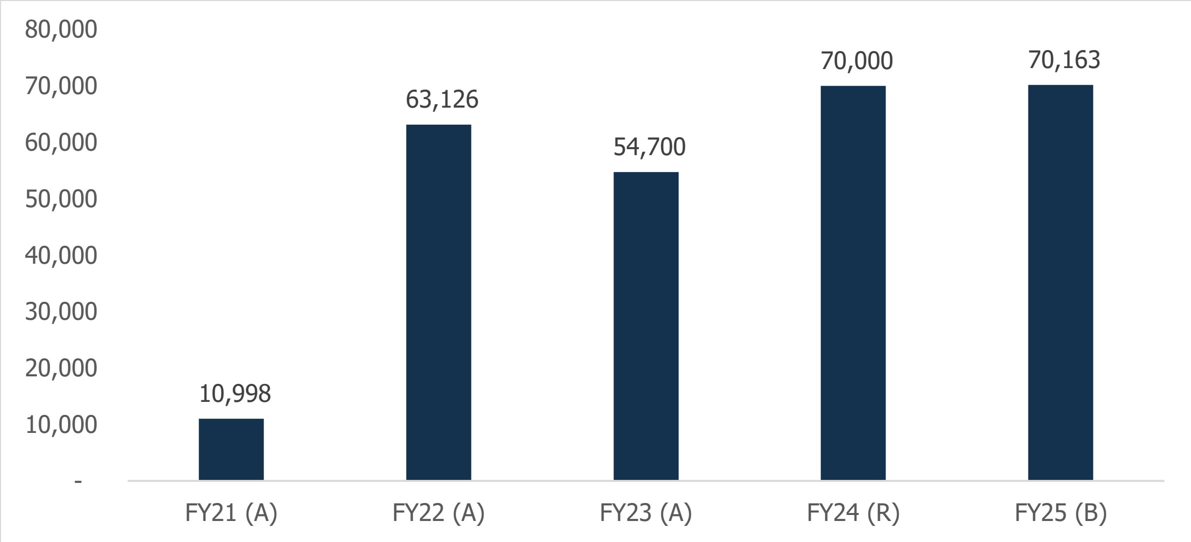
Steel pipes are considered the most durable of all water supply pipes because of their non-corrosion properties. They can sustain high water pressure and are more readily available in longer lengths than most other pipes. Demand for steel tubes and pipes is increasing, supplemented by the agriculture sector, where steel pipes are used in borewells or irrigation facilities. Moreover, there is a constant demand for improving water infrastructure in both rural and urban cities alongside a focus on enhancing wastewater management. This is expected to augment the demand and push the volumes of galvanized pipes.

However, with growing urbanization, India continues to fall behind in groundwater infrastructure. Water consumption has been growing at an exponential rate on account of rising population, increasing urbanization, and shifting lifestyles. In India, many households have access to water for only a few hours a day. Moreover, water demand in India is expected to exceed available supply by 2030, resulting in severe water scarcity for billions of people. To ensure there is a water supply, which is both affordable and sustainable, the government has launched the 'Atal Bhujal Yojana' (Atal Jal) to upgrade the groundwater management system through community participation. The major objective of this scheme is to improve the management of groundwater resources in select water-stressed areas in identified states namely Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Uttar Pradesh.

Further, on 15th August 2019, the 'Jal Jeevan Mission' programme was launched by the government to provide safe and adequate drinking water to all households in rural India by 2024. The functional household tap connections as of 9th September 2024 were about 15.13 crore. This programme will further enhance the water infrastructure and aid in the demand for pipes in the country.

The budgetary allocation trend toward this scheme has been increasing over the years and this government's push toward cleanliness and sanitation will boost the water infrastructure in the country.

Chart 55: Budgetary Allocation Toward Drinking Water (In Rs. Crore)



Source: Budget Documents
Note: A – Actual budget; R- Revised budget; B- Budgeted

Railways

In India's railway sector, pipes are vital for water supply systems, drainage, and HVAC systems in stations and onboard trains. They are also used in fuel lines for diesel locomotives and hydraulic systems for maintenance and operational equipment. Materials such as steel, copper, and PVC are widely utilized due to their strength, durability, and ability to withstand the rigorous demands of the railway environment. With significant investments being made in modernizing rail infrastructure, including high-speed trains and dedicated freight corridors, the demand for reliable, corrosion-resistant piping solutions is increasing. These pipes help ensure the safety, comfort, and efficiency of railway operations across the country.

The Indian Railways is among the world's largest rail networks. It is the 4th largest railway system in the world behind the US, Russia, and China with a total track length of 1,26,366 km with 7,337 stations as of FY21. Steel tubes or pipes are used in applications such as rails, wagons, and coaches. The Indian railway sector has seen multiple developments in the last decade such as the introduction of high-speed trains, modernization of railway stations, increase in rolling stock inventories, etc.

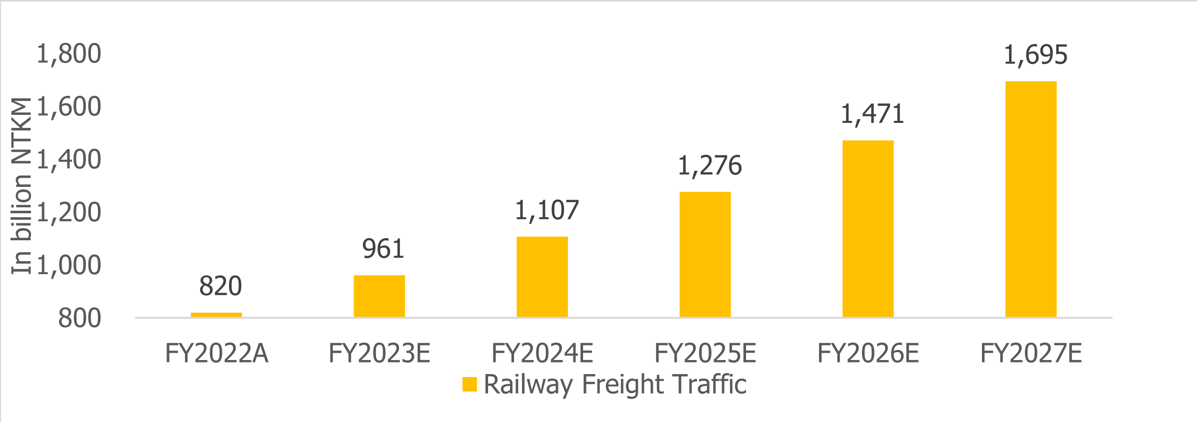
Further, the government has been increasing its focus on the augmentation of railways to reduce the cost and time of logistics and to minimize the overall carbon footprint of the country as railways are more environment friendly compared to road transport. The key focus areas have been the decongestion of the overutilized rail network, construction of new lines, doubling, tripling, quadrupling of rail lines, and purchase of rolling stock such as wagons, locomotives, coaches, etc.

The government proposes to launch 400 new Vande Bharat trains in the next 3 years along with the development of 100 Cargo Terminals over the next few years. Additionally, the construction of a Dedicated Freight Corridor (DFC), which are broad gauge rail network to be utilized exclusively for freight trains, will lead to an increase in the railway's share in domestic freight movement. The western and eastern DFCs are 86% and 90% complete, respectively, and are expected to be commissioned by FY25. Also, the East Coast Corridor, East-West Corridor, and North-South Corridor are under the planning stage.

Moreover, the Railways Station Redevelopment Program, which was launched in February 2017 to modernize the infrastructure across the nation, will enhance the experience of the passengers through intelligent building and state-of-the-art facilities. For this, the government has launched the 'Amrit Bharat Station Scheme' where a total of 1,275 railway stations under 32 different states have been identified for development. This will further boost the demand for steel pipes in the economy.

Under the National Rail Plan (NRP), the railway's share in freight transport is expected to increase to 45% by 2030 from the existing 26%. This implies that the total freight transported by Indian Railways will increase to 3,000 million tonnes by FY27 and 3,600 million tonnes by FY30 from 1,512 million tonnes in FY23. Further, railway freight traffic measured in Net Tonne Kilometers (NTKM) is expected to double to 1,695 billion NKTM by FY27 from 820 billion NKTM in FY22.

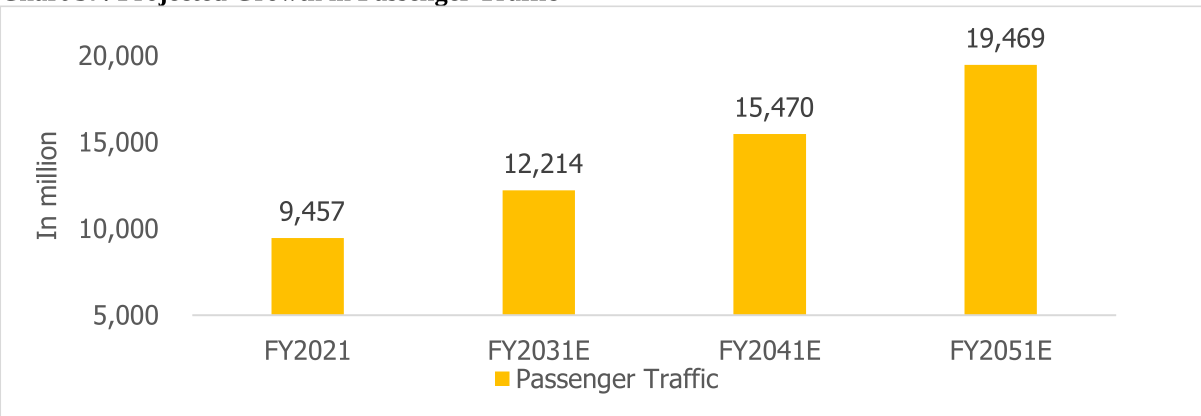
Chart 56: Trend in Indian Railway Freight Traffic



Source: Indian Railways, Report of the Committee on Mission 3000 Million Tonnes

The passenger traffic is expected to grow at a CAGR of 2.6% between 2021 and 2031 driven by population growth and a growing workforce.

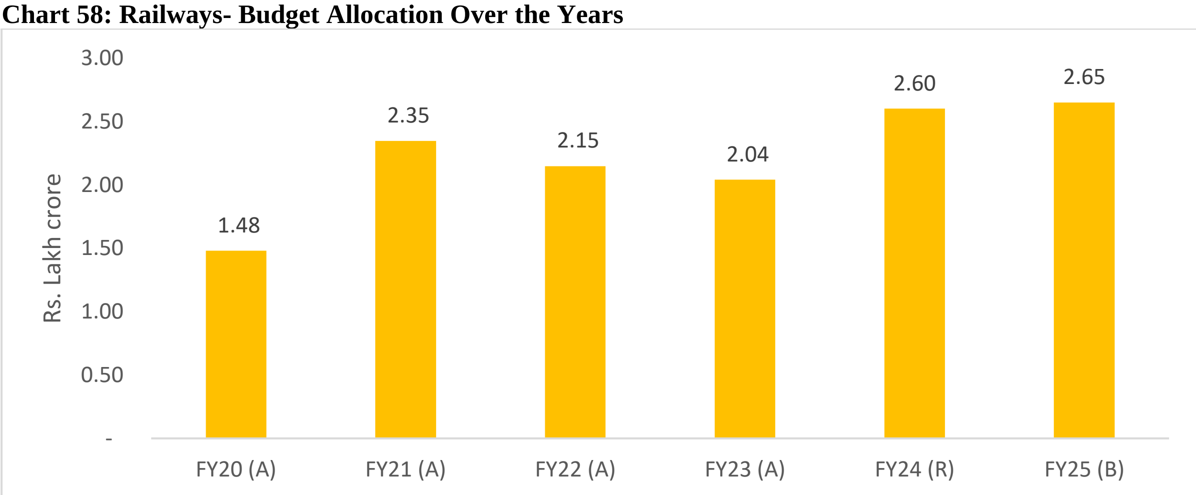
Chart 57: Projected Growth in Passenger Traffic



Source: Indian Railways, National Railway Plan

In the Union Budget 2024-25, the government has allocated Rs 2.65 lakh crore toward railways which is an increase of 1.9% over the previous year's allocation.

Chart 58: Railways- Budget Allocation Over the Years



Source: Budget Documents. Note: B – Budgeted, A – Actual, R – Revised and Includes Internal and Extra Budgetary Resources (IEBR)

Airports

In India's airport infrastructure, pipes play a crucial role in water supply systems, drainage, HVAC systems, and fire safety mechanisms. Materials such as steel, copper, and HDPE are commonly used due to their durability, resistance to corrosion, and ability to handle high-pressure applications. Pipes are integral in ensuring efficient water management, maintaining air conditioning and ventilation systems, and supporting fire protection systems in terminals and other airport facilities. As the Indian aviation sector expands with the modernization of existing airports and the development of new ones under initiatives like UDAN and the National Infrastructure Pipeline, the demand for high-quality pipes is essential to support these complex, large-scale projects and ensure operational safety and efficiency.

Steel plays a pivotal role in constructing essential infrastructure of airports due to its strength, durability, and versatility. Steel is integral to building expansive structures such as passenger terminals, cargo terminals, and maintenance hangars, which require large clear spans without intermediate columns. It is also used for critical infrastructure including runways, bridges, and walkways, ensuring robust support and longevity. Steel products are employed in the manufacturing of doors, windows, security systems, luggage handling systems, escalators, and elevators, enhancing operational efficiency and passenger convenience. This widespread use of steel underscores its significance in facilitating the growth and modernization of airport facilities.

The Indian airport sector has experienced remarkable growth driven by factors like increased passenger traffic, private sector involvement, technological advancements, and government infrastructure improvements. India now ranks as the third-largest domestic aviation market globally, showcasing substantial developments such as the construction of new airports, privatization initiatives, the emergence of new airlines, and the implementation of a drone policy. Private sector participation has spurred innovations like airport retailing, while government schemes like RCS UDAN have bolstered air connectivity. Technology integration, including digital boarding procedures and biometrics, aims to enhance passenger experience and operational efficiency across airports and airlines.

In India, Public-Private Partnerships (PPPs) have emerged as the primary model for developing and managing major airports, facilitated by the Airports Authority of India (AAI) partnering with private companies or consortiums. Models such as Design-Build-Finance-Operate (DBFO) and Operate-Maintain-Develop (OMD) are commonly utilized for large-scale projects and major hubs, leveraging private sector investment and expertise. Concurrently, Non-PPPs, or Private Greenfield Airports, operate independently of AAI involvement, often receiving government incentives like land lease concessions and tax breaks to encourage development in smaller Tier-I and Tier-II cities where AAI support may be limited. This dual approach aims to foster comprehensive airport development across diverse regions of the country.

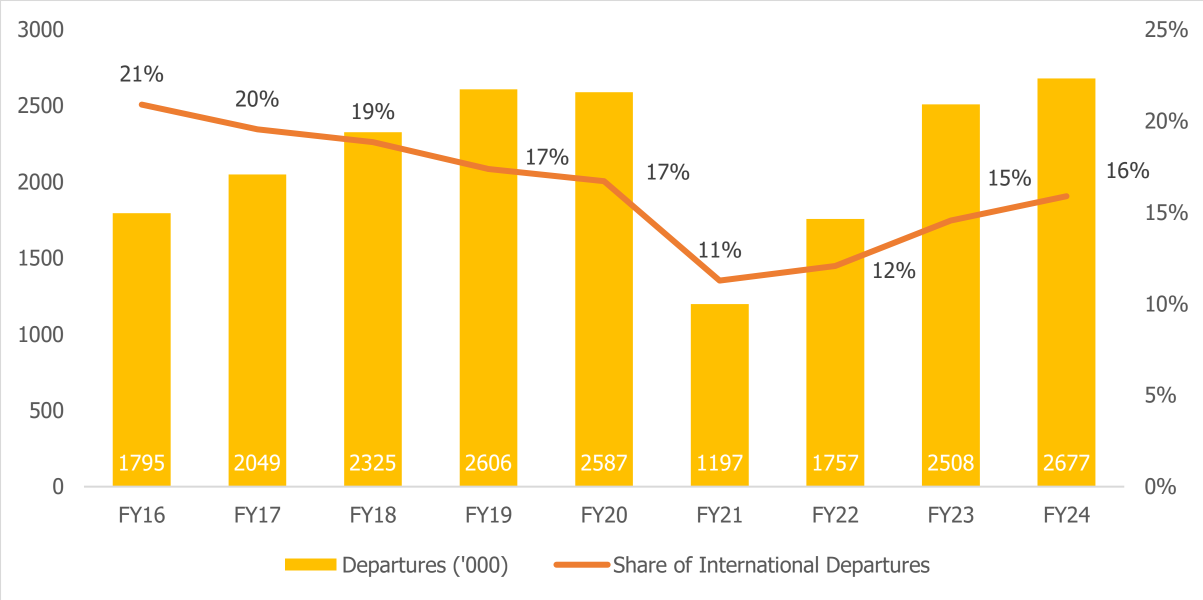
Table 6: Total Airports in India

Airports in India	No. of Airports
Government – Operational	68
Private – Operational	14
Government – Non - Operational	100+

Source: AAI, MoCA, NPM, CareEdge Research

In FY24, total flight count reached 2.67 million higher than FY23 at 2.50 million. International flights were 16% of the total flights departed. The count of International flight was at 0.42 million and Domestic flights were 2.25 million as of FY24.

Chart 59: Air Traffic Movement



Source-AAI, CareEdge Research

The Indian airport industry anticipates robust growth in both passenger and freight sectors driven by factors like increasing e-commerce, manufacturing activities, and international trade. Freight traffic is projected to grow steadily from FY24 to FY28, supported by initiatives such as the Krishi Udan Scheme aimed at enhancing agricultural product transport. The sector will continue to prioritize air cargo for perishable goods due to its efficiency, while improvements in regional airports and cargo facilities will enhance connectivity in underserved areas. Integration with road and rail networks through initiatives like Sagarmala and Bharatmala will further bolster logistics efficiency. Additionally, major airports across India are undergoing substantial investment projects to expand capacity, upgrade facilities, and improve operational efficiency, aiming to boost economic growth, connectivity, and job creation.

Power - Solar

In India's solar power sector, pipes are primarily used in mounting structures, solar thermal systems, and cooling systems. Galvanized steel and aluminum pipes are commonly utilized due to their strength, corrosion resistance, and ability to withstand outdoor conditions. Pipes are essential for supporting photovoltaic (PV) panels in solar farms and for transporting fluids in solar thermal power plants, where they facilitate heat exchange and cooling processes. As India aggressively expands its solar energy capacity under initiatives like the National Solar Mission, the demand for durable, lightweight, and cost-effective piping solutions is on the rise, ensuring the efficient functioning and longevity of solar power systems.

India has a significant amount of solar energy potential. Approximately 5,000 trillion kWh of energy is incident over India's geographical area each year incident over India’s land area with most parts receiving 4-7 kWh per square meter per day. Further, solar PV power can effectively be harnessed, providing huge scalability in India and at the same time, has the ability to generate power on a distributed basis and enables rapid capacity addition with short lead times.

India's solar energy sector has emerged as a key participant in grid-connected power generation capacity over the past decade. It contributes significantly to the government's objective of sustainable growth while emerging as a key anchor in meeting the nation's energy demands and ensuring energy security. Due to its abundant availability, solar energy is the most secure among all sources from an energy security perspective.

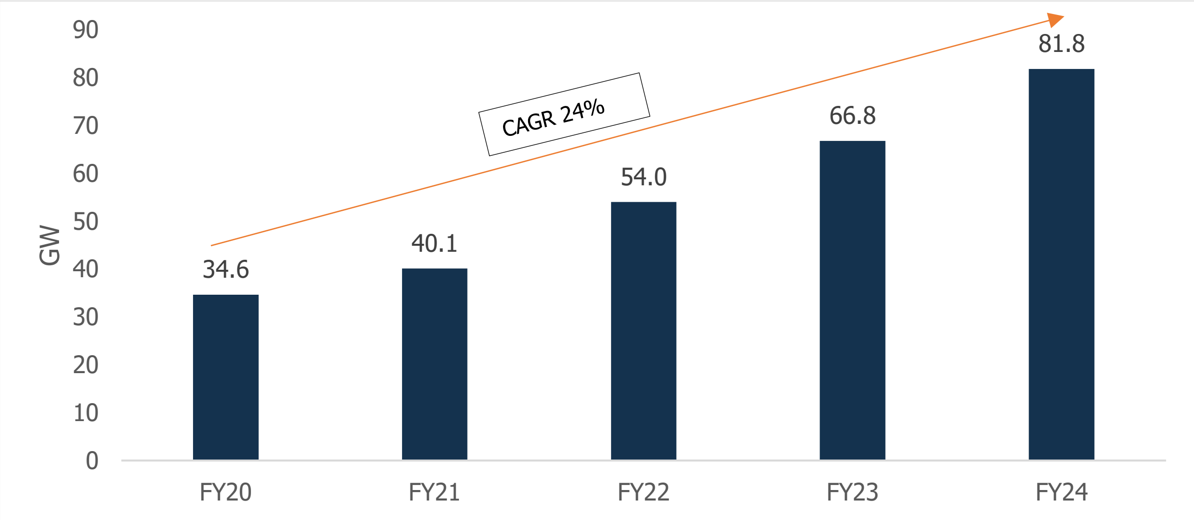
India has a solar potential of 749 GW, assuming that solar PV modules cover 3% of the waste land area. Comparatively, India had an installed capacity of 82 GW of as on March 2024.

Capacity Addition Trends:

Solar energy accounted for 51.35% of the renewable energy basket (excluding Hydro Power) as of March 2024. Over the previous years, the solar power industry has experienced strong growth. During FY20 to FY24, the segment added around 47.2 GW of capacity, registering a CAGR of 24%, albeit on a low base. A total of about 9.5 GW of solar capacity was added in Q4FY24. Solar capacity addition contributed to about 66% of the total renewable capacity added in the period. The surge was due to the rush to complete projects before the reinstatement of Approved List of Models and Manufacturers (ALMM) from April 1st, 2024, delayed projects getting commissioned and falling module prices. The increase in installed capacity is also the result of favorable market conditions and strategic policy interventions and technological innovations.

Out of the total installed capacity of 81.8 GW, Rajasthan has the highest installed capacity of 21.4 GW constituting a 25% share followed by Gujarat at 13.7 GW and Karnataka at 9 GW. Other states which hold a major share in the installed capacity of solar power are Tamil Nadu, Maharashtra, Telangana, Andhra Pradesh, Madhya Pradesh, and Uttar Pradesh. While the other states together hold only a 9% share in installed capacity which is around 7 GW.

Chart 60: Trend in Solar Installations



Source: MNRE, CareEdge Research

The capacity under construction or in advance stages of development that are likely to be commissioned during 2022-23 to 2026-27 is around 92.6 GW for Solar while the capacity under construction as on April 2024 is around 56,275 MW.

Table 7: Solar Capacity awarded and under construction as on April 2024

Sr. No	Scheme	Total Capacity Awarded (MW)	Under Construction Capacity (MW)
1	Solar Energy Corporation of India Limited	19,463	18,137
2	National Thermal Power Corporation Limited	523	499
3	Satluj Jal Vidyut Nigam Limited	3,503	3,353
4	National Hydro Power Corporation	440	440
5	Solar Projects in Solar Parks and Ultra Mega Renewable Energy Power projects	22,449	11,316
6	Other State Projects (including Assam, Delhi, Maharashtra, Chhattisgarh, Bihar, Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, Rajasthan, Karnataka, and Gujarat)	23,628	22,530
	Total		**56,275**

Source: CEA, CareEdge Research

Some of the schemes initiated by Government to promote solar power are Jawaharlal Nehru National Solar Mission (JNNSM), The International Solar Alliance (ISA), Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan (PM KUSUM), Rooftop solar power (RTS), Solar Parks programme, Solar Cities programme, Off-Grid Solar PV Applications Programme Phase III for Solar Street Lights, Solar Study Lamps, and Solar Power Packs etc.

Apart from these, the Cabinet Committee on Economic Affairs ("CCEA") has approved the MNRE's proposal for implementation of the Central PSU (Public Sector Undertaking) Scheme Phase-II for setting up 12,000 MW grid-connected solar PV power projects with VGF support of Rs. 858 million for self-use or use by Government or Government entities, of both Central and State Governments. Under this scheme, around 8.2 GW of projects have been awarded, as on 31.12.2022, out of which around 1.5 GW has been commissioned as on 31.12.2022 and balance are under implementation.

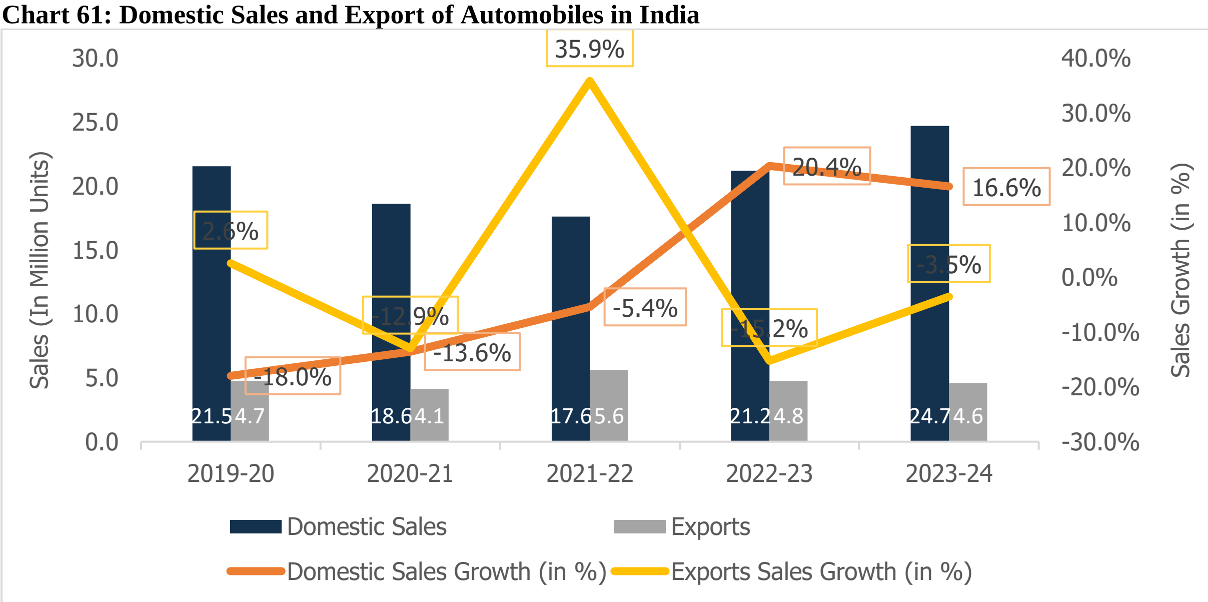
Automotive

In the Indian automobile sector, pipes are used in various systems such as fuel lines, exhaust systems, air conditioning, and hydraulic systems. Materials like stainless steel, aluminum, and plastic are commonly employed due to their durability, corrosion resistance, and lightweight properties, which contribute to vehicle efficiency and performance. Pipes are integral to the proper functioning of fuel delivery, exhaust emission control, and fluid transfer. With the growing emphasis on electric vehicles (EVs) and advanced automotive technologies, the demand for specialized piping solutions that enhance energy efficiency and comply with stricter emission norms is increasing.

The automotive industry is considered to be one of the major drivers of economic growth due to its linkages with multiple industries. Its contribution to the GDP of India stands at around 7.1%. The growth of this sector benefits the commodity sector as vehicle manufacturing requires steel, aluminum, plastic, etc. It also holds importance for the NBFC/Banks in the form of automobile financing. Moreover, it is a crucial source of demand for the oil & gas industry.

During FY24, domestic automobile sales witnessed a growth of about 17% on a y-o-y basis. On the other hand, exports declined by only around 3.5% y-o-y in the same year as compared to a 15% decline in FY23, due to ongoing global headwinds. Barring the passenger vehicles segment, which grew by 1.4% with the increasing demand in the sports utility vehicle segments, the exports for two-wheelers, commercial vehicles, tractors, and three-wheelers declined by 5.3%, 16.3%, 21.4%, and 17.9% respectively. Accordingly, exports remained subdued in FY24 given the recessionary pressures across key export markets.

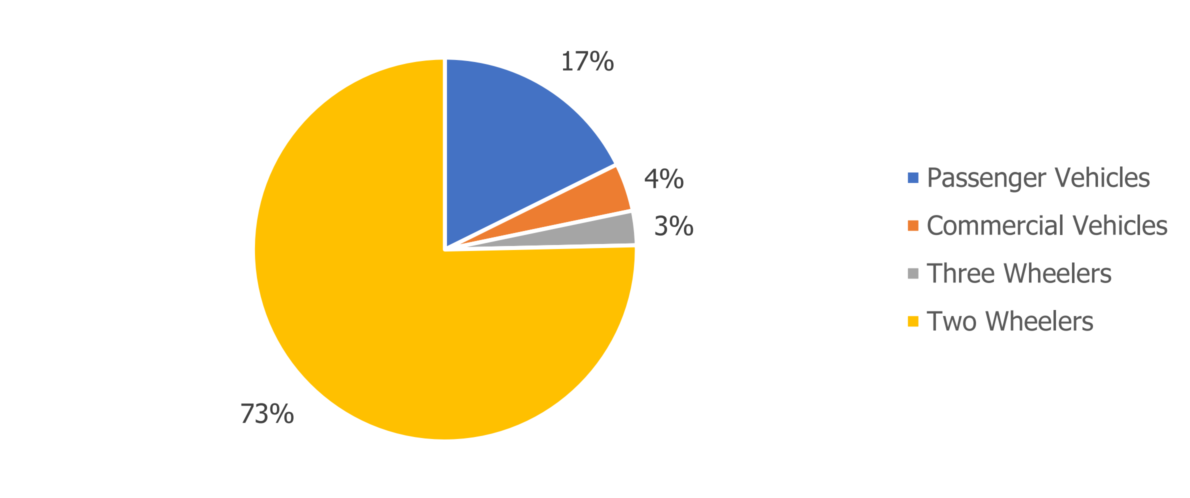
Chart 61: Domestic Sales and Export of Automobiles in India



Source: Society of India Automobile Manufacturers (SIAM)
Note: Tractors sales are not included both in domestic and exports graph

India is expected to be the third-largest in terms of volume by FY26. Across segments of the industry, India is positioned amongst the leading markets, globally. India is the largest manufacturer of two-wheelers, three-wheelers, and tractors. It is also among the top 5 manufacturers of passenger and commercial vehicles. The major growth drivers for the automobile industry in India are growing household income, favorable demographics with a large proportion of the young population, expanding R&D hub, and government support.

Chart 62: Share of different categories in automobile domestic sales in FY24



Source: SIAM

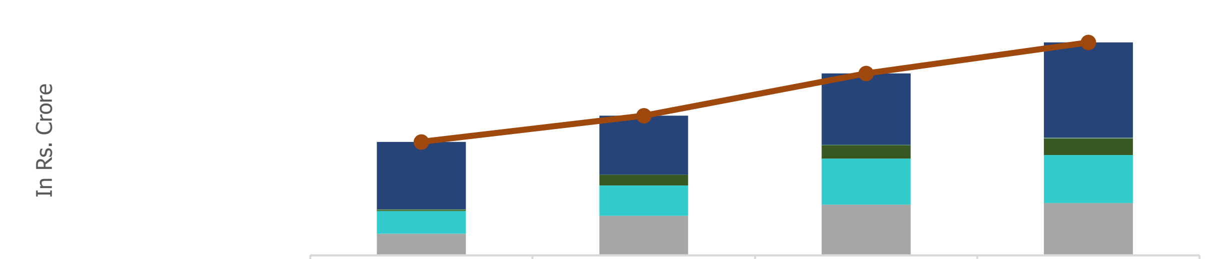
Besides growth prospects, India's favorable Foreign Direct Investment (FDI) policy with 100% FDI through automatic route, relatively low cost of manufacturing, and adequate manpower pool has attracted several foreign OEMs of the industry to invest in India and set up a manufacturing footprint

Key Demand Drivers to enable growth in industry

- **Continued Thrust on Construction and Infrastructure**

One of the major growth drivers of the steel industry is the infrastructure investment thrust by the Government of India. The budgetary allocation toward infrastructure has grown at a CAGR of about 23.3% in the past 4 years between FY22 to FY25. In the Union Budget 2024-25, the government continued its focus on infrastructure development with the allocation of Rs 11.1 lakh crore toward infrastructure capital expenditure, an increase of 16.9% over allocation under the Union Budget 2023-24.

CHART 63: BUDGET ALLOCATION TOWARDS INFRASTRUCTURE



	FY22	FY23	FY24	FY25
Others	3,53,250.69	3,06,085.10	3,72,710.52	4,97,817.59
Power	2,826.65	23.11	124.47	1,086.50
Ports	613.68	678.40	1,166.45	1,077.93
Oil & Gas	347.31	40.01	40.03	1,128.97
Telecom	5,253.53	56,205.29	71,679.00	85,758.86
Railways	1,17,270.54	1,59,256.15	2,40,000.00	2,52,000.00
Roads and Highways	1,13,311.60	2,05,985.94	2,64,525.53	2,72,241.15
Total	5,92,874.00	7,28,274.00	9,50,246.00	11,11,111.00

Roads and Highways Railways Telecom Oil & Gas
Ports Power Others Total

Source: Union Budget 2024-25
Note: A – Actual budget; R- Revised budget; B- Budgeted

The government has expanded the National Infrastructure Policy (NIP) to over 9,000 projects from 6,835 projects and announced plans for the National Monetization Pipeline (NMP) and the Development Finance Institution (DFI) to improve the financing of infrastructure projects. The NIP covering rural and urban infrastructure, entails investments to the tune of Rs. 111 lakh crores, which is being undertaken by the central government, state governments, and the private sector during FY20-25. Moreover, the alignment of PM Gati Shakti National Master Plan and National Infrastructure Policy (NIP) will aid in debottlenecking hurdles for faster execution of projects.

- **Growing Real Estate Absorption led by Increased Urbanization and Purchasing Power**

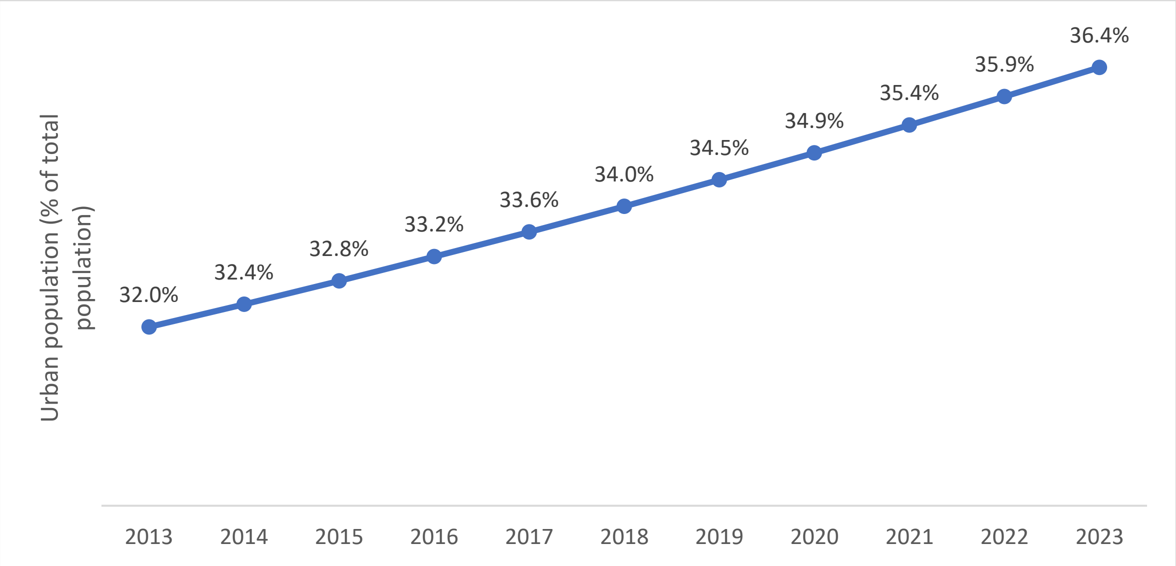
Rising Urbanization

Rapid urbanization bodes well for the sector. India is the second-largest urban system in the world. Indian cities are home to about 11% of the total global urban population.

According to the Ministry of Health and Family Welfare (MoHFW), 2019, urban growth is expected to contribute to around 73% of the total population increase by 2036. Further, as per the Census of India 2011, India has an urbanization level of 31.1%, which has only increased over the years. Earlier estimations indicate that about 416 million people will be added as urban dwellers in India between 2018 and 2050, according to a United Nations study dated 2018. Moreover, India will be 50% urban by 2050, according to UN-Habitat, 2017.

Therefore, the growing urbanization will lead to increased demand for tubular steel structures as it involves usage in the construction of buildings, pipes for water supply, improved drainage systems, waste treatment plants, elevators, etc.

Chart 64: Urbanization Trend in India

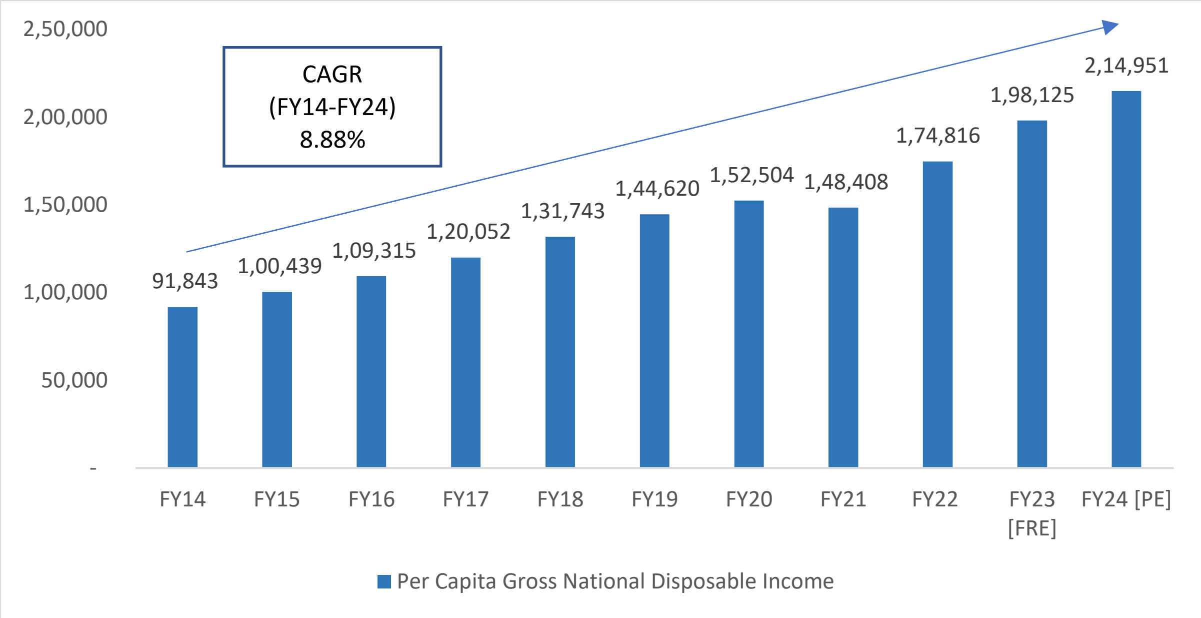


Source: World Bank Database

Growing Purchasing Power

The rising disposable income, which has grown at a CAGR of 8.88% between the period FY14 to FY24, is expected to lead to increased demand for residential real estate in India as more and more people can afford real estate purchases. This will lead to more consumption of steel in the country and help the steel manufacturers to produce more steel, thus improving the demand in the steel industry.

Chart 65: Per Capita Gross National Disposable Income (Current Price)



Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

- **Development of the Natural Gas Sector**

The government's focus on enhancing the share of natural gas in India's energy mix will increase the demand for steel products. Additionally, India has taken several initiatives to develop the natural gas sector such as facilitating the development of gas infrastructure, including LNG terminals, long-distance transmission pipelines, and city gas distribution networks. A total of 1544 Km of pipelines have been laid as part of the National Gas Grid in 2020. Also, the government launched the Indian Gas Exchange (IGX), the first nationwide online delivery-based gas trading platform in 2020.

With the government's focus on increasing natural gas consumption, massive investments are expected in developing the natural gas infrastructure. Many infrastructural developments are in progress including expansion of LNG import capacity, addition of new gas pipelines, and development of city gas distribution networks. As of December 2023, the total operational length of the national gas pipeline network is 24,921 km whereas 10,789 km are under construction. The government's favourable policies will help drive the gas demand growth over the next decade, and this, in turn, will boost the demand for steel.

The natural gas sector, with the announcement of the 'One Nation One Gas Grid' initiative, will attract new investments. It is expected that the gas pipeline network which has already crossed 23,300 km as of December 2023, will reach 35,000 km in the coming 4-5 years. Accordingly, the increasing length of natural gas pipelines by 2024-2025 is expected to contribute toward the expansion of steel pipe production. The efforts of moving towards a gas-based economy and the implementation of city gas distribution networks are expected to augment the demand for pipes going forward. Besides, the increasing number of CNG stations (6,959 as of June 2024) bio-refineries, bio plants, etc., will support the infrastructure for gas.

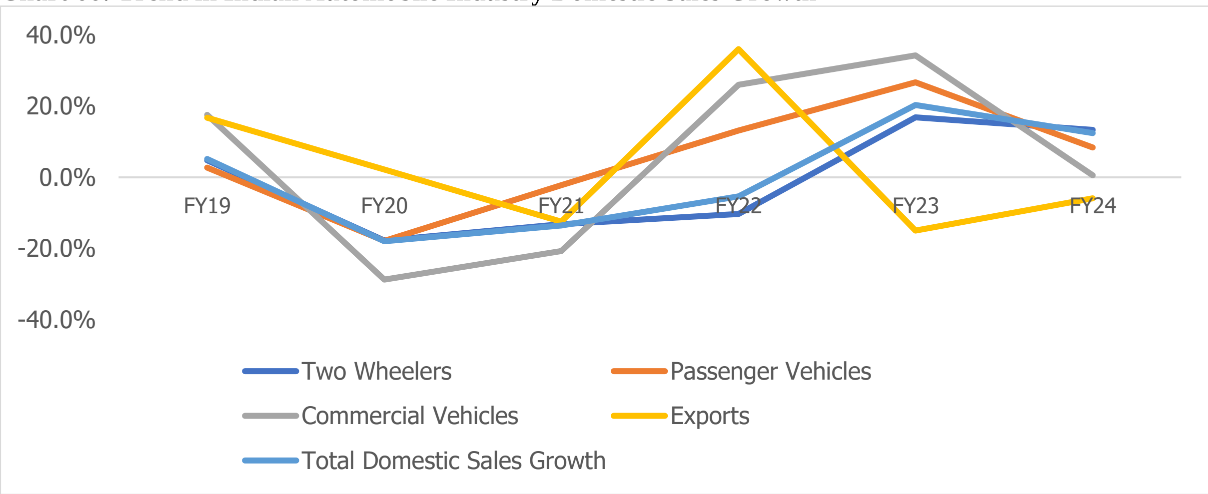
- **Stable Growth in the Automotive Industry**

Steel products are used in the main structure of the vehicle known as the chassis. They are also used in other automotive components such as control shaft tube stack pipes, shock absorbers, exhaust pipes, sway bars, other vehicle accessories (side railings, bumpers, and grill guards), etc.

India was the third-largest automobile market in 2022. After witnessing a de-growth due to the pandemic, the automobile sector began to recover on account of a revival in economic activities. For instance, domestic automobile sales grew by 20% y-o-y in FY23, the first full year without any impact of the pandemic after a gap of two years. The growth in sales volume across segments was supported by healthy demand in the urban areas, increasing replacement demand, growing demand for utility vehicles in the passenger vehicle segment, vehicle scrappage policy, and higher infrastructure spending.

Despite inflationary pressure throughout the year, preponing purchases before the implementation of new fuel emission norms (BS-VI Phase -II), easing of semiconductor chip supply, and pent-up demand supported the sales growth. During FY23, all the categories saw double-digit growth, with two-wheelers at 17%, passenger vehicles at 27%, commercial vehicles at 34%, tractors at 12%, and 3-wheelers at 87% y-o-y growth in domestic sales.

Chart 66: Trend in Indian Automobile Industry Domestic Sales Growth



Source: CareEdge Research, SIAM
Note: P-Projected

- During FY24, growth in domestic sales growth for two-wheelers was 13.3%. For passenger and commercial vehicles, it was 8.4% and 0.6% in FY24 respectively. Total domestic sales (excluding tractors) grew by 12.5% in FY24. The growth momentum is expected to continue after the robust demand (20% sales growth) seen in FY23, supported by favourable demand sentiments and various government initiatives for the rural and urban development.

Furthermore, the automobile sector growth will be supported by electric vehicles (EVs) due to the increasing shift toward electric vehicles. In February 2024, the Ministry of Heavy Industries also enhanced FAME (Faster adoption and manufacturing of EVs) subsidies from Rs. 10,000 crores to Rs. 11,500 crores. As per the revised outlay, electric two-wheelers, electric three-wheelers, and electric four-wheelers are eligible to avail of subsidies to the tune of Rs 7,048 crore. Moreover, the cut in customs duty on lithium-ion batteries from 21% to 13% will also result in more sales and accelerate the demand for EVs.

Table 8: Trend in Indian Automobile Industry Domestic Sales (In Lakh Units)

Category	FY19	FY20	FY21	FY22	FY23	FY24
Passenger Vehicles	33.8	27.7	27.1	30.7	38.9	42.19
Commercial Vehicles	10.1	7.2	5.7	7.2	9.6	9.68
Three Wheelers	7.0	6.4	2.2	2.6	4.9	6.92
Two Wheelers	211.8	174.2	151.2	135.7	158.6	179.74
Tractors	7.8	7.1	9.0	8.4	9.5	8.67
Grand Total	**270.46**	**222.5**	**195.20**	**184.60**	**221.49**	**247.20**

Source: CareEdge, SIAM, TMA (Tractors Manufacturers Association), CMIE
Note: P-Projected

The domestic automobile sales volume is expected to show moderate growth by 6-8% in FY25, after witnessing double-digit growth in FY24. The two-wheeler domestic sales volume growth is expected to remain moderate at 7-9% due to the high cost of ownership and transition towards electric vehicles. This segment has not crossed the pre-pandemic level in terms of sales. Although consistently high inflationary and interest rate environment could dampen consumer sentiment, monsoons remain a key monitorable for rural demand growth going forward. The passenger vehicles (PV) industry is likely to record a volume growth of around 8%-10% in FY25 as the pent-up demand levels off amid hike in vehicle prices. This growth is anticipated to remain moderate owing to tapering down of pent up demand while supported by healthy order book, improvement in the supply chain, new model launches and increasing demand in the Utility Vehicles (UVs) segment.

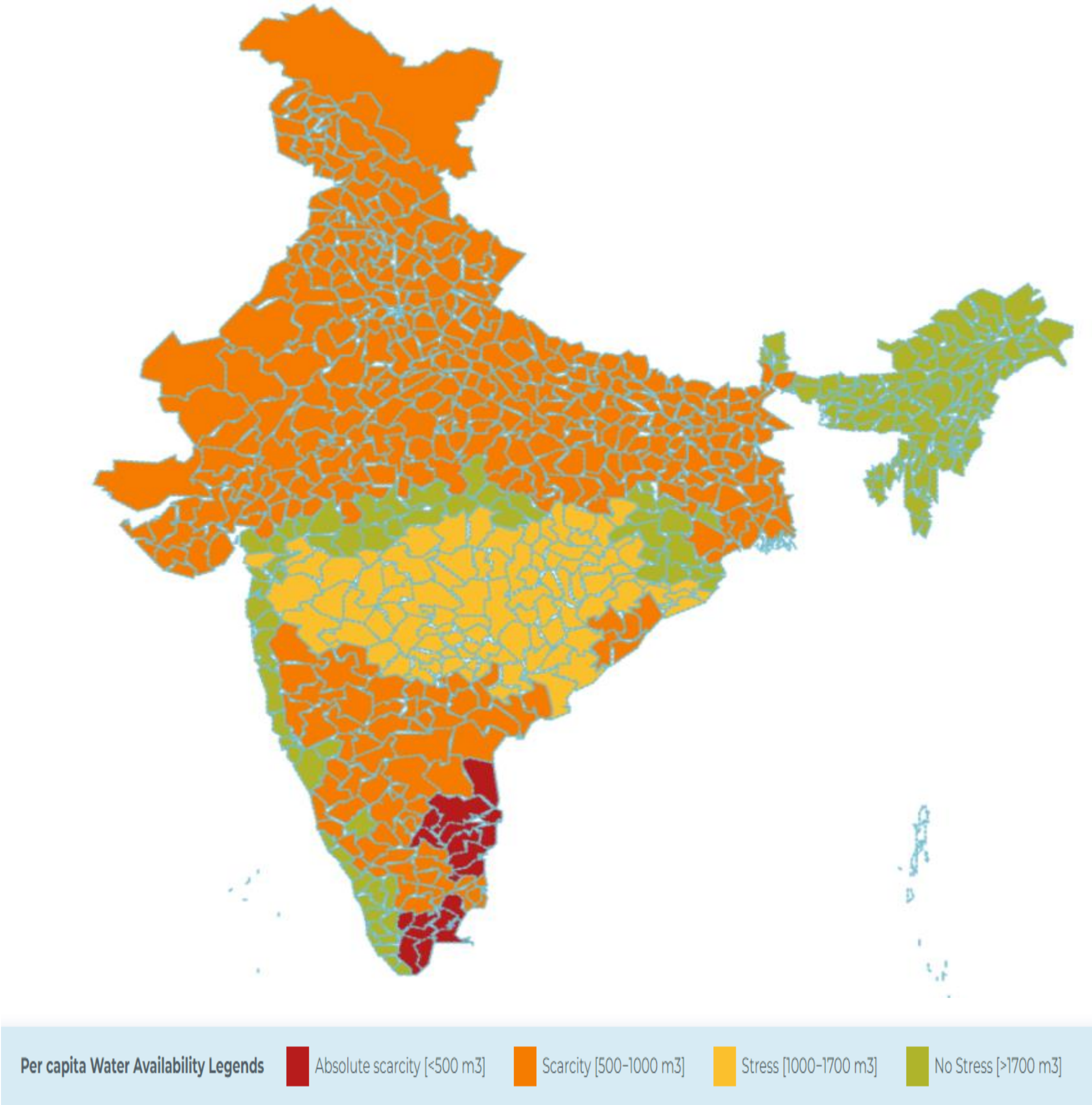
Furthermore, the automobile sector growth will be supported by electric vehicles (EVs) due to the increasing shift toward electric vehicles. In the Union Budget 2023-24, the allocation toward the FAME (Faster Adoption and Manufacturing of EVs) scheme has increased to Rs. 5,172 crores from Rs. 2,908 crores in the previous year. Moreover, the cut in customs duty on lithium-ion batteries from 21% to 13% will also result in more sales and accelerate the demand for EVs.

- **Steady Government push for Water-Supply Sanitation and Irrigation**

Water-Supply Management

Based on the study 'Reassessment of Water Availability in India using Space Inputs' (CWC, 2019), the average annual per capita water availability for 2031 has been assessed as 1,367 cubic meters.

Figure 2: Per Capita Water Availability - 2025



Source: NITI Aayog

Accordingly, the government is coming up with measures to improve the availability of water by building and maintaining natural resources of water.

Below are the schemes set up by the GoI to tackle the declining availability of water:

- **Atal Bhujal Yojana (Atal Jal): Sustainable Groundwater Management**

- The Atal Bhujal Yojana was launched in 2019 to undertake community-led sustainable groundwater management of the stressed areas identified. It was launched to strengthen the institutional framework, monitor groundwater data, and improve the planning & implementation of water management interventions.

- It is a government scheme aided by the World Bank with an outlay of Rs 60 billion and is implemented to focus on community participation and sustain groundwater levels in identified water-stressed areas during the five-year duration. The schemes currently are taken up in seven states, Haryana, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Uttar Pradesh.

- It is the world's largest community-led groundwater management program, which is helping villagers understand the water availability and usage patterns in their areas.

- **Jal Shakti Abhiyan: "Jal Shakti Abhiyan: Catch the Rain" focuses on creating Rainwater Harvesting Structures**

- Jal Sakti Abhiyan - I was launched in 2019 in the stressed districts of the country to promote the conservation of water, water resource management, implementation of rainwater harvesting, renovation of traditional water bodies, reuse of water, recharging water body structures, watershed development, and afforestation. The actual expenditure from the MGNREGS fund was Rs 180.66 billion.

- JSA is expanded to 'Jal Sakti Abhiyan: Catch the Rain' to cover all the blocks of the districts across the country to focus on –

1. Rainwater harvesting & water conservation
2. Enumerating, geo-tagging, and taking inventory of all water bodies
3. Setting up Jal Shakti Kendras
4. Afforestation
5. Generation of awareness

- **Atal Mission for Rejuvenation and Urban Transformation (AMRUT) focuses on basic urban infrastructure in water supply system and access to potable water for every household**

The thrust areas for these schemes will be rainwater harvesting and rejuvenation of water bodies.

On the other hand, the Department of Water Resources and other schemes aim to ensure the maintenance and efficient use of water resources to match the continuously growing demand for water.

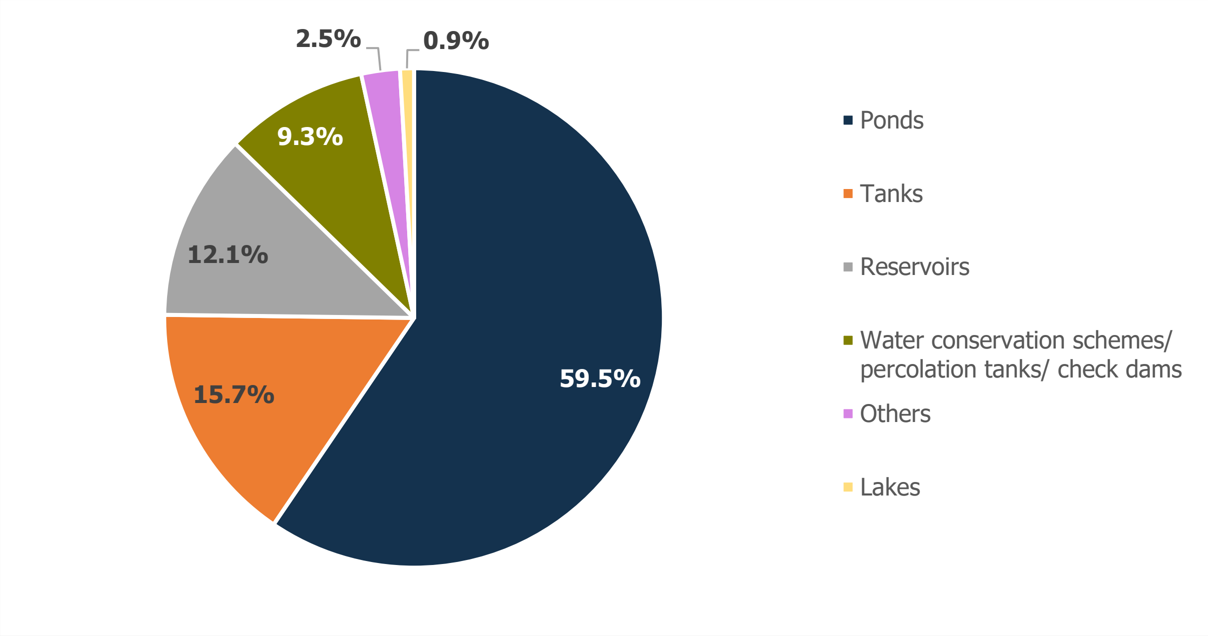
Irrigation

- **Rejuvenation of Urban Water Bodies**

Water bodies in urban areas such as lakes, ponds, step-wells, and baolis have traditionally served the function of meeting water requirements for various needs like washing, agriculture, or religious/cultural purposes. Surface water bodies and traditional water harvesting structures in numerous cities have either dried up, or disappeared due to encroachment, dumping of garbage, and entry of untreated sewage.

As per India's first water body census, a total of 24,24,540 water bodies were reported in the country out of which 97.1% water bodies are in rural areas and the remaining 2.9% water bodies are in urban areas.

Chart 67: Distribution of Water Bodies - 2023



Source: Ministry of Jal Shakti

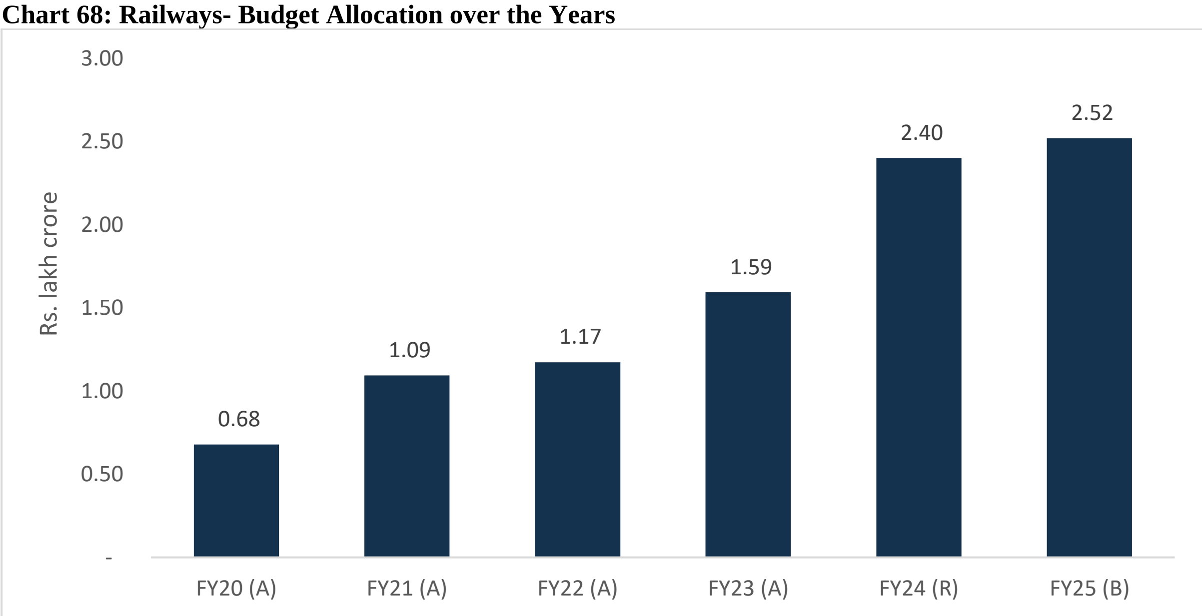
These water bodies can store water and recharge groundwater if revived thus helping in meeting the increased requirement of water.

- **Growing Infrastructure for Railways**

As the infrastructure expenditure to GDP multiplier is estimated to be 2.5-3.5x, the government has identified infrastructure development as a key focus area to become a USD 5 trillion economy by 2026-27. To achieve this objective, the government launched the National Infrastructure Pipeline (NIP) in 2020, which identified a group of social and economic infrastructure projects to be implemented during FY20-25. The expected Capex under NIP is USD 1.4 trillion with railways having an allocation of 12%. Railways are one of the key enablers for economic growth and an investment of USD 750 billion was suggested by the government in the Union Budget 2019-20 to improve the railway infrastructure over 2018-2030.

Accordingly, the budgetary allocation to Indian Railways has consistently been on the rise. The Capex for Indian Railways has increased substantially from Rs. 0.68 lakh crore during FY20 to Rs. 2.52 lakh crore allocated in the Union budget 2024-25. This is an increase of 5% over the previous year's allocation.

Chart 68: Railways- Budget Allocation over the Years



Source: Budget Documents. Note: B – Budgeted, A – Actual, R – Revised and Includes Internal and Extra Budgetary Resources (IEBR)

- **Expansion of Metro Rail**

As of April 2023, about 860 Km of metro lines have been operationalized across 20 cities. The metro network, including regional rapid transit systems (RRTS), is proposed, to be expanded to 1,700 Km across 27 cities by 2025 and subsequently to 50 cities. The government is also proposing Metro Lite and Metro Neo lines suitable for smaller cities with lower peak traffic. Currently, approximately 2,500 coaches have been deployed in the operational metro lines roughly costing 32,500 Cr. 31 metro rail projects are under construction and 18 projects are under approval. As the operational metro lines are expected to increase by more than 2x over the next 4-5 years, domestic demand for metro rail rolling stock is expected to witness a significant increase.

- **National Rail Plan 2030**

Indian Railways has prepared a National Rail Plan (NRP) for India – 2030 which envisages creation of a 'future ready' railway system by FY30. NRP aims to increase modal share of the Indian Railways in freight to 45% by FY30 from the current 26% by augmenting the freight volumes from 1,418 million tonnes in FY22 to 3,600 million tonnes by FY31, implying a CAGR of 11%. The objective of the Plan is to create and invest towards capacity ahead of demand, which in turn would also cater to future growth in demand up to FY50.

Objectives, and plans to improve modal share of railways in freight transport

Following are the key objectives of National Railway Plan:

- Formulate strategies based on both operational capacities and commercial policy initiatives to increase modal share of the Railways in freight to 45% by FY30
- Reduce transit time of freight substantially by increasing average speed of freight trains to 50Kmph
- As part of the National Rail Plan, Vision 2024 has been launched for accelerated implementation of certain critical projects by 2024 such as 100% electrification, multi-tracking of congested routes, upgradation of speed to 160 kmph on Delhi-Howrah and Delhi-Mumbai routes, upgradation of speed to 130kmph on all other Golden Quadrilateral-Golden Diagonal (GQ/GD) routes and elimination of all Level Crossings on all GQ/GD route.
- Identify new Dedicated Freight Corridors.
- Identify new High-Speed Rail Corridors.
- Assess rolling stock requirement for passenger traffic as well as wagon requirement for freight.
- Assess Locomotive requirement to meet twin objectives of 100% electrification (Green Energy) and increasing freight modal share.
- Assess the total investment in capital that would be required along with a periodical break up
- Sustained involvement of the Private Sector in areas like operations and ownership of rolling stock, development of freight and passenger terminals, development/operations of track infrastructure etc.

Table 9: Proposed Expenditure under NRP (Rs. Lakh Cr.)

Head	FY21-26	FY26-31	FY31-41	FY41-51	Total
Dedicated Freight Corridors	-	1.5	0.5	0.3	2.3
High Speed Rail Corridors	-	5.1	2.9	7.0	15.0
Network improvements	1.3	0.7	2.2	1.8	6.0
Flyovers and Bypasses	0.8	-	-	-	0.8
Terminals	0.6	0.2	0.1	0.04	0.9
Rolling Stock	3.1	1.7	3.6	4.8	13.2

Head	FY21-26	FY26-31	FY31-41	FY41-51	Total
Total	**5.8**	**9.2**	**9.3**	**13.9**	**38.2**

Source: Draft NRP Document, Ministry of Railways

- **Others**

The growth in demand for steel products will also be supported by transportation, capital goods (construction, electrical equipment, machine tools, industrial machinery, plant equipment, etc.), aircraft components, mining activities, and renewable energy projects. Further, it will also be driven by the export market, which has seen a steady increase in the past few years and contributes to the overall production in the industry discussed earlier in the 2nd chapter.

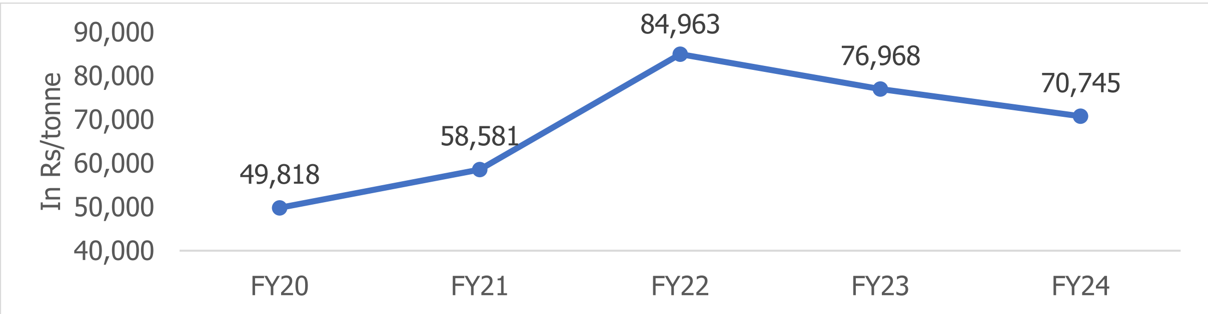
Challenges Faced by the Industry

- **Volatility in Steel Prices**

Raw materials such as stainless steel, mild steel, scrap steel, etc., are used in making steel tubes or pipes. The prices of steel have been volatile due to geopolitical tensions, weak international demand, and fluctuation in raw material costs, such as coking coal as discussed in earlier sections.

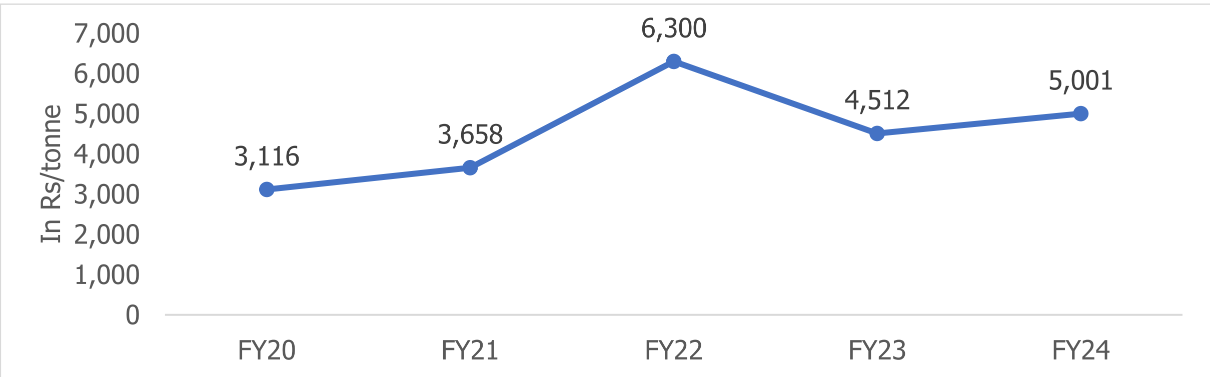
Further, volatility in steel prices could impact the input cost of steel tubes and pipe manufacturers. In case of a sharp correction in steel prices, players need to sell high-cost inventory at lower prices which temporarily impacts their margin. Further, if the prices remain high over a long period, the procurement from industries such as water infra, irrigation, etc., gets postponed, thereby impacting the demand.

Chart 69: Domestic Steel Prices



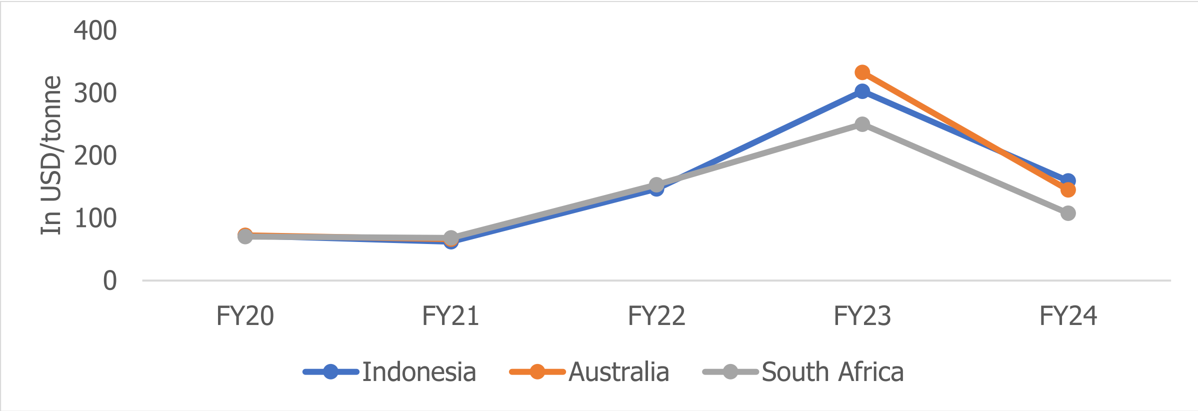
Source: CMIE

Chart 70: Iron Ore Prices



Source: CMIE

Chart 71: Coal Prices

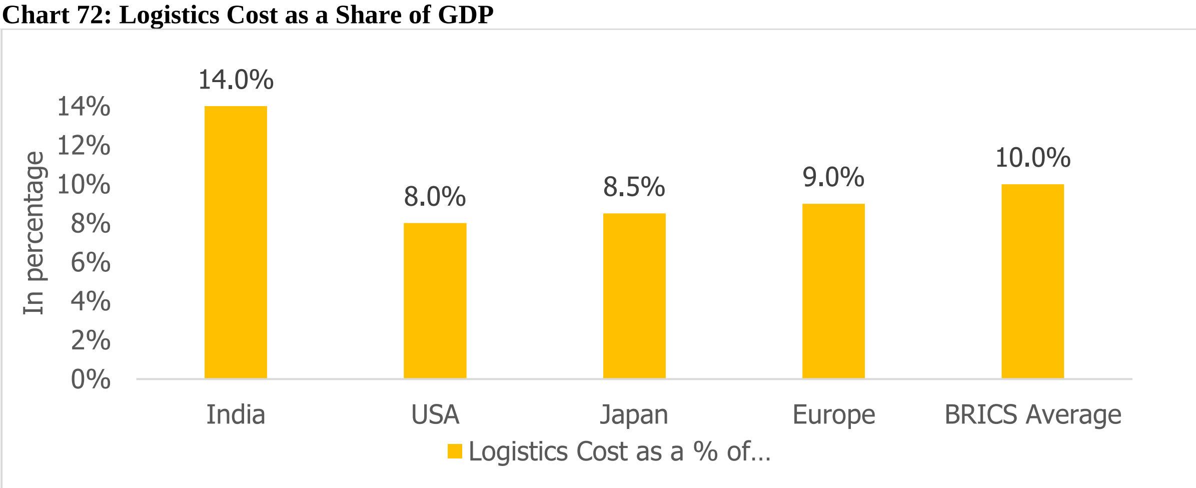


Source: CMIE

- **High Logistics Costs**

Logistics costs in India are significantly higher compared to global peers and account for about 14% of the GDP. The chart below shows the comparison of the share of logistics cost in GPD of India vs. developed economies.

Chart 72: Logistics Cost as a Share of GDP



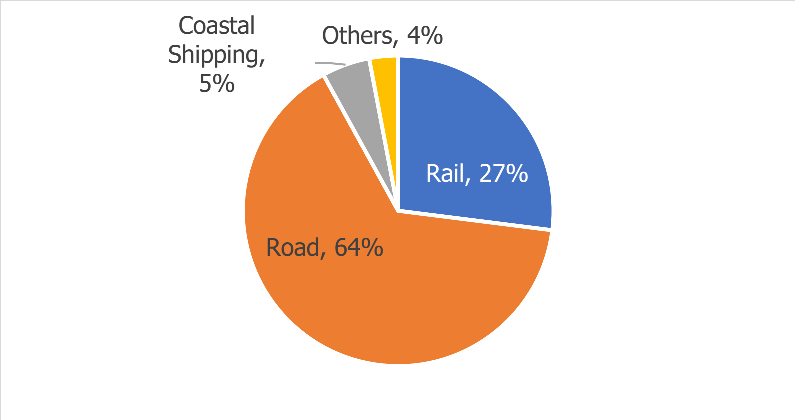
Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes, Industry Sources

The logistics industry connects other industries to domestic and international markets. It affects the efficiency of the manufacturing global value chains and the competitiveness of a country's economy within these value chains.

Some of the reasons that can be attributed to the higher cost of logistics in India are:

- **Inter-Modal Mix is Skewed toward Road Transport:** The capacity of Indian railways is constrained and there are various challenges like rake availability and delays in rake placements. Road transport is preferred compared to railways despite it being a cheaper alternative. Road transport currently has a share of about 64% in the freight movement in the country.

Chart 73: Inter-modal Mix for Freight Movement in India as of FY22



Source: National Railway Plan

- **Inefficient Transport Vehicles:** India has a fleet of small and inefficient trucks. The highest capacity of trucks in India is between 16 tonnes and 32 tonnes. Whereas in countries like China, the trucks have 26-40T capacity.

- **Road Infrastructure Constraints:** Underdeveloped road infrastructure leads to inefficient movement of freight. Additionally, there is a lack of 4/6 lane roads, which further results in congestion across the key routes leading to an increase in costs.

The high cost of logistics adversely affects the global competitiveness of Indian steel products.

- **Global Economic Slowdown**

Global growth, which stood at 3.3% in CY23, is anticipated to fall to 3.2% in CY24 and then bounce back again to 3.3% in CY25. The CY24 forecast has remained same compared to the April 2024 World Economic Outlook (WEO) Update, and increased by 0.1 percentage point compared to the January 2024 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, inflation woes, reduced fiscal support, lingering effects of Russia's Ukraine invasion, Iran–Israel Cold War, sluggish productivity growth, and heightened geo-economic fragmentation. The economic growth of key export destinations of steel tubes and pipes such as Saudi Arabia and the USA is expected to grow at 4.7% and 1.9% in CY25 as compared to 1.7% and 2.6% in CY24, respectively.

- **Environmental Concerns and Decarbonisation**

The Indian steel industry is responsible for roughly 12% of India's carbon dioxide (CO_2) emissions, surpassing the global average of 7-9%[5]. The emission intensity in the Indian steel industry stands at 2.55 T/TCS[6], while the global average emission intensity is 1.91 T/TCS.

India has committed to decrease the emissions intensity of its Gross Domestic Product (GDP) by 45% by 2030, compared to 2005 levels and achieve net zero by 2070. To support this target, the Ministry of Steel has committed to achieving Net Zero by 2070 and has taken a medium-term target to reduce the emission intensity of the steel sector to 2.4 T/TCS by 2030. These targets remain critical for steel industry players including steel pipes and tube manufacturers for reducing the emissions within the set timelines.

Further, emission reduction is vital for the industry to maintain its competitiveness in export markets since they are becoming increasingly environment-conscious. The recent implementation of the Carbon Border Adjustment Mechanism (CBAM) – a tariff on carbon-intensive imports, aimed at preventing carbon leakage commenced in October 2023 by the European Union (EU), is likely to impact the competitiveness in the global trade market. The first phase of CBAM will cover the iron & steel, cement, aluminium, fertilizer, electricity, and hydrogen sectors and the first reporting period for importers was 31st January 2024. Problems of streamlined data collection and early starting of reporting process came up post the first reporting period, which need to be addressed for a better implementation of the CBAM.

[5] World Steel Association
[6] Tonne of CO2 equivalent per tonne of crude steel

SWOT Analysis

Strength

- **Healthy expansion plans for the oil & gas pipeline infrastructure:** India is investing heavily in its oil and gas pipeline infrastructure, with new floating LNG terminals at Chhara and Jafrabad expected to begin operations in 2024. The Petroleum and Natural Gas Regulatory Board (PNGRB) has approved 33,347 km of natural gas pipelines, with 24,723 km operational and 10,498 km under construction as of December 31 2023. The Petroleum Planning and Analysis Cell (PPAC) reports 10,941 km of crude oil and 23,367 km of petroleum product pipelines operational as of May 2024, highlighting a robust expansion to meet increasing domestic demand efficiently.

- **Government thrust on infrastructure development:** The Indian government is significantly ramping up infrastructure development, focusing on modernizing urban spaces and enhancing connectivity. Budget allocations for infrastructure have surged from Rs 0.52 lakh crore in FY17 to Rs 2.78 lakh crore in FY25. Key initiatives include expanding highways, launching new Vande Bharat trains, and constructing Dedicated Freight Corridors to boost rail freight capacity. Additionally, the Jal Jeevan Mission aims to provide safe drinking water to all rural households by 2024, while the Atal Bhujal Yojana seeks to improve groundwater management. These efforts, combined with investments in airports and port connectivity, underscore a strong commitment to sustainable growth and economic development.

- **Government initiatives such as 'One Nation, One Gas Grid' and 'Pradhan Mantri Awas Yojana':**

    - The Pradhan Mantri Awas Yojana (PMAY) has significantly advanced housing development in India. As of June 2024, PMAY-Urban has sanctioned over 1.19 crore houses, with 83.67 lakh completed. PMAY-Gramin has approved about 2.94 crore houses, with 2.62 crore completed, demonstrating substantial progress in meeting housing needs.

    - The Indian government's "One Nation One Gas Grid" initiative aims to boost natural gas's role in the energy mix. By December 30, 2023, the Petroleum and Natural Gas Regulatory Board (PNGRB) had authorized a 33,347 km pipeline network, with 24,723 km operational and 10,498 km under construction, following PNGRB's timelines.

- **Healthy demand from end-user segments such as real estate, water infrastructure, automobiles, railways, capital goods, etc.:** In real estate, increasing relocations and a desire for modern amenities are fueling demand for well-designed residential and commercial spaces. The water infrastructure sector is expanding due to needs for improved urban and rural water management. In railways, modernization efforts and infrastructure expansion aim to enhance efficiency and reduce carbon footprints. The automobile industry benefits from rising household incomes and a young population, with India emerging as a major global player. Collectively, these sectors reflect robust growth and a shift towards advanced, sustainable solutions, further boosting demand for steel pipes and tubes.

Weakness

- **High Logistic costs:** Indian logistics costs account for about 14% of GDP, driven by an over-reliance on road transport, inefficient transport vehicles, and underdeveloped road infrastructure. These factors lead to congestion and increased freight costs, adversely impacting the global competitiveness of Indian steel products.

- **Recession fears and weak global demand may have an impact on export growth:** Global growth is expected to dip slightly from 3.3% in CY23 to 3.2% in CY24 before rebounding to 3.3% in CY25. This modest expansion is constrained by high borrowing costs, inflation, reduced fiscal support, and geopolitical tensions. While India's economy remains robust, weak demand in advanced economies could hinder export growth, and potential disruptions in oil supplies may drive up energy costs and inflation, raising recession fears.

Opportunity

- **Government focus on expanding infrastructure:** The Indian government is making significant strides to **expand its infrastructure, particularly in the energy and industrial sectors**, aiming to increase the share of natural gas in the energy mix from 6.7% in December 2023 to 15% by 2030. Key initiatives include the development of floating LNG terminals at Chhara and Jafrabad and the expansion of the National Gas Grid, with over 33,347 km of pipeline network authorized. Concurrently, the establishment of smart industrial cities under the National Industrial Corridor Development Programme (NICDP) promises to enhance operational efficiency in the steel industry, attracting investments and fostering innovation with a ₹28,602 crore investment. Furthermore, the introduction of Dedicated Freight Corridors (DFCs) is set to lower logistics costs and improve transportation efficiency, ensuring better market access for steel producers. These efforts not only support economic growth but also align with the country's climate goals by promoting cleaner energy and sustainable practices.

- **Expansion of water infrastructure in India as the majority of household lack access to safe water on a daily basis:** India is focusing on expanding water infrastructure to address severe water scarcity and improve access. With a growing population and increasing urbanization, many households face limited access to water. The Atal Bhujal Yojana aims to enhance groundwater management in water-stressed states, while the Jal Jeevan Mission, launched in August 2019, seeks to provide safe drinking water to all rural households by 2024. This push to improve water infrastructure and manage resources effectively is driving demand for durable steel pipes, crucial for developing and maintaining water treatment plants, distribution lines, and storage facilities.

- **Significant capacity additions in power generation are expected over the next 7-8 years, including renewable resources:** India's power sector is set for significant capacity expansions over the next 7-8 years. With an installed capacity of 441 GW as of FY24, driven mainly by conventional sources, the country is increasingly investing in renewable energy, which now accounts for 33% of the total capacity. The government aims to establish a 500 GW renewable capacity by 2030 and boost non-fossil fuel-based capacity to 50%. This growth, driven by urbanization, rural electrification, and rising electricity demand, will enhance power supply, close deficits, and further stimulate steel industry demand for infrastructure development.

- **Green Steel Buildings:** Green steel buildings in India present a significant opportunity for the steel industry by meeting the growing demand for sustainable construction. Government initiatives, such as the National Steel Policy (NSP) and the National Action Plan on Climate Change (NAPCC), support the adoption of green steel technologies. These policies, along with incentives like tax benefits and subsidies for green building projects, promote the use of green steel. Technological advancements, such as hydrogen-based direct reduction and electric arc furnaces, further enhance the viability of green steel. Additionally, international market access and corporate social responsibility (CSR) goals drive the adoption of green steel, aligning with global sustainability trends and contributing to economic growth.

- **Hydrogen Gas transportation:** Hydrogen gas transportation in India offers significant opportunities for the steel industry by enabling reduced carbon emissions and enhancing energy security. Government initiatives, such as the National Green Hydrogen Mission (NGHM), support the development of hydrogen infrastructure with financial incentives for pilot projects and the establishment of Green Hydrogen Hubs. Technological advancements in hydrogen production and transportation further improve efficiency and reduce costs. These efforts align with global sustainability goals, open new market opportunities, and contribute to economic growth and environmental conservation.

Threat

- **Volatility in steel prices could affect the profitability of the business:** Volatility in steel prices poses a significant risk to the profitability of steel tube and pipe manufacturers. Geopolitical tensions, fluctuating raw material costs, and weak international demand contribute to price instability. Sharp declines in steel prices force companies to sell high-cost inventory at reduced rates, squeezing margins. Conversely, prolonged high prices can lead to postponed procurement from sectors like water infrastructure and irrigation, reducing demand. This unpredictability in raw material costs can disrupt financial stability and affect overall business performance.

- **Persistent inflation may result in low demand for products and cause delays in project execution:** Persistent inflation can significantly impact the steel industry by dampening demand for steel products and causing delays in project execution. As inflation drives up costs across the board, from raw materials to labor, industries may reduce their expenditure or delay investments in infrastructure projects. This slowdown can lead to lower steel demand, further affecting production schedules and project timelines. Consequently, high inflation can strain the financial health of steel manufacturers and disrupt the smooth execution of ongoing and planned projects.

Government Schemes/Incentives driving the demand

AMRUT (Atal Mission for Rejuvenation and Urban Transformation)

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched in June 2015 under GoI. It is the first focused national water mission launched in 500 cities and covers 60% of the urban population. In the FY25 Budget, the allocation to AMRUT has been Rs 104 billion.

The program focuses on the development of basic infrastructure, in the sectors of water supply, sewerage and septage management, stormwater drainage, green spaces and parks, and non-motorized urban transport.

The projects will be prioritized based on the following outcomes with a focus on improving sustainability and efficiency in the water sector:

i. Universal coverage of water supply
ii. Sewerage, septage management, and recycling/reusing of treated water
iii. Rejuvenation of water bodies (including urban wetlands) and creation of green spaces

The universal coverage of water supply is the priority under the mission, under which 5.87 million tap connections have been provided. The total plan size of all State Annual Action Plans (SAAPs) was Rs 776.40 billion. Of which, Rs 390.11 billion, i.e., 50% has been allocated to water supply.

The tentative distribution of central fund allocation among project components of Mission are as follows:

Table 10: Allocation among Project components

Description	Central share (in Cr)
Water supply projects	35,250
Rejuvenation of water bodies and development of green spaces and park projects	3,900
Sewerage and septage management projects	27,600

Source: Ministry of Housing & Urban Affairs

Jal Jeevan Mission - ‘Har Ghar Jal’

JJM is a Central Government initiative undertaken by the Ministry of JAL SHAKTI. It aims to ensure piped water access to every household in India. The initiative was launched on 15th August 2019 by the Prime Minister of India.

The program is implemented in partnership with the states to ensure tap water supply in adequate quantity, prescribed quality, adequate pressure, on a regular and long-term basis in all rural households and public institutions, which includes Anganwadi, schools, ashramshalas, public/ community health centres, sub-centres, wellness centres, community centres, gram panchayat buildings, etc., by 2024.

Under JJM, 30% weightage was assigned for difficult terrains which inter alia include areas under the Desert Development Programme (DDP) and Drought Prone Area Programme (DPAP) while allocating the fund, to prioritize the coverage in these areas. Further, provisions have been made in the operational guidelines for planning and implementation of bulk water transfer from long distances and regional water supply schemes for ensuring tap water supply in drought-prone & water-scarce areas/ areas with inadequate rainfall or dependable groundwater sources. In addition, provisions have also been made for source recharging, viz. dedicated bore well recharge structures, rainwater recharge, rejuvenation of existing water bodies, etc., in convergence with other schemes such as the Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MGNREGA), Integrated Watershed Management Programme (IWMP), 15th Finance Commission tied grants to Rural Local Bodies (RLB)/ Panchayat Raj Institutions (PRI), State schemes, Corporate Social Responsibility funds, etc.

For villages in water-scarce areas, in order to save precious fresh water, states are being encouraged to plan a new water supply scheme with a dual piped water supply system, i.e., supply of fresh water in one and treated grey/wastewater in another pipe for non-potable/ gardening/ toilet flushing use. Moreover, the households in these areas are to be encouraged to use the faucet aerators that save a significant amount of water, in multiple taps that they may be using inside their house.

National Gas Grid Project

The Petroleum and Natural Gas Regulatory Board (PNGRB) has authorised a natural gas pipeline network spanning around 33,347 km (as of Dec. 2023) across the country. Out of this, a total of 23,478 km of pipelines, including spur lines, tie-in connectivity, sub-transmission pipelines, and dedicated pipelines are operational. Currently, the gas pipeline network serves the western and northern India while the eastern and southern regions are yet to be integrated with the National Gas Grid. This expansion plan is based on the gas demand assessment of various regions.

The grid is expected to support the growth of city gas distribution projects. Furthermore, the country's pipeline density is also expected to double with the addition of nearly 12,000 km of under-construction gas pipelines. There are some delays being faced by gas pipeline projects (approximately 6,000 km).

PNGRB has authorized GAIL (Gas Authority of India Limited) to develop the Jagadishpur –Haldia –Bokaro-Dhamra Pipeline (JHBDPL) project and the approximately 750 km long Barauni - Guwahati pipeline as its integral part which will connect North East region with the National Gas Grid. Further, PNGRB has also authorized Indradhanush Gas Grid Limited (IGGL), a joint venture company of five Central Public Sector Enterprises (CPSEs) i.e. IOCL (Indian Oil Corporation Limited), ONGC (Oil and Natural Gas Corporation), GAIL, OIL (Oil India Limited) and NRL (Numaligarh Refinery Limited) for the development of North East Gas Grid to connect eight states of North Eastern India. It is critical to address the issue of the non-existence of pipelines in the eastern and southern regions to fully leverage their potential.

Value Chain of Steel Pipes and Tubes Industry

The process of manufacturing steel pipes and tubes involves various steps.

Step 1: Raw Material Preparation

The first step in manufacturing steel tubes and pipes involves the preparation of raw materials. Iron ore is extracted from mines and processed through crushing and grinding to produce a concentrated form. This concentrate is then melted in blast or electric arc furnaces, where it is combined with coke and oxygen to produce molten iron. The molten iron is cast into steel billets or coils. These billets and coils serve as the starting materials for the next stages of manufacturing, eventually being formed into steel tubes and pipes.

Step 2: Pipe Formation

The production method in this step differs by type: seamless or welded.
Seamless pipes are manufactured through a series of precise processes. In the perforation stage, a heated billet is pierced using a bullet-shaped piercer to form a hollow tube. This tube is then further heated and rolled, creating a pipe shell. For large diameter pipes, the mandrel mill process is employed, where the pipe is rolled through a mill with mandrel bars to ensure controlled wall thickness and diameter. The elongation process then refines the pipe's dimensions.

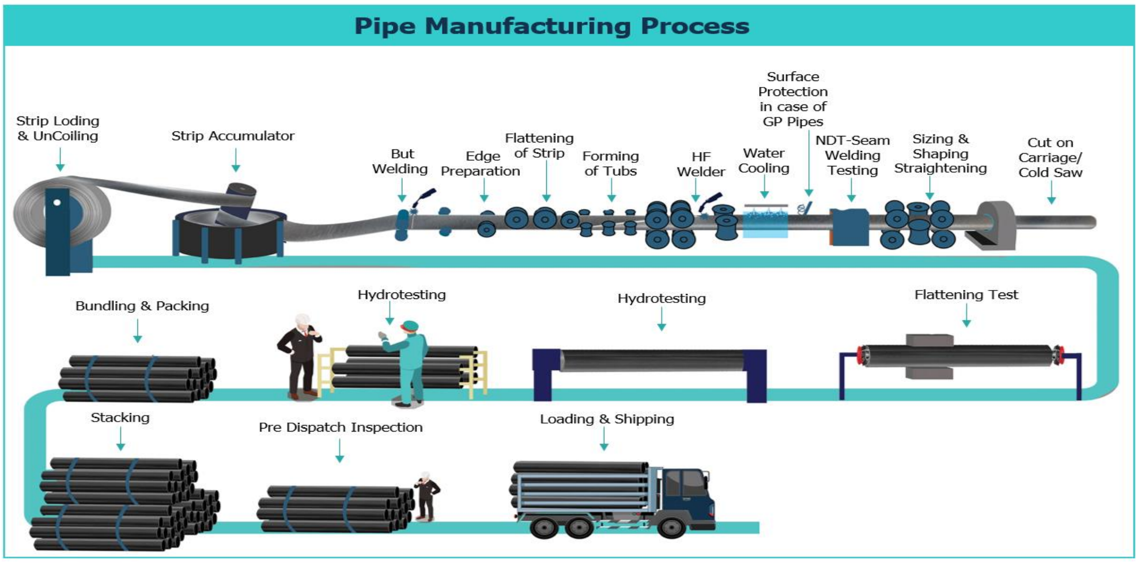
Welded pipes' manufacturing process begins with heating and hot rolling steel slabs into skelp and elongated steel ribbons. The skelp is then cut into flat sheets of predetermined lengths. These sheets are processed by a rolling machine to form cylindrical shapes. The cylindrical sections are joined together using welding techniques such as electric resistance welding (ERW) or submerged arc welding (SAW). This welding process creates the final welded steel pipes, ready for various applications.

Step 3: Pipe Finishing

The final step in manufacturing steel tubes and pipes involves heat treatment, surface preparation, and coating. Heat treatment, including processes like annealing, quenching, and tempering, enhances the pipes' mechanical properties. Surface preparation, such as shot blasting or pickling, ensures a clean, smooth finish. Quality control measures, including dimensional checks, visual inspections, and non-destructive testing (e.g., ultrasonic and radiographic testing), are performed to detect any flaws. Finally, protective coatings like epoxy or polyethylene are applied, along with corrosion protection methods such as galvanization, to extend the pipes' durability and performance in harsh environments.

The manufacturing process of steel pipes involves preparing raw materials, forming pipes through seamless or welded methods, and finishing with heat treatment, surface preparation, and protective coatings to ensure durability and performance. The detailed pipe manufacturing process is given below:

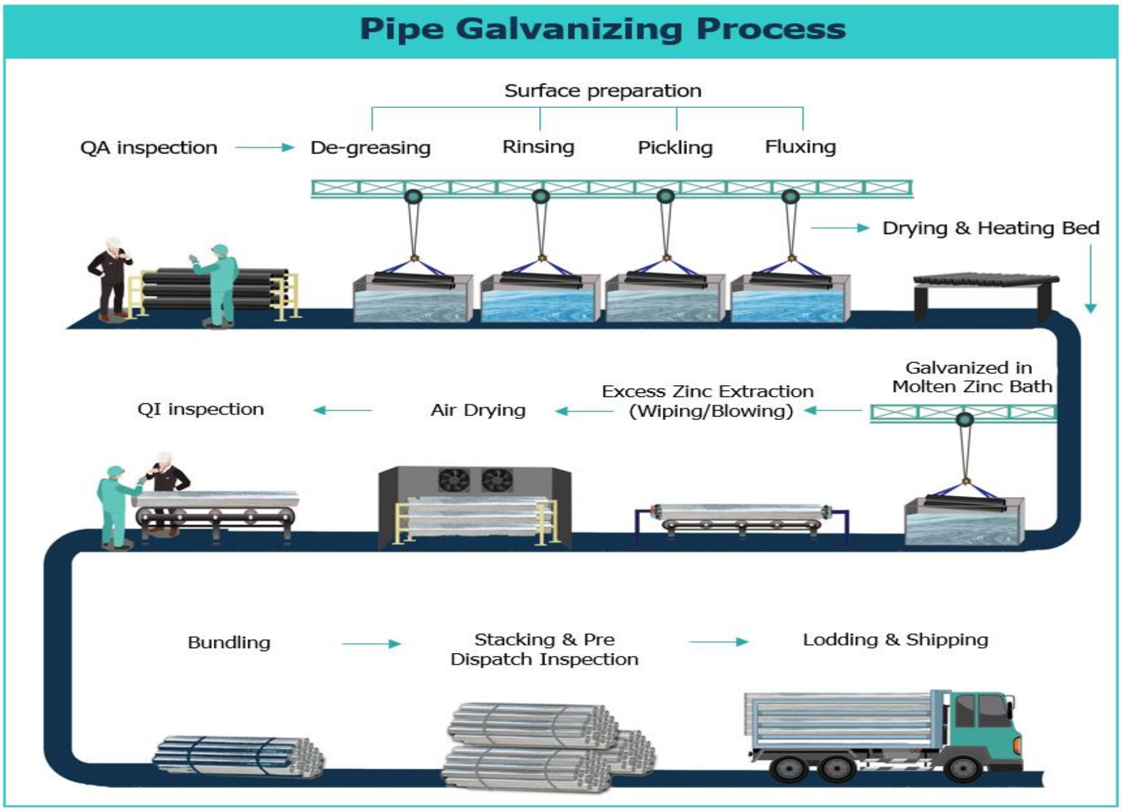
Figure 3: Pipe Manufacturing Process



Source: Industry Sources

The galvanizing process for steel pipes involves meticulous surface preparation, including cleaning, pickling, and fluxing, followed by immersion in molten zinc to form a robust corrosion-resistant layer, ensuring long-lasting protection. The detailed pipe galvanizing process is given below:

Figure 4: Pipe Galvanizing Process



Source: Industry Sources

Threats and Challenges to the products provided by the issuer company

- **High Logistics cost**

The high logistics costs in India significantly impacts the competitiveness of its steel products. The skewed inter-modal mix, with a heavy reliance on road transport over the constrained rail network, exacerbates these costs. Inefficient transport vehicles, with a smaller capacity compared to global standards, further elevate expenses. Additionally, underdeveloped road infrastructure and congestion on key routes contribute to delays and higher transportation costs. These inefficiencies in logistics undermine the overall competitiveness of Indian steel in the global market, affecting both cost and delivery performance.

- **Volatility in Steel and Raw material prices**

Volatility in steel and raw material prices poses significant challenges for steel tube and pipe manufacturers. Fluctuations in steel prices, driven by geopolitical tensions and varying international demand, can lead to unpredictable input costs. A sharp decline in steel prices forces manufacturers to sell high-cost inventory at reduced rates, squeezing profit margins. Conversely, sustained high prices may lead industries such as water infrastructure and irrigation to postpone procurement, diminishing demand. This price instability complicates financial planning and affects the overall stability and competitiveness of manufacturers in the market.

Competitive Landscape

The following companies have been used for constructing a competitive landscape. Company-product mapping for the peer set is given below:

Table 11: Product-Company Mapping profile

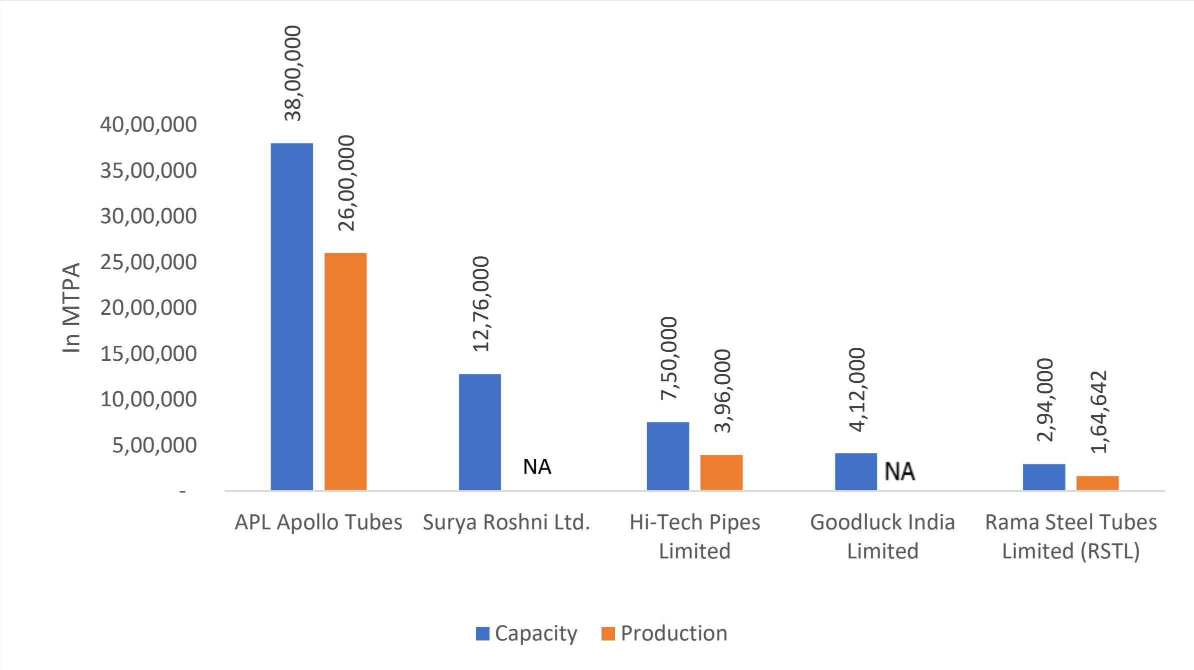
Product Name/ Company Name	**Hi-Tech Pipes Limited**	**Goodluck India Limited**	**Rama Steel Tubes Limited**	**Surya Roshni Ltd.**	**APL Apollo Tubes**
MS Hollow Sections					
MS Round Pipes					
Galvanized Steel Pipes					
Pre-Galvanized Steel Pipes					
Crash Barriers					
Cold Rolled Coils					
Cold Rolled Strips					

Galvanized Corrugated Sheet					

Source: Industry Sources

On basis of installed capacity, Hi-Tech Pipes Limited is the 3rd largest manufacturer of steel tubes and pipes among the peer set we have considered.

Chart 74: Installed Capacity of Peer Set (as on FY24)



Source: Company Annual Reports

Hi-Tech Pipes Limited

- **Year of Incorporation:** January 2, 1985
- **Headquarters:** New Delhi, India
- **Description:** Hi-Tech Pipes Ltd is a steel tubes and pipes producer and marketer having over 150 OEM partners and more than 450 distributors and dealers. The manufacturing plants of the company are located in Uttar Pradesh, Maharashtra, Gujarat and Andhra Pradesh. The company has plans to expand their value-added products and is tapping new opportunities in the market to achieve 1 million MTPA from 0.75 million MTPA in FY25.
- **Installed Capacity:** 7,50,000 MTPA
- **Key Products Manufactured:** Black Hollow Section and Round Pipe, Galvanised and Pre-Galvanized Pipes, Cold Rolled Coils, and Solar Torque Tubes

Financial Profile (Consolidated)

Particulars	FY22	FY23	FY24	Q1FY25
Revenue from Operations (Rs. Crore)	1,878.8	2,385.8	2,699.3	867.0
EBITDA	100.5	103.2	114.9	42.7
EBITDA Margin (%)	5.3%	4.1%	4.3%	4.9%
PAT (Rs. Crore)	40.3	37.7	43.9	18.1
PAT Margin (%)	2.1%	1.6%	1.6%	2.1%
Return on Equity (%)	15.6%	9.0%	7.6%	

Particulars	FY22	FY23	FY24	Q1FY25
Debt equity ratio (times)	1.41	0.56	0.63	

Goodluck India Limited

- **Year of Incorporation:** November 06, 1986
- **Headquarters:** Ghaziabad, Uttar Pradesh, India
- **Description:** Good Luck India Ltd manufactures a wide range of engineering structures, precision/auto tubes, forging for defence and aerospace, CR products, and GI pipes. The company's products are used across various sectors such as infra, high-speed railway, specialized infrastructure, solar, and aerospace & defence components. The manufacturing facilities are located in Uttar Pradesh and Gujarat.
- **Installed Capacity:** 4,12,000 MTPA
- **Key Products Manufactured:** Galvanized & cold rolled coils/sheets, galvanized & black steel tubes & hollow sections, forgings & flanges, cold drawn welded & precision tubes, engineering fabricated structures, girders, boiler support structures, pipe rack structures, and chimney structures

Financial Profile (Consolidated)

Particulars	FY22	FY23	FY24	Q1FY25
Revenue from Operations (Rs. Crore)	2,613.2	3,072.0	3,524.8	913.1
EBITDA	183.0	204.4	282.2	75.0
EBITDA Margin (%)	7.0%	6.7%	8.0%	8.2%
PAT (Rs. Crore)	75.0	87.8	132.3	36.0
PAT Margin (%)	2.9%	2.8%	3.7%	3.9%
Return on Equity (%)	16.1%	14.2%	11.5%	
Debt equity ratio (times)	1.3	1.0	0.5	

Rama Steel Tubes Limited (RSTL)

- **Year of Incorporation:** 1974
- **Headquarters:** Ghazipur, New Delhi, India
- **Description:** RSTL caters to a wide range of industries in the field of power, refinery, water, distribution, highway electrification. They have executed more than 400 crores of projects across these sectors. The company has three manufacturing facilities located in Uttar Pradesh, Maharashtra and Andhra Pradesh. RSTL has a 25% stake in Peer Panchal Construction in the form of a Joint Venture and this network contributes to their market presence. RSTL is planning to expand its operations by making investments and manufacturing value-added products in Chhattisgarh and Nigeria in the overseas market.
- **Installed Capacity:** 2,94,000 MTPA
- **Key Products Manufactured:** ERW Galvanized steel pipes and tubes, ERW Black steep pipes and tubes, scaffolding pipes and tubes, swaged poles, structural steel products, and Hollow sections

Financial Profile (Consolidated)

Particulars	FY22	FY23	FY24	Q1FY25
Revenue from Operations (Rs. Crore)	768.2	1,336.8	1,046.5	216.6
EBITDA	41.91	53.08	60.10	11.4
EBITDA Margin (%)	5.5%	4.0%	5.7%	5.3%
PAT (Rs. Crore)	27.3	27.4	30.0	6.2
PAT Margin (%)	3.6%	2.1%	2.9%	2.8%
Return on Equity (%)	21.6%	10.4%	8.6%	
Debt equity ratio (times)	1.1	0.7	0.4	

Surya Roshni Ltd.

- **Year of Incorporation:** 1973

- **Headquarters:** New Delhi, India

- **Description:** Surya Roshni Limited is into Steel Pipes and CR Strips along with PVC Pipes. It is also into professional lighting segments. The company has grown into one of India's largest conglomerates, exporting to over 50 countries. The company has 21,000+ Pan-India dealers and retailers, 250+ distributors and 4 manufacturing units in Haryana, Madhya Pradesh, Gujarat, and Andhra Pradesh. The company has an order book of Rs. 800 Crores as of FY24 for the Oil & Gas sector, Water sector, and Exports business. The company has also become debt-free in FY24 with a nominal debt of approximately Rs.4 Crores. It is actively investing into new facilities in Bahadurgarh which will be operational by Q1FY25 to increase production capacity for steel pipes and lighting products.

- **Installed Capacity:** 12,76,000 MTPA

- **Key Products Manufactured:** ERW Pipes and Structural Steel Hallow Sections, Spiral Welded Pipes, Cold Rolled Strips and Sheets, DFT, 3LPE/PP/FBE External Coating

Financial Profile (Consolidated)

Particulars	FY22	FY23	FY24	Q1FY25
Revenue from Operation (Rs. Crore)	7,730.8	7,996.7	7,809.3	1,893.2
EBITDA	442.9	614.2	572.4	150.9
EBITDA Margin (%)	5.7%	7.7%	7.3%	8%
PAT (Rs. Crore)	204.9	335.5	329.0	92.5
PAT Margin (%)	2.7%	4.2%	4.2%	4.9%
Return on Equity (%)	13.2%	18.0%	15.2%	
Debt equity ratio (times)	0.375	0.217	0.002	

Note: Financials include lighting and consumer durable segment which is 20% of their sales.

APL Apollo Tubes

- **Year of Incorporation:** February 24, 1986

- **Headquarters:** Ghaziabad, Uttar Pradesh, India

- **Description:** APL Apollo Tubes manufactures structural steel tubes and PVC pipe with a network of 800+ dealers. The production stood at 3.6 million tonnes in FY23. The company aims to expand its capacity to 5 million tonnes by 2025.

- **Installed Capacity:** 38,00,000 MTPA

- **Key Products Manufactured:** uPVC pipes & fittings, uPVC column pipes, SWR drainage pipes, uPVC pressure pipes, well casting pipes, underground drainage pipes, PPR-C pipes & fittings, CPVC pipes & fittings, structural steel, and Pre-galvanized structural steel tubes

Financial Profile (Consolidated)

Particulars	FY22	FY23	FY24	Q1FY25
Revenue from Operations (Rs. Crore)	13,063.3	16,166.0	18,118.8	4,974.3
EBITDA	945.3	1,021.6	1,192.2	301.7
EBITDA Margin (%)	7.2%	6.3%	6.6%	6.1%
PAT (Rs. Crore)	619.0	641.9	732.4	193.3
PAT Margin (%)	4.7%	4.0%	4.0%	3.9%
Return on Equity (%)	25.1%	21.4%	20.3%	
Debt equity ratio (times)	0.2	0.3	0.3	

Company Profile of Hi-Tech Pipes Limited

About the Company:

Hi-Tech Pipes Ltd is a steel tubes and pipes producer and marketer having 650+ OEM partners, distributors, and dealers. It is one of the prominent and multifaceted organization in the manufacturing of steel tubes and pipes in India and have been established as one of the leading manufacturers and supplier of ERW (Electric Resistance Welding) pipes. The manufacturing plants of the company are located in Uttar Pradesh, Maharashtra, Gujarat and Andhra Pradesh. The strategic location of their manufacturing units allows them to effectively cater to their customers. Additionally, they sell their products under their own brand names to the customers involved in various business such as agriculture water management, agriculture greenhouse, borewell water management, housing construction, road safety, fire fighting for commercial and residential housing, telecom towers, real estate scaffolding and automobile infrastructure. The company has 12 registered brands.

The company has plans to expand their value-added products and is tapping new opportunities in the market to achieve 1 million MTPA from 0.75 million MTPA in FY25. Moreover, several Indian consumers use different kinds of product range to suit their requirements and hence penetrating such markets may enhance product visibility and marketing efforts to boost revenue of the Company and also ensure utilization of the expanded capacity in better manner.

Product Profile:

Table 12: Product Profile of the Company

Brand	Key Products	Industry Application	Description
Hi-Tech Jal Shakti Pipes	Galvanised (GI) Pipes	Agriculture for water transportation & management	Size Range: 15mm NB to 150mm Thickness : 2mm to 6mm IS Specification : IS: 1239 Part-1
Hi-Tech Organic GI Pipes	Galvanised (GI) Pipes	Organic Agriculture for construction and fabrication of greenhouses	Size Range: 25mm NB to 150mm Thickness : 2mm to 4mm IS Specification: IS: 3601 / IS: 1161
Hi-Tech Casewell	MS & GI Casing Pipes	Agriculture for water Bore well and water transportation management	Size Range: 168mm(OD) To 173mm(OD) Thickness : 1.4mm to 2.5IS Specification : IS: 3601/ IS:1161/ IS:4270
Hi-Tech Pre-Gal	GP Pipe	Construction of roofing shed and general fabrication in the Coastal Areas	Size Range: CHS : 0.5’’ to 6”/ SHS:20x20-150x150 mm RHS: 26x13 - 200x100 mm Thickness : 1.2mm to 2.5mm IS Specification : IS: 4923 / IS:3601

Hi-Tech Firefighter	Black and GI Pipes	Fire-Fighting Pipes for high rise residential, commercial and industrial buildings	Size Range: 15mm NB to 150mm Thickness : 2mm to 6mm IS Specification : IS: 1239 Part-1
Hi-Tech Shakti	MS Hallow Sections	Steel Pipes for structural purposes used construction, infrastructure, renewable energy, telecom towers, scaffolding and general fabrication etc.	Size Range: SHS: 12x12 - 100x100 mm RHS: 26x13- 122x61mm Thickness : 0.8mm to 5mm IS Specification : IS: 4923
Hi-Tech Flatmax	CRFH, HROP, GPGC, PPGI Coils & Sheets	Automobile infrastructure, Auto OEM components, Roofing Sheets, Sandwich Panels, Steel Almira, Steel Chaukhats etc.	Width 50mm to 1250mm Thickness : 0.20mm to 2.50mm
Hi-Tech ColorStar	PPGI Coils	Industrial Sheds, Roofing, White Goods, Sandwich Panels, Wall Cladding	Width 200 mm to 1000 mm Thickness 0.25 mm to 2 mm
Hi-Tech Solar Torque Tubes	ZAM Tubes and Pipes	Solar Torque Tubes used in Solar Panels as Solar Trackers	Size 50 mm to 150 mm Thickness 2.5 mm to 5 mm

Source: Company Website

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statement" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 42, 280 and 92, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

*We prepared our annual financial statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**") and other applicable statutory and/ or regulatory requirement. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the and the reconciliation of the financial information to other accounting principles has not been provided. Unless otherwise indicated or the context otherwise requires, the financial information included in this Preliminary Placement Document for three months period ended June 30, 2024 and June 30, 2023, have been derived from Unaudited Consolidated Financial Information and for Fiscal 2024, Fiscal 2023 and Fiscal 2022 have been derived from our Audited Consolidated Financial Statements included in this Preliminary Placement Document on page 280. For further information please also see the section titled "Presentation of Financial and Other Information" page 14.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Research Report on Steel Industry" dated October 4, 2024 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CARE**"), appointed by us on August 20, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see "Risk Factors – Certain sections of this Preliminary Placement Document contain information from CARE Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.*

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Hi-Tech Pipes Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Hi-Tech Pipes Limited on a consolidated basis.

OVERVIEW

We are one of the prominent and multifaceted organization in the manufacturing of steel tubes and pipes in India and have been established as one of the leading manufacturers and supplier of ERW (Electric Resistance Welding) pipes. *(Source: CARE Report).* As per the CARE Report, we are the 3rd largest manufacturer of steel tubes and pipes among the peer with an installed capacity of 750,000 MTPA. Our products includes, mild steel ("**MS**") hollow section pipes, galvanised pipes, MS round pipes, crash barriers, cold rolled coils and strips, coated coils and roofing sheet under twelve (12) brands.

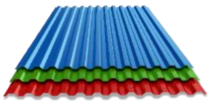
During FY24, the production of steel tubes and pipes increased by 20.2% on a y-o-y basis. Around 9,666 thousand tonnes of steel tubes and pipes were produced in FY24 compared to 8,047 thousand tonnes produced in the previous year. This growth is attributed to the healthy demand from the end-user segments - water transportation, oil & gas, city gas distribution, construction and the government's thrust on infrastructure such as airports, railways and metros. Additionally, for YTD FY25, production grew by 40.1% y-o-y. *(Source: CARE Report).*

We recorded an increase in our revenue from operations by 35.01% from ₹ 6,421.66 million in three months period ended June 30, 2023 to ₹ 8,669.78 million in three month period ended June 30, 2024 and our EBITDA increased by 101.43% from ₹ 211.92 million in three month period ended June 30, 2023 to ₹ 426.86 million lakhs in three month period ended June 30, 2024. Further, we recorded an increase in our profit after tax by 125% from ₹ 80.23 million in three months period ended June 30, 2023 to ₹ 180.53 million in three month period ended June

30, 2024.

As on the date of this Preliminary Placement Document, we have a product portfolio of more than 1200 SKUs for critical industry applications including water infrastructure, oil and gas, city gas distribution, infrastructure, agriculture among others. The total production during the Fiscal 2024 was 3,88,392 MTPA. For further details with respect to our installed capacity, actual production and utilisation during Fiscal 2024, 2023 and 2022, also see “*Our Business – Manufacturing Units*” on page 196.

The table below sets forth the certain information of our key products:

Product	Brands	Product Images
MS Hollow Section Pipes	Hi-Tech Shakti, Hi-Tech Pillar, Hi-Tech Bahubali	  
MS Round Pipes	Hi-Tech Casewell, Hi-Tech Firefighter	
Galvanised Pipes	Hi-Tech Jalshakti, Hi-Tech Organic, Hi-Tech Pre-Gal	  
Crash Barrier	Hi-Tech Crashguard	
Cold Rolled Coils & Strips	Hi-Tech Flatmax	 
Coated Coils and Roofing Sheet	Hi-Tech CG Sheet, Hi-Tech Colorstar	 
Solar Torque Tube	-	

Use of our products across large number of industries. Some of the applications are listed below:

Industry	Application
Oil and Gas	In India's oil and gas sector, pipes are crucial for transportation and distribution across the entire value chain—upstream, midstream, and downstream. They are primarily used for drilling (upstream), transporting crude oil, natural gas, and refined products (midstream), and distribution (downstream). Materials like carbon steel and high-strength alloy pipes are preferred due to their durability and resistance to high pressure and corrosive environments. Growing domestic demand for energy, pipeline infrastructure expansion, and government initiatives like the National Gas Grid are driving demand for pipes in this sector. *(Source: CARE Report)*

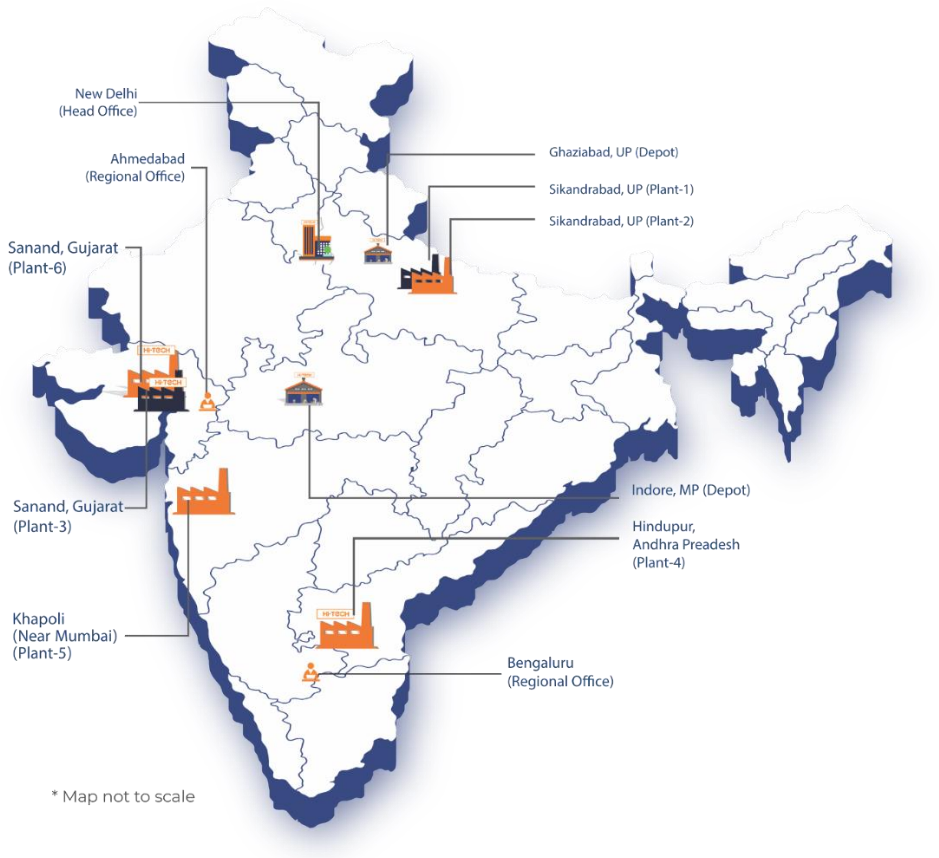
Industry	Application
	Refineries, pipelines, gas terminals, storage capacity, gas cylinder bottling plants, retail outlets, etc., require large amounts of steel pipes.
Infrastructure & Construction	Steel Pipes are utilised in structural fabrications, such as the construction of buildings, bridges, and infrastructure. Further, it is used in architectural fabrications, such as building facades, canopies, and artistic structures, in construction of columns, beams, and roof trusses. Coated coils and roofing sheets are used in residential roofing, commercial roofing, industrial roofing, garages, etc. Metal beam crash barrier finds application in highway, expressways, bridge railings
Water Infrastructure	Steel pipes are considered the most durable of all water supply pipes because of their non-corrosion properties. They can sustain high water pressure and are more readily available in longer lengths than most other pipes. Demand for steel tubes and pipes is increasing, supplemented by the agriculture sector, where steel pipes are used in borewells or irrigation facilities. Moreover, there is a constant demand for improving water infrastructure in both rural and urban cities alongside a focus on enhancing wastewater management. *(Source: CARE Report)*
Railways & Airports	Steel tubes or pipes are used in applications such as rails, wagons, and coaches. Steel plays a pivotal role in constructing essential infrastructure of airports due to its strength, durability, and versatility. Steel is integral to building expansive structures such as passenger terminals, cargo terminals, and maintenance hangars, which require large clear spans without intermediate columns. It is also used for critical infrastructure including runways, bridges, and walkways, ensuring robust support and longevity. Steel products are employed in the manufacturing of doors, windows, security systems, luggage handling systems, escalators, and elevators, enhancing operational efficiency and passenger convenience. *(Source: CARE Report)*
Power - Solar	To provide structural support for solar panel installations. India has a solar potential of 749 GW, assuming that solar PV modules cover 3% of the waste land area. Comparatively, India had an installed capacity of 82 GW of as on March 2024 *(Source: CARE Report)*
Telecom and Automotive Industry	To provide structural support for telecom tower industry. India is the second-largest telecom industry in the world with 924.07 million broadband subscribers and 1,199.28 million telephone subscribers as of March 2024. *(Source: CARE Report)*. Further as per CARE Report, in automotive industry it is used in various systems such as fuel lines, exhaust systems, air conditioning, and hydraulic systems.

The following table sets forth the information on our industry wise revenue contribution in the periods indicated therein

Particulars	For three month period ended June 30				Fiscal					
	2024		2023		2024		2023		2022	
	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations
Infrastructure and Construction	6,850.81	25.38	6,019.49	25.23	6,985.77	25.88	6,067.21	25.43	4,405.90	23.45
Automotive and Telecom Sector	6,032.92	22.35	5,198.76	21.79	5,736.00	21.25	5,423.03	22.73	4,050.79	21.56

Particulars	For three month period ended June 30				Fiscal					
	2024		2023		2024		2023		2022	
	(₹ in million)	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**	**(₹ in million)**	**% of revenue from operations**
Railway, Airport, Metro	5,385.09	19.95	4,146.60	17.38	5,304.11	19.65	4,289.75	17.98	3,073.79	16.36
Water Infrastructure	3,290.44	12.19	3,120.69	13.08	3,452.40	12.79	3,287.70	13.78	2,805.12	14.93
Agriculture	2,216.12	8.21	2,345.29	9.83	2,459.06	9.11	2,011.27	8.43	2,000.97	10.65
Others	3,217.56	11.92	3,027.64	12.69	3,055.60	11.32	2,779.51	11.65	2,451.90	13.05
Total	**8,669.78**	**100.00**	**6,421.66**	**100.00**	**26,992.93**	**100.00**	**23,858.47**	**100.00**	**18,788.47**	**100.00**

We have six (6) strategically located manufacturing units (i) two (2) units are located in Sikandrabad, Uttar Pradesh, (ii) two (2) manufacturing units are located in Sanand, Gujarat (iii) one (1) unit is located in Hindupur, Telangana, and (iv) one (1) unit is located in Khopoli, Maharashtra (collectively hereinafter referred to as "**Manufacturing Unit(s)**"). The strategically location of our Manufacturing Units in terms of its proximity to the sources of raw material and ports at Kandala and Mundra in Gujarat and Jawaharlal Nehru Port Trust in Maharashtra, enables cost effective and timely procurement of raw material and supply of our finished products to our customers. As on the date of this Preliminary Placement Document, our manufacturing units have an aggregate installed capacity 7,50,000 MTPA *(As certified by Anil Kumar Singh, Chartered Engineer vide its certificate dated October 3, 2024)*. For further details see, "*-Manufacturing Units*" on page 211 under this section. Further, we have a storage facility at our Manufacturing Units for the purposes of holding inventories of raw material as well as finished products, in addition to two depots each located at Indore, Madhya Pradesh and Ghaziabad, Uttar Pradesh, which ensures stability of operations.



Through our strategic locations, we have established an extensive, distribution network across India for our selling our products. As of August 31, 2024, our products are sold in 17 states through a network of over 450 distributors, dealers, contractors, government departments and project customers having access to our storage facilities at our Manufacturing Units and 2 stock depots in India supporting the distribution of our products. For a detailed description of products, see "− *Description of Our Business Operations*" on page 210.

Additionally, as part of our expansion plans and to increase our manufacturing capacity, we propose to expand our capacity of our existing manufacturing unit at Sanand, Gujarat (Unit 2, Phase 2) and have laid the foundation for establishment of a manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh. Pursuant to the increase of our manufacturing capacities, we are focussing on production of large diameter section pipes with range from 200x200 to 500x500 which has high demand in the construction and infrastructure sectors in the western and southern region of India For further details, see "*Expand our manufacturing capacity to capture additional market share - Key Strategies– Our Business*" and "*Funding capital expenditure requirement for expansion of our existing manufacturing unit at Sanand, Gujarat and setting up a new manufacturing unit at* Sri City (Chinnapandru), Andhra Pradesh – *Use of Proceeds*" on page 205 and 72, respectively.

With over three decades of operational experience and under the guidance of our Promoters Ajay Kumar Bansal, who is also our Chairman and Managing Director and Anish Bansal, who is also our Whole-time and Executive Director, we have been able to leverage their experience with highs and lows of the industry in tapping new growths. Our management has focused on providing quality products over decades of operations and thereby building credibility with our customer base, including our longstanding customers. Our leadership team also consists of experienced professionals from various backgrounds and their capabilities are crucial for us in understanding and anticipating market trends, managing business operations and growth, leveraging customer relationships and responding to changes in customer preferences. As of September 15, 2024, we had approximately 1,051 full-time employees at our Company. For further details, see section title "*Board of Directors and Senior Management Personnel*" on page 219.

Our Key Financial and Operational Performance Indicators

Set forth are the key financial and operational performance indicators for the period/ years indicated:

(₹ in million, except as otherwise stated)

Particulars	Three months period ended June 30, 2024*	Three months period ended June 30, 2023*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations(1)	8,669.78	6,421.66	26,992.94	23,858.47	18,788.47
Total Income	8,675.07	6,424.43	27,004.71	23,881.09	18,797.84
EBITDA(2)	426.86	211.92	1,148.59	1,032.10	1,005.18
EBITDA margin (%)(3)	4.92	3.30	4.26	4.33	5.35
EBITDA per Tonne(4)	3,494.00	2,508.00	2,937.00	2,915.00	3,634.00
Profit for the period/ year	180.53	80.23	439.30	376.81	403.26
PAT Margin (%)(5)	2.08	1.25	1.63	1.58	2.15
Basic EPS(6)	1.16	0.61	3.25	3.06	3.38
Diluted EPS(6)	1.03	0.45	2.69	2.18	3.38
Return on Capital Employed(7)	N.A.^	N.A.^	10.42	13.32	14.29
Return on Equity(8)	N.A.^	N.A.^	7.62	9.01	15.59
Debt equity ratio(9)	N.A.^	N.A.^	0.70	0.66	1.52
Current ratio(10)	N.A.^	N.A.^	1.54	1.46	1.43
Installed Capacity (MTPA) #	7,50,000	5,80,000	7,50,000	5,80,000	5,80,000

**Not annualised*

^Not available

#As certified by Anil Kumar Singh, Chartered Engineer vide its certificate dated October 3, 2024

Notes:

1) *Revenue from operation means revenue from sales of products and other operating revenue.*
2) *EBITDA is calculated as profit before tax before exceptional items + depreciation + finance costs - other income.*

3) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
4) *EBITDA per Tonne is EBITDA divided by the total volume of sales.*
5) *PAT Margin is calculated as profit for the period / year divided by revenue from operations.*
6) *Basic and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year/ period, as adjusted for changes in capital due to bonus issue and sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities.*
7) *ROCE is calculated as EBIT divided by capital employed where (i) EBIT means EBITDA minus depreciation and amortisation expense and (ii) Capital employed means Net worth + total current & non-current borrowings (including other current financial liabilities)– cash and cash equivalents and other bank balances;*
   "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.
8) *ROE is calculated as PAT divided by net worth.*
9) *Debt to equity ratio is calculated as total debt divided by total equity where total debt is non-current borrowings plus current borrowings plus other current financial liabilities.*
10) *Current ratio is calculated by total current assets divided by total current liabilities.*

COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

One of the leading manufacturers of branded structural solutions in India for electric resistance welded pipes with diverse product portfolio and established distribution network

We are one of the prominent and multifaceted organization in the manufacturing of steel tubes and pipes in India and have been established as one of the leading manufacturers and supplier of ERW pipes. *(Source: CARE Report).* As per the CARE Report, we are the 3rd largest manufacturer of steel tubes and pipes among the peer with an installed capacity of 750,000 MTPA. Our products includes, MS hollow section pipes, galvanised pipes, MS round pipes, crash barriers, cold rolled coils and strips, coated coils and roofing sheet under twelve (12) brands.

As on the date of this Preliminary Placement Document, we have a product portfolio of more than 1200 SKUs for critical industry applications including water infrastructure, oil and gas, city gas distribution, infrastructure, agriculture among others. The total production during the Fiscal 2024 was 3,88,392 MTPA. For further details with respect to our installed capacity, actual production and utilisation during Fiscal 2024, 2023 and 2022, also see "*Our Business – Manufacturing Units*" on page 211.

This diversification across products and categories has allowed us to de-risk our business operations.

The following table sets forth the information on our product mix in terms of revenue contribution in the periods indicated therein:

Particulars	For three month period ended June 30				Fiscal					
	2024		2023		2024		2023		2022	
	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations	(₹ in million)	% of revenue from operations
ERW Black Pipes & Others	5,301.39	61.15	4,769.65	68.05	18,359.85	68.02	16737.07	70.15	13,212.25	70.32
GI & GP Pipes	3,368.39	38.85	2,052.01	31.95	8,633.09	31.98	7121.40	29.85	5,576.22	29.68
Total	**8,669.78**	**100.00**	**6,421.66**	**100.00**	**26,992.94**	**100.00**	**23,858.47**	**100.00**	**18,788.47**	**100.00**

We have a wide network of distributors and dealers in 17 states with a dedicated sales force that provides customer service and undertakes product promotion. As of August 31, 2024, our network comprised over 450 distributors, dealers, contractors, government departments and project customers having access to our storage facilities at our Manufacturing Units and 2 stock depots supporting the distribution of our products in 17 states of India. As of September 15, 2024, we had a sales team of 22 employees, who are responsible for managing sales, the distribution channel and product promotion. We are able to generate demand for our products through our marketing activities, which are directed towards distribution partners. Our continued engagement with our distributors and dealers has helped us to understand the specific product requirements of end customers thereby enabling us to identify new product opportunities from time to time. This along with our objective of being present across the ERW steel pipes and tube value chain and meet the growing needs of our customers has enabled us to widen our product portfolio which has also helped us to de-risk our revenues.

Strategically located, sustainable Manufacturing Units providing supply chain efficiencies and presence across emerging markets and diverse customer base

As on the date of this Preliminary Placement Document, we have six (6) strategically located manufacturing units (i) two (2) units are located in Sikandrabad, Uttar Pradesh, (ii) two (2) manufacturing units are located in Sanand, Gujarat (iii) one (1) unit is located in Hindupur, Telangana, and (iv) one (1) unit is located in Khopoli, Maharashtra with an aggregate installed capacity 7,50,000 MTPA *(As certified by Anil Kumar Singh, Chartered Engineer vide its certificate dated October 3, 2024)*. The centralised and strategic location in terms of its proximity to the sources of raw material and ports at Kandala and Mundra in Gujarat and Jawaharlal Nehru Port Trust in Maharashtra, enables cost effective and timely procurement of raw material and supply of our finished products to our customers.

Our Sikendarbad Units, at Uttar Pradesh certified in accordance with international standards of quality management systems, environmental management systems, health and safety management systems including occupational health and safety management system ISO 45001:2018, environmental management system- ISO 14001:2015 and quality management system ISO 9001:2015, Certificate of Compliance UK CA regulations, CPR 305/2011 and BS/En 10219-1:2006, Annex ZA, Certificate of Conformity of the Factory Production Control of Cold Formed Welded Structural hollow sections and Non-alloy steel tubes for welding and threading, Sri Lanka Standard Institutions.

We have also undertaken sustainability and green initiative such as:

- We have installed rooftop solar power plants at all our six manufacturing units. Currently we have green power sourcing of 13.50 MW, which contribute around 30% of our total power requirement.

- Generation and captive consumption of green hydrogen gas of 2.4 lac cubic meter

Our Manufacturing Units are equipped with well-crafted manufacturing process leading to high quality production and ability to match diverse customer specifications with multiple stages of stringent selection and approval procedures certified by various customers on quality assurance.

Strong financial growth along with robust performance metrics

We have a strong balance sheet with growing cash flows. We have experienced sustained growth in various financial indicators including our revenue, profitability, cash flows and returns as well as consistent improvement in our balance sheet position in the last three Fiscals, wherein we have seen an increase in our net worth. We have demonstrated consistent growth in terms of revenues and profitability. We recorded an increase in our revenue from operations by 35.01% from ₹ 6,421.66 million in three month period ended June 30, 2023 to ₹ 8,669.78 million in three month period ended June 30, 2024 and our EBITDA increased by 101.43% from ₹ 211.92 million in three month period ended June 30, 2023 to ₹ 426.86 million lakhs in three month period ended June 30, 2024. Further, we recorded an increase in our profit after tax by 125% from ₹ 80.23 million in three month period ended June 30, 2023 to ₹ 180.53 million in three month period ended June 30, 2024.

The table below summarises the Key Performance Indicators (KPIs) for the period illustrated

(₹ in million, except as otherwise stated)

Particulars	Three months period ended June 30, 2024*	Three months period ended June 30, 2023*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations(1)	8,669.78	6,421.66	26,992.94	23,858.47	18,788.47
Total Income	8,675.07	6,424.43	27,004.71	23,881.09	18,797.84
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EBITDA per Tonne(4)	3,494.00	2,508.00	2,937.00	2,915.00	3,634.00
Profit for the period/ year	180.53	80.23	439.30	376.81	403.26
PAT Margin (%)(5)	2.08	1.25	1.63	1.58	2.15
Basic EPS(6)	1.16	0.61	3.25	3.06	3.38
Diluted EPS(6)	1.03	0.45	2.69	2.18	3.38
Return on Capital Employed(7)	N.A.^	N.A.^	10.42	13.32	14.29
Return on Equity(8)	N.A.^	N.A.^	7.62	9.01	15.59
Debt equity ratio(9)	N.A.^	N.A.^	0.70	0.66	1.52
Current ratio(10)	N.A.^	N.A.^	1.54	1.46	1.43
Installed Capacity (MTPA) #	7,50,000	5,80,000	7,50,000	5,80,000	5,80,000

**Not annualised*

^Not available

#As certified by Anil Kumar Singh, Chartered Engineer vide its certificate dated October 3, 2024

Notes:

1) *Revenue from operation means revenue from sales of products and other operating revenue.*
2) *EBITDA is calculated as profit before tax before exceptional items + depreciation + finance costs - other income.*
3) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
4) *EBITDA per Tonne is EBITDA divided by the total volume of sales.*
5) *PAT Margin is calculated as profit for the period / year divided by revenue from operations.*
6) *Basic and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year/ period, as adjusted for changes in capital due to bonus issue and sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities.*
7) *ROCE is calculated as EBIT divided by capital employed where (i) EBIT means EBITDA minus depreciation and amortisation expense and (ii) Capital employed means Net worth + total current & non-current borrowings (including other current financial liabilities)– cash and cash equivalents and other bank balances;*
   "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.
8) *ROE is calculated as PAT divided by net worth.*
9) *Debt to equity ratio is calculated as total debt divided by total equity where total debt is non-current borrowings plus current borrowings plus other current financial liabilities.*
10) *Current ratio is calculated by total current assets divided by total current liabilities.*

For further details, please see "- *Our Key Financial and Operational Performance Indicators*" on page 200 and the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 92'.

This is attributable to our continued focus on product quality and process improvement, higher-margin products, competitive pricing and cost rationalization. We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability which enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. Our financial strength provides us a valuable competitive advantage over our competitors with access to financing, which are factors critical to our business. Further, this aids us in strengthening our trust and engagement with our customers and which further enhances our ability to retain these customers and extend our engagement across products and geographies.

Consistent focus on the quality of our products

We believe that quality plays a prime role in growth of any organisation. Our Company believes in manufacturing quality products and adheres to various qualitative standards. Our products undergo quality check at various levels of production to ensure that any quality defects or product errors are rectified on real time basis as a result of which we have minimum product recalls or product claims. Besides the numerous quality control measures during the manufacturing process and at various inspection points, the following facilities are also utilised for ensuring stringent quality standards.

Industry	**Application**
Eddy Current Testing Machine (NDT)	For on line flaw detection on welds
Metallurgical Microscope	For checking and evaluating the grain structure of material, heat affected zone and weld zones
Hardness Tester (Fixed / Mobile)	For checking hardness on weld, heat affected zone and base metal
Digital Ultrasonic Thickness Gauge	For checking thickness of pipes
Mandrels and Fixtures	For reverse bend test, root bend test, face bend test
Impact Test Machine (Charpy V-Notch)	For checking absorbed energy on base metal, weld and heat affected zones
Bending Machine	For pipe bend test
Drop weight tear test	For evaluation the percentage shear area of the material
Spectroscope	For checking chemical composition of coil and pipe
Coating thickness gauge	For checking galvanizing thickness
Hydrotest	For checking the leakage of pipe during pressure water testing

Our integrated manufacturing processes provide us competitive advantages in terms of maintaining quality and effectiveness of the products we manufacture. Further, our Manufacturing Units have also been accredited with various quality certifications such as ISO 45001:2018, ISO 14001:2015, ISO 9001:2015. Our Company's product has also received BIS (ISI certification required for steel pipes and tubes) approval and almost all required sizes have got BIS product certification, which is mandatory for manufacturing and marketing.

Experienced and professional promoters and management

With over three decades of operational experience and under the guidance of our Promoters Ajay Kumar Bansal, who is also our Chairman and Managing Director and Anish Bansal, who is also our Whole-time and Executive Director, in the ERW steel tubes and pipes industry we have been able to leverage their experience with highs and lows of the industry in tapping new growths. Our Promoters and senior management team possess relevant exposure and acumen in the industry across finance, banking, production management, strategic planning, cost management, trade and commercial operations, industrial projects, engineering, and management affairs. We benefit from the industry experience, vision and guidance of our Promoters, Ajay Kumar Bansal, who have over 30 years of experience in the steel and pipes industry. In addition, our Whole-time Directors Anish Bansal, a graduate from Cardiff University, England have played an instrumental role in the formulation and implementation of our growth and expansion strategies with over 14 years of experience in business development and administration. His area of expertise includes corporate finance, strategy, marketing, product development, project implementation, international trade and finance along with other corporate matters. For further information on our Directors experience and background, see "*Board of Directors and Key Management Personnel*" on page 219.

We also have several professionals leading key aspects of our business including, among others:

1. Arvind Kumar Bansal (Executive Director and Group Chief Financial Officer), who heads our finance and accounts department

2. Arun Kumar (Company Secretary and Compliance Officer), who heads our secretarial functions and is also the compliance officer of our Company appointed in terms of the SEBI Listing Regulations
3. Puneet Kumar Shisodiya (Purchase), who heads the purchase department for the Company
4. P.K. Sinha (Steel Pipe Division Sales), who heads the pipes sales division for the Company
5. KK Sharma (Cold Rolled (CR) Coil Sales), who heads the CR Coil sales division for the Company
6. Ashish Joshi (PPGI), who heads the color coating coil sales division for the Company
7. Dilip Kumar Mishra (Marketing), who heads the marketing division for the Company
8. Mahesh Chand (Maintenance), who heads the plant maintenance for the Company
9. Kamleshwar Yadav (Technical), who manages the technical operations of the manufacturing units for the Company
10. AshokKumar Rai (Human Resource and Administration), who heads the HR and administration department for the Company
11. Mayank Sharma (Legal), who heads the legal department for the Company
12. Promod Singh (IT & ERP), who heads the IT department for the Company

We will continue to leverage on the experience of our management team and their understanding of the steel tubes and pipes industry in order to take advantage of current and future market opportunities. Further, our operations are led by an experienced senior management group who we believe has the professional expertise and vision to maintain our position as one of the leading players. Our senior management team has time and again demonstrated ability to manage and continuously grown our operations in our domain. Their experience has helped us to develop relationships with our customers vendors, and our dealers and distributors. We believe that our management team of qualified and experienced professionals enables us to identify new avenues of growth and helps us to implement our business strategies in an efficient manner and to continue to enhance our product offerings.

OUR STRATEGIES

Our key business strategies include:

Expand our manufacturing capacity to capture additional market share

As on the date of this Preliminary Placement Document, we operate six (6) manufacturing units located at (i) two (2) units are located in Sikandrabad, Uttar Pradesh, (ii) two (2) manufacturing units are located in Sanand, Gujarat (iii) one (1) unit is located in Hindupur, Telangana, and (iv) one (1) unit is located in Khopoli, Maharashtra with an aggregate installed capacity 7,50,000 MTPA *(As certified by Anil Kumar Singh, Chartered Engineer vide its certificate dated October 3, 2024).* To cater to the growing demand of our products from our existing customers and to meet the requirements of new customer, we intend to expand our manufacturing capacities by undertaking a Brownfield expansion of 100,000 MTPA at Sanand, Gujarat and a Greenfield expansion of 120,000 MTPA at Sri City (Chinnapandru), Andhra Pradesh. The cost of the proposed expansion is estimated to be ₹ 1,762.08 million as per the Company commissioned TEV Report dated October 3, 2024 prepared by CARE Analytics and Advisory Private Limited ("**TEV Report**") which is proposed to be funded by Net Proceeds of this Offer.

With the proposed expansion, our aggregate installed capacity of all manufacturing units is expected to increase to 970,000 MTPA. The proposed expanded capacity is estimated to commence commercial manufacturing during Fiscal 2026 as per the Company commissioned TEV Report. We believe that the proposed expansion will enable us to further scale up our operations, onboard new customers across existing and new end application segments, introduce new products, better serve our existing customers, enable us to better address the business requirements of large customers, and facilitate our growth strategy. We have also obtained certain regulatory approval such as consent to establish from Andhra Pradesh Pollution Control Board. For further details please see the Section titled "*Use of Proceeds*" beginning on page 70 of this Preliminary Placement Document

Deepening our product penetration with existing customers and increasing our customer base from industry tailwind

One of our key business strategies is to continue to diversify our presence across industry verticals such as oil & gas, infrastructure, water transportation, railways & airports, automotive, solar energy industry, agriculture among others, which have experienced significant growth in recent periods, and are expected to continue to grow significantly in the future.

Oil & Gas: Around 24,921 km of gas pipelines were operational in India as of June 2024, while 10,789 km of pipelines were under construction. Furthermore, there is the government's thrust to enhance the supply and consumption of natural gas. Also, the usage of cleaner sources of energy such as natural gas is being encouraged in line with the growing concern toward the environment and climate change. According to the Petroleum Planning and Analysis Cell (PPAC), 10,941 km of crude oil pipeline and 23,367 km of petroleum product pipeline were operational in India as of July 01, 2024. As pipelines are a more efficient mode of fuel transportation, the crude and petroleum product pipeline infrastructure are expected to expand to cater to the growing domestic demand. Further, the CGD network in India has expanded significantly in the past decade. Cumulatively up to Round 11A of CGD Bidding, there are 300 GAs authorised by PNGRB covering around 88% of the country's geographical area and 98% of its population. To cover 100% geographical area for the development of the CGD network, the 12th CGD bidding round will offer 7 Geographical Areas (GA) covering five North East states viz. Arunachal Pradesh, Meghalaya, Manipur, Nagaland, and Sikkim and UTs of Jammu & Kashmir and Ladakh. *(Source: CARE Report)*

Infrastructure & Construction: During FY23, the residential real estate market witnessed steady growth with increased sales momentum supported by past inventory levels and continued new project launches specifically in the affordable and mid-size segments. The momentum continued to rise in FY24 and during Q4 FY24, the sales and new project launches reported a growth rate of 9.1% and 7%, respectively, corresponding to the same period in the previous year. Government's initiatives, including the Pradhan Mantri Awas Yojana (PMAY), the Urban Development Plan, and the digitization of land records, have been playing a pivotal role in stimulating growth within the sector. Further, the commercial real estate (including retail space) industry is expected to witness stable growth in the near-medium term driven by back-to-office/hybrid work trends, business growth especially in the e-commerce, co-working, information technology, and BFSI sectors, and rising consumer spending. *(Source: CARE Report)*

Roads: With a total 6.68 Million kilometers (kms) of road network, India ranks second in the world. This road network supports movement of 60% of freight traffic in the country and 87% of the total India's passenger traffic. Over the years budgetary allocation has been increased from Rs 0.52 lakh crore in FY17 to Rs 2.78 lakh crore in FY25 demonstrating the Government's high focus on infrastructure sector. For better connectivity and faster movement of goods, Government is expanding 2 lane highways to 4 lanes and 4 lanes to 6 lanes. Government has also identified border areas for better connectivity and have launched various projects. This sector has higher opportunities as the connectivity of ports and other key locations such as consumption centres, metros, Tier-2 cities and strategic importance is still under developed. *(Source: CARE Report)*

Water Infrastructure: Government has launched the 'Atal Bhujal Yojana' (Atal Jal) to upgrade the groundwater management system through community participation. The major objective of this scheme is to improve the management of groundwater resources in select water-stressed areas in identified states namely Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Uttar Pradesh. Further, on 15th August 2019, the 'Jal Jeevan Mission' programme was launched by the government to provide safe and adequate drinking water to all households in rural India by 2024. The functional household tap connections as of 9th September 2024 were about 15.13 crore. This programme will further enhance the water infrastructure and aid in the demand for pipes in the country. *(Source: CARE Report)*

Railways: India is the 4th largest railway system in the world behind the US, Russia, and China with a total track length of 1,26,366 km with 7,337 stations as of FY21. The government proposes to launch 400 new Vande Bharat trains in the next 3 years along with the development of 100 Cargo Terminals over the next few years. Additionally, the construction of a Dedicated Freight Corridor (DFC), which are broad gauge rail network to be utilized exclusively for freight trains, will lead to an increase in the railway's share in domestic freight movement. The western and eastern DFCs are 86% and 90% complete, respectively, and are expected to be commissioned by FY25. Also, the East Coast Corridor, East-West Corridor, and North-South Corridor are under the planning stage. *(Source: CARE Report)*

Airports: The Indian airport industry anticipates robust growth in both passenger and freight sectors driven by factors like increasing e-commerce, manufacturing activities, and international trade. Freight traffic is projected to grow steadily from FY24 to FY28, supported by initiatives such as the Krishi Udan Scheme aimed at enhancing agricultural product transport. The sector will continue to prioritize air cargo for perishable goods due to its efficiency, while improvements in regional airports and cargo facilities will enhance connectivity in underserved areas. Integration with road and rail networks through initiatives like Sagarmala and Bharatmala will further bolster logistics efficiency. *(Source: CARE Report)*

Power – Solar: India has a solar potential of 749 GW, assuming that solar PV modules cover 3% of the waste land area. Comparatively, India had an installed capacity of 82 GW of as on March 2024. Solar energy accounted for 51.35% of the renewable energy basket (excluding Hydro Power) as of March 2024. Over the previous years, the solar power industry has experienced strong growth. During FY20 to FY24, the segment added around 47.2 GW of capacity, registering a CAGR of 24%, albeit on a low base. A total of about 9.5 GW of solar capacity was added in Q4FY24. Solar capacity addition contributed to about 66% of the total renewable capacity added in the period. The surge was due to the rush to complete projects before the reinstatement of Approved List of Models and Manufacturers (ALMM) from April 1st, 2024, delayed projects getting commissioned and falling module prices. The increase in installed capacity is also the result of favorable market conditions and strategic policy interventions and technological innovations. *(Source: CARE Report)*

Some of the schemes initiated by Government to promote solar power are Jawaharlal Nehru National Solar Mission (JNNSM), The International Solar Alliance (ISA), Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan (PM KUSUM), Rooftop solar power (RTS), Solar Parks programme, Solar Cities programme, Off-Grid Solar PV Applications Programme Phase III for Solar Street Lights, Solar Study Lamps, and Solar Power Packs etc. *(Source: CARE Report)*

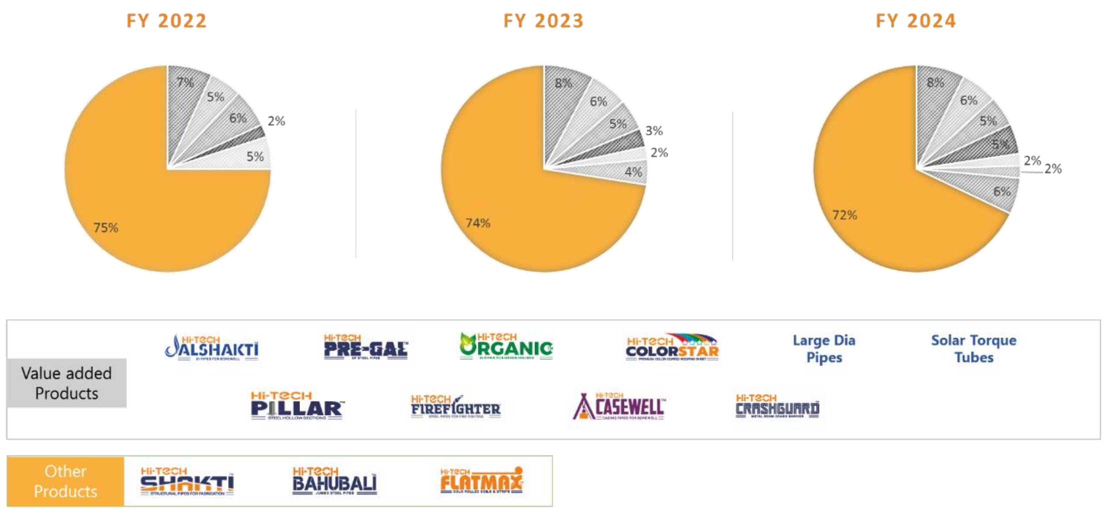
Automotive: During FY24, domestic automobile sales witnessed a growth of about 17% on a y-o-y basis. On the other hand, exports declined by only around 3.5% y-o-y in the same year as compared to a 15% decline in FY23, due to ongoing global headwinds. Barring the passenger vehicles segment, which grew by 1.4% with the increasing demand in the sports utility vehicle segments, the exports for two-wheelers, commercial vehicles, tractors, and three-wheelers declined by 5.3%, 16.3%, 21.4%, and 17.9% respectively. Accordingly, exports remained subdued in FY24 given the recessionary pressures across key export markets. *(Source: CARE Report)*

We believe that our presence in these industry verticals has helped us, and will continue to help us, diversify our operations beyond our existing industries.

We will continue to expand our product portfolio and plan to provide differentiated offerings to our customers. In order to expand our customer base, we are dedicated to upholding the high-quality standards, aligning our practices seamlessly with customer expectations to effectively eliminate product risk. Through ongoing communication with customer representatives, we develop a collaborative environment that drives continuous process improvement. With a focus on sustainability and customer satisfaction, we believe that we are well-positioned to meet evolving consumer preferences and regulatory requirements. We routinely track business development with a view to ensure a robust pipeline for future growth. We believe that there is substantial opportunity to expand our customer base across our business segments, functions and geographies.

Increasing Operational efficiency and margins with increased share in value added products

We continue to invest in increasing our operational efficiency throughout the organization. The company intends to increase its margins by increasing its share of value added product in the product mix. The share of value added product has increased from 26% in Fiscal 2023 to 28% in Fiscal 2024 to 36% for the three months period ended June 30, 2024 thereby increasing its EBITA/ton from ₹ 2,915 in Fiscal 2023 to ₹ 2,937 in Fiscal 2024 to ₹ 3,494 for the three month period ended June 30, 2024.



Additionally, the Company intends to set up 100,000 MTPA and 90,000 MTPA Direct Forming Technology (DFT) Line for its upcoming expansion plans at Sanand, Gujarat and Sri City (Chinnapandru), Andhra Pradesh, which will enable us to manufacture large dia section pipes and large hollow section respectively. Direct Forming Technology 'DFT' is a high-tech method for producing Electric Resistance Welding 'ERW' steel Tubes and Pipes.

The DFT provides several advantages over the traditional method which are namely:

- Faster production: DFT reduces the time it takes to produce customized hollow sections by eliminating the need to change the roll.
- Higher quality: DFT produces seamless, high-quality tubes in a single pass.
- More flexibility: DFT allows for the production of any size within the mill range without changing the roll.
- Cost reduction: DFT is a sustainable and cost-efficient method of production.
- Environmentally friendly: DFT uses low-grade raw materials that are highly available and helps fulfil stricter ecological regulations.
- Superior strength: DFT produces square and rectangular hollow sections that are lighter in weight and stronger than other methods.
- On-time delivery: DFT ensures that high-quality material is delivered on time

(Source: TEV Report)

We are addressing the increase of our operational output through continuous process improvement, QC / QA activities, customer service, consistent quality and technology development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread amongst our employees.

Expand our footprint in other geographies

As on the date of this Preliminary Placement Document, our products are available across 17 states with North region contributing to 60.91% of our Revenue from Operations. We intend to enter the other untapped regions, i.e., western, eastern, and southern regions of India, which will be beneficial for our overall growth in upcoming Fiscals. We have identified the geographical regions where we do not have a significant market presence and are increasing our distribution and sales efforts in these regions to grow our market share. The region wise domestic sales including sale of scrap on a consolidated basis are as follows:

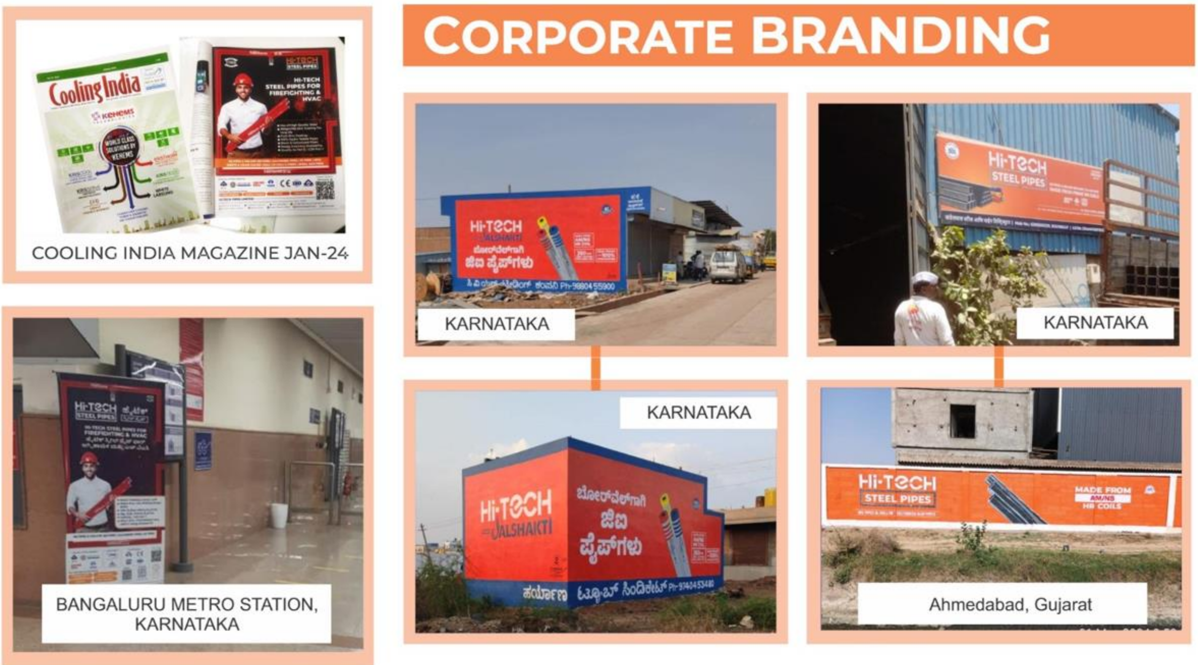
Domestic Region	**Three months period ended June 30**				**Fiscal**					
	2024		**2023**		**2024**		**2023**		**2022**	
	₹ in Million	**% as a revenue from operation**	**₹ in Million**	**% as a revenue from operation**	**₹ in Million**	**% as a revenue from operation**	**₹ in Million**	**% as a revenue from operation**	**₹ in Million**	**% as a revenue from operation**
North	4,484.75	51.76	3,969.36	61.95	16,440.14	61.04	13,664.30	57.41	10,399.50	56.68
West	3,531.98	40.76	1,889.48	29.49	8,377.67	31.10	7,484.96	31.45	55,73.08	30.37
South	644.33	7.44	533.29	8.32	2,073.76	7.70	2,624.71	11.03	2,315.65	12.62
East	3.25	0.04	15.30	0.24	43.44	0.16	26.07	0.11	60.49	0.33
Total	**8.664.31**	**100.00**	**6,407.43**	**100.00**	**26,935.01**	**100.00**	**23,800.04**	**100.00**	**18,348.72**	**100.00**

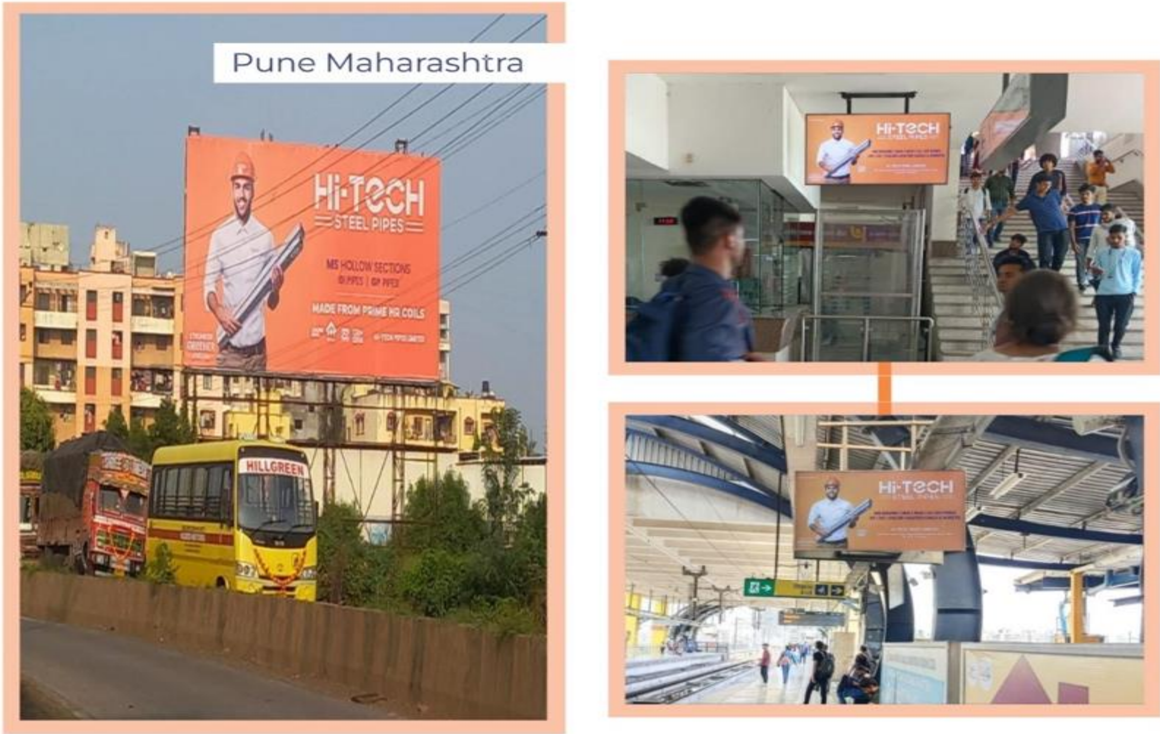
Additionally, we also intend to extend our footprints in global market. The exports of steel tubes and pipes have grown at a CAGR of 8.3% during the past five years from 1,149 thousand tonnes in FY20 to 1,583 thousand tonnes in FY24. The export market has always been on a steady rise except for FY21 as the outbound shipments were affected by the pandemic. However, they grew by 20.5% y-o-y in FY22 after the easing of lockdown and restrictions. Moreover, during FY23, exports increased by 8.6% y-o-y. A significant y-o-y growth of nearly 70% in outbound shipments to the USA, amounting to 310 thousand tonnes, led to a rise in exports during FY23. In addition, shipments to UAE, Canada, Indonesia, and Malaysia supported the export growth. During FY24, the exports registered a growth of 22.3% on a y-o-y driven by a remarkable y-o-y growth of 22x times in outbound shipments to Morocco, amounting to 150 thousand tonnes. *(Source: CARE Report)*

Strengthening Goodwill and increasing brand awareness

Coming from a legacy of steel making, our promoters have believed in building trustworthy relationships in business which has enabled us to develop long-term relationships with our customers. However, our brand development is at a relatively nascent stage in comparison with our peers/competitors who have the benefit of longer operating history. We are, therefore, proactively working towards enhancing our brand and visibility through our marketing initiatives and brand engagement exercises.

We recognize the integral role online and offline marketing in shaping a brand's identity and promoting meaningful connections with the stakeholders. As a result, we have built and implemented a brand-building procedure that incorporates both of these platforms. Our sales and marketing teams are working across India to activate untapped dealer networks. We use various marketing materials such as catalogues, and stationery items. Our directors also appear on media platforms such as CNBC, ET Now, NDTV, which enables us to engage and communicate transparently with investors, shareholders, and other stakeholders. We also curate cohesive and visually appealing hoardings, wall printing advertisement, metro advertisement.





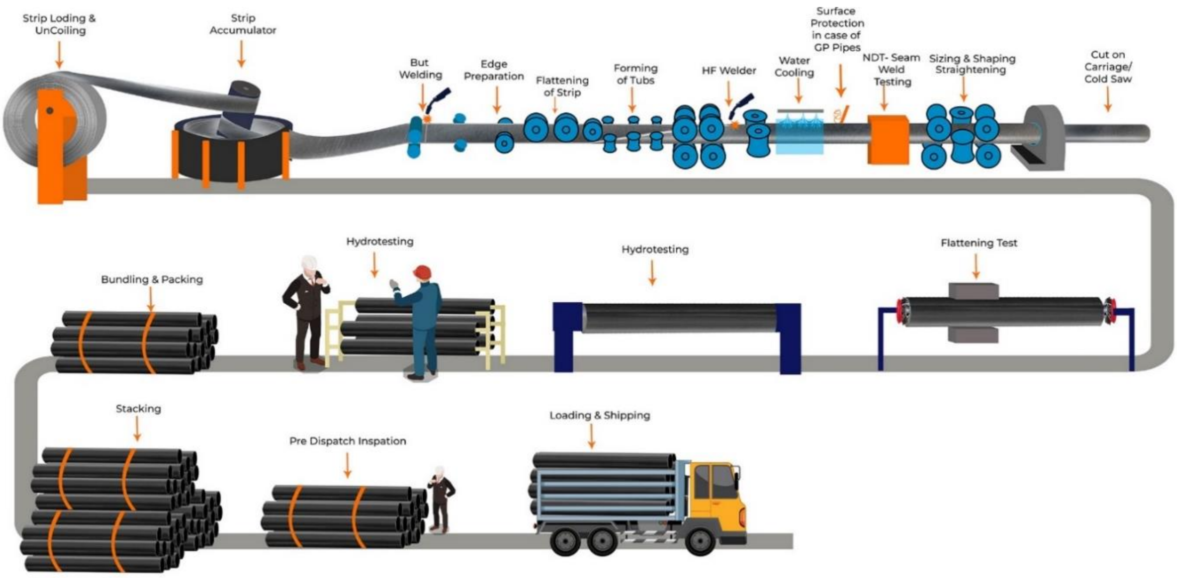
Considering our current market presence with our customers in diversified sectors and geographies and in order to further penetrate the market, we intend to make consistent efforts to strengthen own goodwill and enhance our brand visibility for attaining parity with our industry peers. Towards this end, we intend to undertake various marketing initiatives including participation in industrial trade fares, dealers meet. We believe that such initiatives shall improve our brand positioning, overall brand recall value and support us in our growth strategy.

DESCRIPTION OF OUR BUSINESS OPERATION

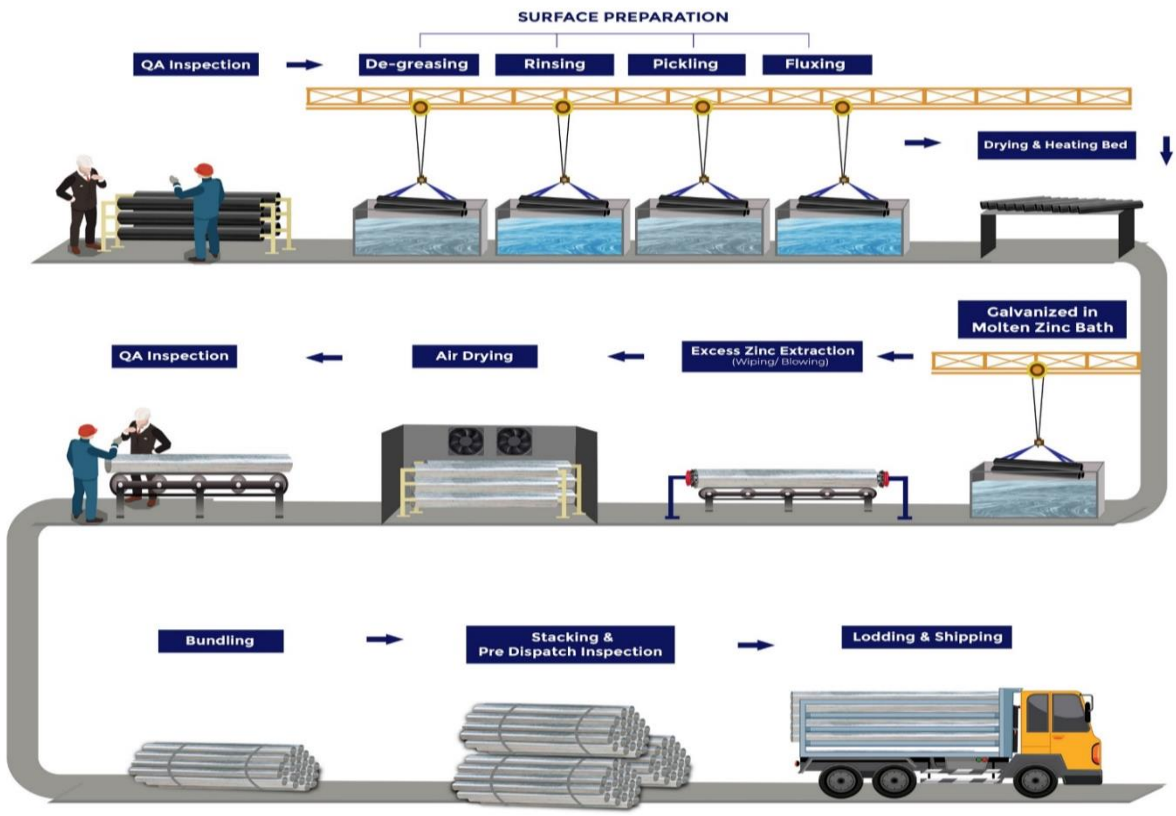
Manufacturing Process

Our Manufacturing Units are equipped for both individual and diversified processes, and their fungibility enables us to employ them in the most optimum manner to suit the production plan. Additionally, most of our machinery with certain modification is capable of being used interchangeably for either of our products, depending on the demand for such products. Set forth below is a flowchart of the typical manufacturing process employed by us for manufacturing of our products at our Manufacturing Units:

Manufacturing process of steel pipes



Galvanizing process of steel pipes



Manufacturing Units

As of the date of this Preliminary Placement Document, we along with our subsidiaries namely, HTL Metal Private Limited and HTL Ispat Private Limited operate six (6) manufacturing units of which (i) two (2) manufacturing units are located in Uttar Pradesh, (ii) one (1) manufacturing unit is located in Andhra Pradesh, (iii) one (1) manufacturing unit is located in Maharashtra, and (iv) two (2) manufacturing units are located in Gujarat.

The details of our installed capacity, actual production and utilisation during Fiscal 2024, 2023 and 2022:

Location of Manufacturing Units	As of and for the financial years ended								
	2024			2023			2022		
	Installed Capacity	Actual Production	Utilization	Installed Capacity	Actual Production	Utilization	Installed Capacity	Actual Production	Utilization
	Metric tonnes per annum	Metric tonnes per annum	(%)	Metric tonnes per annum	Metric tonnes per annum	(%)	Metric tonnes per annum	Metric tonnes per annum	(%)
COMPANY									
Plot No. 10&16 Situated at Industrial Area Site No. Sikandrabad	255,000	240,056	94.14%	255,000	219,607	86.12%	255,000	184,490	72.35%
Plot No. E-6, Sanand-II, Industrial Estate, GIDC, Ahmedabad	125,000	57,653	46.12%	125,000	55,490	44.39%	125,000	40,667	32.53%
Block No.270, 271, 272, opposite Nayara petrol pump, Makhiyav, Taluka-Sanand, District-Ahmedabad, Gujarat	170,000*	10,406	24.48%	-	-	-	-	-	-
SUBSIDIARIES									
HTL Metal Private Limited									
Plot No. 41 B/1 situated at Industrial Park, Gollapuram, Hindupur - Andhra Pradesh	120,000	40,777	33.98%	120,000	44,995	37.50%	120,000	33,157	27.63%
HTL Ispat Private Limited									
Survey No. 33 Hissa No. 2/A/2 situated at Revenue Village Ajivali, Taluka Khalapur, Dist. Raigad, Khopoli Road – Maharashtra	80,000	39,500	49.34%	80,000	36,488	45.61%	80,000	23,495	29.37%
Total	**750,000****	**388,392**	**62.39%**	**580,000**	**356,580**	**61.48%**	**580,000**	**281,809**	**48.59%**

Notes:

**Capacity was ready to utilize from Q4 of the Financial year 2023-24, hence the utilization % was annualized.*

*** Average capacity for the calculation of total utilization percentage is (750000-(170000/4*3))=622500 MT P.A.*

As certified by Anil Kumar Singh, Chartered Engineer vide its certificate dated October 3, 2024.

In addition, we purpose to increase our capacity of our existing manufacturing unit at Sanand, Gujarat (Unit 2, Phase 2) and have laid the foundation for establishment of a manufacturing unit at Sri City (Chinnapandru), Andhra Pradesh. We have also obtained certain regulatory approvals such as environment clearance for our new manufacturing unit.

Our Product Portfolio

Brand	Key Products	Industry Application	Description
Hi-Tech Jal Shakti Pipes	Galvanised (GI) Pipes	Agriculture for water transportation & management	**Size Range:** 15mm NB to 150mm **Thickness :** 2mm to 6mm **IS Specification :** IS: 1239 Part-1
Hi-Tech Organic GI Pipes	Galvanised (GI) Pipes	Organic Agriculture for construction and fabrication of greenhouses	**Size Range:** 25mm NB to 150mm **Thickness :** 2mm to 4mm **IS Specification:** IS: 3601 / IS: 1161
Hi-Tech Casewell	MS & GI Casing Pipes	Agriculture for water Bore well and water transportation management	**Size Range:** 168mm(OD) To 173mm(OD) **Thickness :** 1.4mm to 2.5 **IS Specification :** IS: 3601/ IS:1161/ IS:4270
Hi-Tech Pre-Gal	GP Pipe	Construction of roofing shed and general fabrication in the Coastal Areas	**Size Range:** CHS : 0.5’’ to 6”/ SHS:20x20-150x150 mm RHS: 26x13 - 200x100 mm **Thickness :** 1.2mm to 2.5mm **IS Specification :** IS: 4923 / IS:3601
Hi-Tech Firefighter	Black and GI Pipes	Fire-Fighting Pipes for high rise residential, commercial and industrial buildings	**Size Range:** 15mm NB to 150mm **Thickness :** 2mm to 6mm **IS Specification :** IS: 1239 Part-1
Hi-Tech Shakti	MS Hallow Sections	Steel Pipes for structural purposes used construction, infrastructure, renewable energy, telecom towers, scaffolding and general fabrication etc	**Size Range:** SHS: 12x12 - 100x100 mm RHS: 26x13- 122x61mm **Thickness :** 0.8mm to 5mm **IS Specification :** IS: 4923
Hi-Tech Flatmax	CRFH, HROP, GPGC, PPGI Coils & Sheets	Automobile infrastructure, Auto OEM components, Roofing Sheets, Sandwich Panels, Steel Almira, Steel Chaukhats etc	**Width** 50mm to 1250mm **Thickness :** 0.20mm to 2.50mm
Hi-Tech ColorStar	PPGI Coils	Industrial Sheds, Roofing, White Goods, Sandwich Panels, Wall Cladding	**Width** 200 mm to 1000 mm **Thickness** 0.25 mm to 2 mm
Hi-Tech Solar Torque Tubes	ZAM Tubes and Pipes	Solar Torque Tubes used in Solar Panels as Solar Trackers	**Size** 50 mm to 150 mm

Brand	Key Products	Industry Application	Description
			Thickness 2.5 mm to 5 mm

Raw Materials and Suppliers

The key raw materials used in the manufacturing of our major products include HR coils and zinc. For the three months period ended June 30, 2024, June 30, 2023, Fiscals 2024, 2023 and 2022, our cost of raw materials consumed was ₹7,168.79 million, ₹5,270.89 million, ₹22,550.50 million ₹20,899.15 million and ₹17,353.40 million, comprising 82.69%, 82.08%, 83.54%, 87.60% and 92.36% of our total revenue from operations, respectively. We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers or open market. The terms and conditions for product quality and return policy are set forth in the purchase orders. Pricing and production volumes are negotiated for each purchase order. There are no contractual commitments other than those set forth in the purchase orders. The purchase price of our raw materials generally follows market prices. However, we maintain good relationships with our suppliers and have, where possible, diversified our supplier base so as to avoid a disruption in supply. No single supplier or third-party producer accounts for a material portion of our purchases or business. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated sales forcasting taking into consideration any expected fluctuation in raw material prices and delivery delay. See, "*Risk Factors – We have long-standing relationships with our key suppliers. Strategically, we enter into memorandum of understanding ("MOU") with our key suppliers for supplies planned for a year to ensure un-interrupted supplies through-out the year. As part of our strategy, we do not enter into fixed price contract. However, any increase in the cost of such raw materials may have an adverse effect on our business and results of operations.*" on page 44.

Inventory management

Our finished products are stored on-site at our Manufacturing Units and at our stock depot. We generally store sufficient stock of finished goods at our Manufacturing Units and at our stock depot. We produce a quantity of finished products that is determined based on a combination of confirmed and expected orders. Our expected orders have historically been confirmed due to the stable long-standing relationships that we have with our direct customers and dealers. Our production and inventory levels of our finished products are planned on a periodic basis based on the projected sales volumes and we make periodic adjustments to the production schedule and volumes based on actual orders received. We closely supervise our daily production and aim to maintain suitable inventory levels of raw materials and finished goods at each of our Manufacturing Unit. Further, for raw materials, we maintain different inventory levels depending on lead time required to obtain additional supplies.

Sales, Distribution and Marketing

Marketing involves managing relationships with our existing customers and meeting the needs of new customers. As of September 15, 2024, we have a marketing team of 22 employees. We also have established an extensive, distribution network across India for our selling our products. We have created a dedicated sales and marketing teams for each of our business verticals *viz* dealers & distributors, projects, government and exports, who are responsible for understanding and adapting to the needs of our customers for each particular business vertical. We are also focusing on specific markets where we believe there is room for penetration into more value-added products including galvanisation based and colour coated segments. We recognize the integral role online and offline marketing in shaping a brand's identity and promoting meaningful connections with the stakeholders. As a result, we have built and implemented a brand-building procedure that incorporates both of these platforms. Our sales team verbally engages with distributors and dealers on a time-to-time basis through their on-ground visits. This provides an avenue to educate and inform our customers about the new range of products. We also curate cohesive and visually appealing online content that embodies the brand's essence, history, and achievement. As a result, we curate thought-provoking content, including articles and videos, in the steel production industry to engage the professional audience. As of August 31, 2024, our products are sold in 17 states through a network of over 450 distributors, dealers, contractors, government departments and project customers.

Transportation and Logistics

Our suppliers either deliver our raw materials directly to us or we are required to collect the raw materials from our suppliers at our own costs. We hire third party logistics companies to transport our finished products to our customers. Further, we rely on the freight ships for the export of our products.

Quality Standards and Assurance

The ability to deliver consistently high-quality products to customers is critical to our business. Quality control is ensured by strict adherence to work protocols, from the procurement of raw materials through the stages of production. Our manufacturing units are certified with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for manufacturing and supply, of ERW steel tubes black/ galvanized/ screwed and socketed, tubular steel poles, structures, CR strips/ coils and crash barriers (W-Beams) for road safety. Our quality assurance department, comprising of 32 people as on September 15, 2024, which helps us to monitor the quality of raw materials used by us and the end products produced by us. Robust process and product audit and quality rating are conducted, and quality check parameters are laid down to ensure adherence to defined process and product specifications.

Pricing

We determine the prices for our products, based on various parameters, including market demand, our production capacity, transportation costs, raw materials costs, inventory levels, competitors' prices and credit terms. Prices for different regions may be different based on transportation cost, demand quantity and other overheads of the region. We review our prices regularly, based on prevailing wholesale prices in the market.

Employees

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our key geographical markets and in our industry. As of September 15, 2024, we had approximately 1,051 full-time employees at our Company. We believe we have good relations with our employees. We further believe our employees are one of our most important assets and critical to maintaining our competitive position in our key geographical markets and in our industry.

Competition

We operate in a competitive business, both in India and overseas. We try to remain competitive by seeking to understand the markets in which we operate in better and identify emerging opportunities. We believe that our consistent tracking of markets and our consistent interaction with our customers is a key to our competitiveness and these factors inter alia enable us to anticipate the needs of our customers. For further details on our competition, please see section titled "*Industry Overview*" on page 122.

Information Technology

Our manufacturing units operate on a digitally enabled, process based, integrated ERP system. Information technology has emerged as a key business enabler for us and plays an important role in improving our overall productivity, customer service and risk management. We have an ERP software called Bizsol installed to manage the processes in finance, accounting, manufacturing, supply chain and to track the record of day-to-day business activities along with software to manage and calculate IT returns. We continue to implement automation initiatives on top of our core applications to streamline our procurement of raw materials, manufacturing process, sale of finished goods, payments to vendors and suppliers, and receivables from customers or franchisees.

Insurance

Our operations are subject to various risks inherent in the steel tubes and pipes industry such as risk of machinery failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our principal types of insurance coverage include standard fire and perils insurance policy, motor vehicle policy, burglary policy, marine policy which covers goods stored in warehouses and also covers property lost or damaged due to earthquakes or terrorism. We believe that our insurance coverage is in accordance with industry custom, including with respect to the terms of and the coverage provided by such insurance. For further details, see "*Risk Factors - We may be subject to significant risks and hazards in course of our normal business operations, for which our insurance coverage might not be adequate*." on page 50.

Intellectual Property

Trademarks

Our Company has 12 registered trademarks and applied for registration of 1 trademark. The details of our trademarks in mention as below:

Trademark Application Number	Class	Date of Application Status	Status	Trademark type	Goods and Services Details
4717932	6	October 25, 2020	Registered	Word **Hitech Colorstar**	Color coated Roofting Sheets
4459522	6	February 29, 2020	Registered	Word **Hi-Tech Crashguard**	Metal Beam Crash Barrier
4459521	6	February 29, 2020	Registered	Word **Hi-Tech Flatmax**	Cold Rolled Coils and Strips
4469898	6	March 12, 2020	Registered	Word **Hi-Tech Bahubali**	Iron and steel pipes, CR sheets, GPGC sheet, Pipe of metal
4248987	6	July 29, 2019	Registered	**Device** Hi-TECH PIPES	Iron and steel pipes, CR sheets, GPGC sheet, Pipe of metal
4335164	6	November 01, 2019	Registered	**Device** Hi-TECH ORGANIC	Iron and steel pipes, CR sheets, GPGC sheet, Pipe of metal
4335163	6	November 01, 2019	Registered	**Device** HI-TECH ORGANIC	Iron and steel pipes, CR sheets, GPGC sheet, Pipe of metal
5098077	6	August 21, 2021	Registered	**Device** Hi-TECH PILLAR STEEL HOLLOW SECTIONS	Common metals and their alloys; metal building materials, Pipes
4459523	6	February 02, 2020	Registered	**Word** Hi-Tech Pre Gal	GP Pipes
4717931	6	October 25, 2020	Registered	**Word** Hitech Roofstar	GI Roofing Sheets
4459519	6	February 29, 2020	Registered	**Word** Hi-Tech Shakti	Structure Pipes
4469899	6	March 12, 2020	Registered		Iron and steel pipes, CR sheets, GPGC sheet, Pipe of metal

Trademark Application Number	Class	Date of Application Status	Status	Trademark type	Goods and Services Details
4139409	6	April 5, 2019	Objected	**Word** "Jal Shakta"	Iron and steel pipes CR sheet, GPGC sheet; pipe of metal

Properties

Our Registered Office is located at 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, North Delhi, New Delhi – 110034, India. Our manufacturing units located in India and other jurisdictions are on premises that are either owned by us or leased by us. Our lease agreements for our manufacturing units in India are typically range between 41 years to 99 years.

ORGANIZATIONAL STRUCTURE

Corporate History

Our Company was incorporated as "*Ram Lal Harbans Lal Limited*" under the provision of Companies Act, 1956, pursuant to the certificate of incorporation dated January 02, 1985, issued by Registrar of Companies, Delhi and Haryana, located at New Delhi (the "**RoC**"). Consequently, certificate for commencement of business dated January 23, 1985, was issued by RoC. Subsequently, the name of our Company was changed to "*Hi-Tech Pipes Limited*" and a fresh certificate of incorporation consequent upon the change of name was granted on October 15, 1986 by the RoC.

The Registered Office of our Company is located at 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, North Delhi, New Delhi – 110034, India.

Change in the Registered Office

The registered office of our Company was originally situated at 15/1 First Floor, Asaf Ali Road, New Delhi – 110002, India. Our registered office was shifted to 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, North Delhi, New Delhi – 110034, India, with effect from November 1, 2013.

Organisational Structure

As of the date of this Preliminary Placement Document, we have three wholly owned Subsidiaries. For further details, see "*Definitions and Abbreviations*" and "*Financial Statements*" beginning on pages 22 and 280, respectively

1. HTL Metal Private Limited;
2. HTL Ispat Private Limited; and
3. Hitech Metalex Private Limited.

Holding company

As on the date of this Preliminary Placement Document, our Company do not have any holding company.

Joint Venture

As on the date of this Preliminary Placement Document, our Company do not have any joint venture.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of the Board is governed by of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three (3) Directors and not more than fifteen (15) Directors.

As of the date of this Placement Document, our Company has seven (7) Directors, of which one (1) is the Managing Director, two (2) are Whole-time and Executive Directors, four (4) are Non-Executive Independent Director (including one (1) woman Independent Director).

The following table sets forth the details regarding our Board as on the date of this Preliminary Placement Document:

Sr. No.	Name, Address, DIN, Occupation, Term and Nationality	Age (years)	Designation and Term of Directorship
1.	**Ajay Kumar Bansal** **Address:** 39/41, West Punjabi Bagh, New Delhi-110026 **DIN:** 01070123 **Occupation:** Businessman **Nationality:** Indian	67	**Designation:** Chairman and Managing Director **Term:** Re-appointed for a period of 5 years with effect from October 1, 2022
2.	**Anish Bansal** **Address:** 39/41, West Punjabi Bagh, New Delhi-110026 **DIN:** 00670250 **Occupation:** Businessman **Nationality:** Indian	39	**Designation:** Whole-time and Executive Director **Term:** Re-appointed for a period of 5 years with effect from October 1, 2022
3.	**Kamleshwar Prasad** **Address:** B-4/3, Dalip Park, Modinagar, Ghaziabad, Uttar Pradesh- 201204 **DIN:** 10438618 **Occupation:** Serviceman **Nationality:** Indian	61	**Designation:** Whole-time and Executive Director **Term:** Appointed for a period of 3 years with effect from January 12, 2024
4.	**Prashant Kumar Saxena** **Address:** Gulmohar 1202, Shipra Krishna Srishti, Plot No. 15, Ahinsa Kund 1, Indirapuram, Ghaziabad, Uttar Pradesh- 201014 **DIN:** 08058166 **Occupation:** Retired Professional **Nationality:** Indian	67	**Designation:** Non-Executive Independent Director **Term:** Re-appointed for a term of 5 years with effect from January 30, 2023
5.	**Vivek Goyal**	55	**Designation:** Non-Executive

Sr. No.	Name, Address, DIN, Occupation, Term and Nationality	Age (years)	Designation and Term of Directorship
	Address: 424, Mansa Devi Complex, Sector-6, Panchkula, Panchkula Sector 8, Haryana, 134109 **DIN:** 01183098 **Occupation:** Practicing Chartered Accountant **Nationality:** Indian		Independent Director **Term:** Re-appointed for a term of 5 years with effect from January 30, 2023
6.	**Neerja Kumar** **Address:** C-181, Radha Garden Mawana Road, Meerut, Meerut Cantt, Uttar Pradesh, 250001 **DIN:** 08679454 **Occupation:** Retired Professional **Nationality:** Indian	65	**Designation:** Non-Executive Independent Director **Term:** Re-appointed for a period of 5 years with effect from January 22, 2020
7.	**Mukesh Kumar Garg** **Address:** Flat No. 2714, Eternia Tower, Mahagun Mezzaria, Sector 78, Noida, Gautam Buddha Nagar, Uttar Pradesh, 201301 **DIN:** 08936325 **Occupation:** Retired Professional **Nationality:** Indian	65	**Designation:** Non-Executive Independent Director **Term:** Re-appointed for a period of 3 years with effect from December 03, 2023

Brief Profiles of our Directors

Ajay Kumar Bansal, is the Chairman and Managing Director of our Company. He has been associated with our Company since January 2, 1985. He has over 39 years of experience in steel tubes and pipes industry. He has completed his senior secondary from N. C. Jindal Public School, Delhi. He holds a bachelor's degree in commerce from the University of Delhi. He is responsible for the overall management of our Company.

Anish Bansal, is the Whole-time and Executive Director of our Company. He has been associated with our Company since February 19, 2009. He has over all 18 years of experience in steel tubes and pipes industry. He holds a Bachelor of Economics and Social Studies from Cardiff University. He also holds a certification of professional development program- *'Leadership Coaching Strategies'* from Harvard University. He is responsible for managing our Company's operations and identifying new growth opportunities through strategic planning.

Kamleshwar Prasad, is the Whole-time and Executive Director of our Company. He has been associated with our Company since January 12, 2024. He has over 32 years of experience in steel tubes and pipes industry. He holds a bachelor's degree in science from Ram Jaipal College. He has also completed a training course on Radiation Safety Aspects of Nucleonic Gauges from Bhabha Atomic Research Centre. He is responsible for operative function of our Company.

Prashant Kumar Saxena, is the Non-Executive Independent Director of our Company. He has been associated with our Company since January 30, 2018. He has over 35 years of experience in banking industry and over 6 years of experience in steel tubes and pipes industry. He holds a bachelor's degree in science from Gadhwal University. He also has completed has Master of Business Administration from Sikkim Manipal University.

Vivek Goyal, is the Non-Executive Independent Director of our Company. He has been associated with our Company since January 30, 2018. He holds bachelor's degree in commerce from Government Ranbir College, Sangrur. He is a practicing-chartered accountant by profession and has over 29 years of experience. He has successfully completed the training and passed the Debt Recovery Agent Examination of the Indian Institute of Banking & Finance. He has also completed the Certificate Course on Concurrent Audit of Banks conducted by the Internal Audit Standards Board of the Institute of Chartered Accountants of India in 2015.

Neerja Kumar, is the Non-Executive Independent Director of our Company. She has been associated with our Company since January 22, 2020. She has over 37 years of experience in banking industry and over 4 years of experience in steel tubes and pipes industry. She holds bachelor's degree (Hons) in Science from Meerut University. She has also completed Master of Philosophy from the Institute of Advanced Studies, Meerut University.

Mukesh Kumar Garg, is the Non-Executive Independent Director of our Company. He has been associated with our Company since December 3, 2020. He has over 34 years of experience in railways industry and over 3 years of experience in steel tubes and pipes industry. He has completed his B. Tech. (Hons) in civil engineering from Govind Ballabh Pant Krishi Evam Praudyogik Vishwavidyalaya. He has completed his Master of Technology in structural Engineering from Indian Institute of Technology, Delhi and Post Graduate Diploma in Management and Finance from Indira Gandhi National Open University.

Relationship between our Directors

Except as disclosed below, none of our Directors are related to each other:

Name of the Director	Nature of Relationship
Ajay Kumar Bansal and Anish Bansal	Father and Son

Borrowing Powers of our Board

In terms of the Articles of Association, the Board may, from time to time, at its discretion raise or borrow any sum or sums of money for the purposes of our Company and subject to the provisions of the Companies Act may secure payment or repayment of the same in such manner and terms as prescribed by the Board. The shareholders resolution of our Company passed on September 29, 2023 in accordance with the provisions of Section 180(1)(c) of the Companies Act authorised the Board to borrow monies together with monies already borrowed if any (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), in excess of the aggregate of the paid up capital of our Company and its free reserves including securities premium, not exceeding ₹8,000 million at any time.

I. Terms of Appointment of Executive Directors

Each of the Executive Directors of our Company are entitled to the following remuneration and perquisites:

a. Ajay Kumar Bansal

Ajay Kumar Bansal is the Chairman and Managing Director of our Company. The following table sets forth the current terms of appointment of Ajay Kumar Bansal, pursuant to the Board resolution dated August 10, 2022 and shareholders resolution dated September 28, 2022:

Salary	Upto Rs. 14.40 million per annum, with such variation/increase from time to time as the Board/Committee of Directors may decide.
Perquisites	Perquisites shall be allowed in addition to salary restricted to an amount equal to the annual salary or upto Rs. 14.40 million per annum
Reimbursements	a) Medical Reimbursement: ceiling of one month salary in a year b) Club fee payable subject to maximum of 2 clubs c) Leave Travel Concession: as per rules of the Company d) Personal Accident Insurance: as per rules of the Company e) Contribution to provident fund f) Gratuity: shall not exceed half month salary g) Encashment Leave: At the end of the tenure h) Holiday passage: for children/family outside India i) Provision of car: Use of Company's Cars along with driver and telephone at the residence and Mobile phone for official use purposes.

b. Anish Bansal

Anish Bansal is the Whole-time and Executive Director of our Company. The following table sets forth the current terms of appointment of Anish Bansal, pursuant to the Board resolution dated August 10, 2022 and shareholders resolution dated September 28, 2022:

Salary	Upto Rs. 12.00 million per annum, with such variation/increase from time to time as the Board/Committee of Directors may decide.
Perquisites	Perquisites shall be allowed in addition to salary restricted to an amount equal to the annual salary or upto Rs. 12.00 million per annum
Reimbursements	a) Medical Reimbursement: ceiling of one month salary in a year b) Club fee payable subject to maximum of 2 clubs c) Leave Travel Concession: as per rules of the Company d) Personal Accident Insurance: as per rules of the Company e) Contribution to provident fund f) Gratuity: shall not exceed half month salary g) Encashment Leave: At the end of the tenure h) Holiday passage: for children/family outside India i) Provision of car: Use of Company's Cars along with driver and telephone at the residence and Mobile phone for official use purposes.

c. Kamleshwar Prasad

Kamleshwar Prasad is the Whole-time and Executive Director of our Company. The following table sets forth the current terms of appointment and remuneration of Kamleshwar Prasad, pursuant to the Board resolution dated January 12, 2024 and shareholders resolution dated February 26, 2024:

Salary	Upto Rs. 1.88 million per annum with such variation/increase from time to time as the Board/Committee of Directors may decide.
Perquisites	Perquisites shall be allowed in addition to salary restricted to an amount equal to the annual salary.
Reimbursements	a) Medical Reimbursement: actual premium paid for one policy in a year subject to maximum of 3 years. b) Club fee payable subject to maximum of 1 club c) Leave Travel Concession: as per rules of the Company

Remuneration of our Executive Directors

The following tables set forth the details of remuneration paid by our Company to the executive directors of our Company for the current year and Fiscal 2024, Fiscal 2023, Fiscal 2022:

(*₹ in million*)

Sr. No.	Name of the Director	Remuneration from July 1, 2024 till the date of this Preliminary Placement Document	Three months period ended June 30, 2024	Remuneration for Fiscal 2024	Remuneration for Fiscal 2023	Remuneration for Fiscal 2022
1.	Ajay Kumar Bansal	3.60	3.60	14.40	12.00	9.60
2.	Anish Bansal	3.00	3.00	12.00	9.00	6.00
3.	Kamleshwar Prasad	0.47	0.47	0.40	NA	NA

II. Terms of appointment of Non-Executive-Independent Directors

Pursuant to the Board resolutions dated January 28, 2023 our Non- Executive - Independent are entitled to receive sitting fees of 60,000 respectively for attending each meeting of the Board which is effective from the financial year 2022-23.

Sitting Fees of the Non-Executive - Independent Directors

The following table set forth the details of sitting fees paid by our Company to Non-Executive - Independent Directors of our Company for the current year and Fiscal 2024, Fiscal 2023, Fiscal 2022:

(*₹ in million*)

Sr. No.	Name of the Director	Sitting Fees from July 1, 2024 till the date of this Preliminary Placement Document	Three months period ended June 30, 2024	Sitting Fees for Fiscal 2024	Sitting Fees for Fiscal 2023	Sitting Fees for Fiscal 2022
1.	Prashant Kumar Saxena	0.12	0.06	0.36	0.36	0.16
2.	Vivek Goyal	0.12	0.06	0.36	0.36	0.16
3.	Neerja Kumar	0.12	0.06	0.36	0.36	0.16
4.	Mukesh Kumar Garg	0.12	0.06	0.36	0.36	0.16

Payment or benefit to Directors

In Fiscal 2024, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period.

Shareholding of Directors in our Company

The table sets forth the details of Equity Shares held by the Directors of the Company as on the date of filing this Preliminary Placement Document:

Sr. No.	Name of the Director	Number of Equity Shares held	Percentage of the pre-Issue issued and paid-up Equity Share capital
1.	Ajay Kumar Bansal	21,346,145	12.12
2.	Anish Bansal	15,544,000	8.83

Interest of our Directors

All the Directors may be deemed to be interested to the extent of their shareholding, remuneration or benefits to which they are entitled to as per their terms of appointment and fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses, if any, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered and to the extent of the Equity Shares held by them directly or indirectly in our Company and any dividend payable to them and other distributions in respect of such Equity Shares.

Except Ajay Kumar Bansal and Anish Bansal none of our Directors have any interest in the promotion or formation of our Company.

Our Directors may also be regarded as interested in any Equity Shares held by them and to the extent of any dividend payable to them and other distributions or benefits in respect of the Equity Shares held by them.

Further, none of our Directors are interested in any property acquired or proposed to be acquired by our Company.

Except as stated and provided in the section titled as "*Related Party Transactions*" on page 41, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary 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.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the Companies Act, 2013, SEBI Listing Regulations, and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law. Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders' Relationship Committee;
(d) Corporate Social Responsibility Committee; and
(e) Risk Management Committee

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

Sr. No.	Name of the Committees	Members
1.	Audit Committee	(a) Neerja Kumar (Chairperson); (b) Prashant Kumar Saxena; and (c) Anish Bansal.
2.	Nomination and Remuneration Committee	(a) Vivek Goyal (Chairperson); (b) Ajay Kumar Bansal; (c) Prashant Kumar Bansal; and (d) Neerja Kumar.
3.	Stakeholders' Relationship Committee	(a) Prashant Kumar Saxena (Chairperson); (b) Neerja Kumar; and (c) Ajay Kumar Bansal.
4.	Corporate Social Responsibility Committee	(a) Anish Bansal (Chairperson); (b) Neerja Kumar; (c) Ajay Kumar Bansal; and (d) Mukesh Kumar Garg.
5.	Risk Management Committee	(a) Anish Bansal (Chairperson); (b) Ajay Kumar Bansal; and (c) Mukesh Kumar Garg.

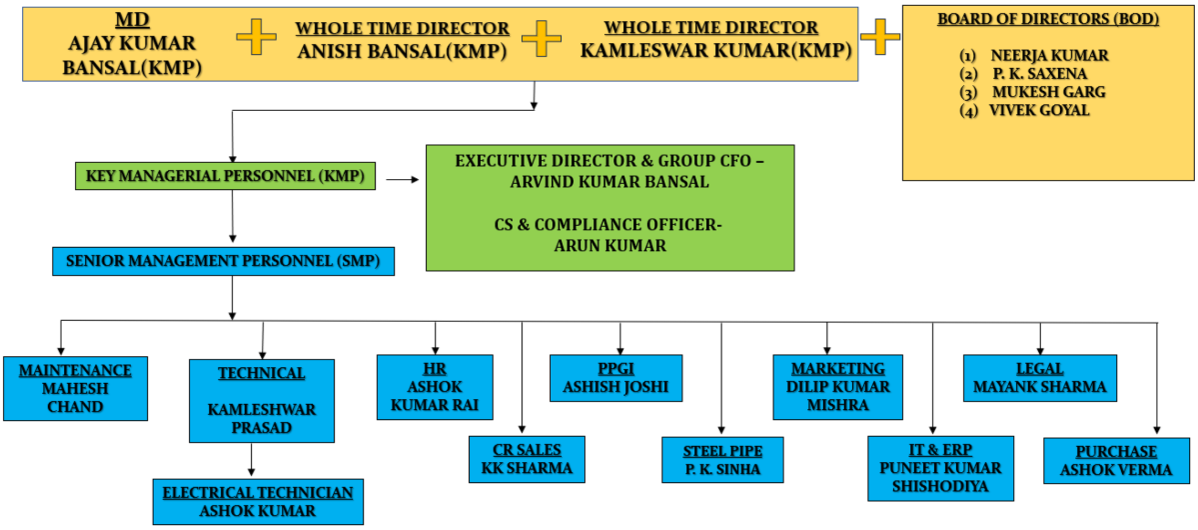
Key Managerial Personnel

The Key Managerial Personnel are permanent employees of our Company. In addition to our Chairman and Managing Director and Whole-time and Executive Directors whose details are set out in "*Brief profiles of our Directors*" on page 219, the details of our other Key Managerial Personnel in terms of the Companies Act and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document is as follows:

Name	Designation
Arvind Kumar Bansal	Executive Director* and Group Chief Financial Officer
Arun Kumar	Company Secretary and Compliance Officer

**Desgination of Arvind Kumar Bansal as Executive Director is in the capacity as KMP and SMP of our Company and does not form part of the Board of Directors our Company*

Management Organisation Structure



Senior Management

The members of Senior Management are permanent employees of our Company. In addition to Arvind Bansal Kumar, the Executive Director and Chief Financial Officer of our Company and Arun Kumar, the Company Secretary and Compliance Officer of our Company, the details of our members of Senior Management, as on the date of this Preliminary Placement Document are set forth below:

Sr. No.	Name	Designation
1.	Dilip Kumar Mishra	AGM- Marketing & Business Development
2.	Puneet Kumar Shishodia	Manager Purchase
3.	Mayank Sharma	Manager- Legal
4.	Ashok Kumar Rai	GM- HR & Admin
5.	Mahesh Chand	Mechanical Maintenance Incharge
6.	Kamleshwar Prasad	Operational Head
7.	Ashok Kumar	Electric Maintenance Incharge
8.	K. K. Sharma	CR Sales and Marketing Head
9.	P. K. Sinha	General Manager Marketing (Government Sales)
10.	Pramod Singh	IT and ERP Head
11.	Ashish Joshi	GM- Marketing and New Business Development

Shareholding of Key Managerial Personnel and members of the Senior Management

Except as disclosed under "*Shareholding of Directors in our Company*" on page 223 and except as disclosed below, none of the Key Managerial Personnel and Senior Management Personnel hold any Equity Shares as on the date of this Preliminary Placement Document:

S. No.	Name	Number of Equity Shares held	Percentage of the pre-Issue issued and paid-up Equity Share capital
1.	Mr. Ajay Kumar Bansal	21,346,145	12.12
2.	Mr. Anish Bansal	15,544,000	8.83
3.	Mr. Arvind Kumar Bansal	4,000	0.00*

**Less than 0.01*

Relationship with other Key Managerial Personnel and members of Senior Management and Directors

None of our Key Managerial Personnel or members of Senior Management are related to any of our Directors, Key Managerial Personnel or members of Senior Management or inter-se.

Interests of Key Managerial Personnel and members of Senior Management

Our Key Managerial Personnel and members of Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them directly or indirectly in our Company and any dividend payable to them and other distributions in respect of such Equity Shares.

None of our Key Managerial Personnel and members of Senior Management have any interest in any property acquired or proposed to be acquired of our Company or by our Company. For details on interest of our Whole-Time Directors (in their capacity as key managerial personnel), please see the section titled as "*Interests of the Directors*" on page 223.

Related Party Transactions

Except as provided in the section titled as "*Related Party Transactions*" on page 41, our Key Managerial Personnel and Senior Management Personnel do not have any interest in our Company.

Other Confirmations

Except as otherwise stated above in the section titled as "*Interest of our Directors*" on page 223, "*Interest of Key Managerial Personnel and members of Senior Management*" on page 225, none of our Directors, Promoters, Key Managerial Personnel or Senior Management Personnel 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 interest of other persons.

Neither our Company, nor the Directors or Promoters have been identified as wilful defaulter or fraudulent borrower.

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI during the five years preceding the date of filing of this Preliminary Placement Document, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

Further, none of our Promoters or Directors is a fugitive economic offender.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management Personnel of our Company intend to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

SHAREHOLDING PATTERN OF OUR COMPANY

The tables below represents the information regarding the ownership of Equity Shares by the Shareholders:

Summary of statement holding of specified securities as of July 09, 2024:

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. 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 Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)As a % of (A+B+C2)	No of Locked in Shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form	Sub-categorization of shares (XV) Shareholding (No. of shares) under		
									No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)		Sub Category _I	Sub Category _II	Sub_Category III
(A) Promoter & Promoter Group	19	8,94,13,665	8,94,13,665	50.77	8,94,13,665	50.77	-	50.20	2,73,00,000	30.53	22,96,000	2.57	8,39,13,665	-	-	-
(B) Public	52,218	8,66,97,335	8,66,97,335	49.23	8,66,97,335	49.23	20,00,000	49.80	1,90,00,000	21.92	-	-	6,99,47,335			
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust)	-	-	-	0.00	-	0.00	-	-	-	-	-	-	-	-	-	-
(C) Non Promoter-	-	-	-	0.00	-	0.00	-	-	-	-	-	-	-	-	-	-

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. 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 Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)As a % of (A+B+C2)	No of Locked in Shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form	Sub-categorization of shares (XV) Shareholding (No. of shares) under		
									No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)		Sub Category _I	Sub Category _II	Sub_Category III
Non Public																
Grand Total	**52,237**	**17,61,11,000**	**17,61,11,000**	**100.00**	**17,61,11,000**	**100.00**	**20,00,000**	**100.00**	**4,63,00,000**	**26.29**	**22,96,000**	**1.30**	**15,38,61,000**	**-**	**-**	**-**
Notes:	Following no of Equity shares have been allotted pursuant to conversion of Fully Convertible Equity Warrants. 1. 84,70,000 Equity Shares on 30/04/2024 2. 1,77,55,000 Equity Shares on 09/07/2024 Same are under the Process of Dematerialisation*															

**As on date of this Preliminary Placement Document all the equity shares of our Company are in dematerialised form.*

Statement showing shareholding pattern of the Promoter and Promoter Group as of July 09, 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, 1957) As a % of (A+B+C2)**	**Number of voting rights held in each class of securities**		**No. of shares underlying outstanding convertible securities (including Warrants) (X)**	**Number of Locked in shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialized form**
						No. (a)	**As a % of total shares held (b)**		**No. (a)**	**As a % of total shares held (b)**	**Class eg: X**	**Total**	
A1) Indian	-	-	-	-	0.00	-	0.00	-	-	0.00	-	0.00	-
Individuals/ Hindu Undivided Family	-	5	6,03,12,805	6,03,12,805	34.25	6,03,12,805	34.25	-	90,00,000	14.92	22,96,000	3.81	5,83,12,805
Ajay Kumar Bansal	Promoter	1	2,13,46,145	2,13,46,145	12.12	2,13,46,145	12.12	-	20,00,000	9.37	2,96,000	1.39	1,93,46,145
Anish Bansal	Promoter	1	1,55,44,000	1,55,44,000	8.83	1,55,44,000	8.83	-	35,00,000	22.52		0.00	1,55,44,000
Parveen Bansal	Promoter Group	1	74,11,070	74,11,070	4.21	74,11,070	4.21	-	-	0.00	10,00,000	13.49	74,11,070
Vipul Bansal	Promoter Group	1	1,32,55,590	1,32,55,590	7.53	1,32,55,590	7.53	-	35,00,000	26.40	10,00,000	7.54	1,32,55,590
Ajay Kumar & Sons	Promoter Group	-	-	-	0.00	-	0.00	-	-	0.00	-	-	
Shweta Bansal	Promoter Group	1	27,56,000	27,56,000	1.56	27,56,000	1.56	-	-	0.00	-	-	27,56,000
Naresh Kumar Bansal	Promoter Group	-	-	-	0.00		0.00	-	-	0.00	-	-	-
Kumud Bansal	Promoter Group	-	-	-	0.00		0.00	-	-	0.00	-	-	-
Richi Bansal	Promoter Group	-	-	-	0.00		0.00	-	-	0.00	-	-	-
Krati Bansal	Promoter Group	-	-	-	0.00		0.00	-	-	0.00	-	-	-
Any Other (Specify)		14	2,91,00,860	2,91,00,860	16.52	2,91,00,860	16.52	-	1,83,00,000	62.88	-	-	2,56,00,860
Hi-Tech Agrovision Private Limited	Promoter Group	1	81,60,000	81,60,000	4.63	81,60,000	4.63	-	30,00,000	36.76	-	-	71,60,000

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, 1957) As a % of (A+B+C2)**	**Number of voting rights held in each class of securities**		**No. of shares underlying outstanding convertible securities (including Warrants) (X)**	**Number of Locked in shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialized form**
						No. (a)	**As a % of total shares held (b)**		**No. (a)**	**As a % of total shares held (b)**	**Class eg: X**	**Total**	
AKS Buildcon Private Limited	Promoter Group	1	85,20,000	85,20,000	4.84	85,20,000	4.84	-	30,00,000	35.21	-	-	85,20,000
Saurabh Goyal & Sons Huf	Promoter Group	1	15,00,000	15,00,000	0.85	15,00,000	0.85	-	15,00,000	100.00	-	-	15,00,000
Gaurav Goyal Huf	Promoter Group	1	16,00,000	16,00,000	0.91	16,00,000	0.91	-	15,00,000	93.75	-	-	16,00,000
Govind Aggarwal	Promoter Group	1	15,00,000	15,00,000	0.85	15,00,000	0.85	-	15,00,000	100.00	-	-	
Govind Aggarwal Huf	Promoter Group	1	14,02,900	14,02,900	0.80	14,02,900	0.80	-	14,00,000	99.79	-	-	14,02,900
Alka Goel	Promoter Group	1	2,00,000	2,00,000	0.11	2,00,000	0.11	-	2,00,000	100.00	-	-	2,00,000
Mannan Goel	Promoter Group	1	2,00,000	2,00,000	0.11	2,00,000	0.11	-	2,00,000	100.00	-	-	2,00,000
Naresh Aggarwal	Promoter Group	1	10,00,650	10,00,650	0.57	10,00,650	0.57	-	10,00,000	99.94	-	-	10,00,650
Mukesh Mittal	Promoter Group	1	10,06,750	10,06,750	0.57	10,06,750	0.57	-	10,00,000	99.33	-	-	10,06,750
Renu Mittal	Promoter Group	1	10,01,400	10,01,400	0.57	10,01,400	0.57	-	10,00,000	99.86	-	-	10,01,400
Krishan Mittal HUF	Promoter Group	1	10,02,800	10,02,800	0.57	10,02,800	0.57	-	10,00,000	99.72	-	-	2,800
Naresh Kumar HUF	Promoter Group	1	10,06,350	10,06,350	0.57	10,06,350	0.57	-	10,00,000	99.37	-	-	10,06,350
Mrinaal Mittal	Promoter Group	1	10,00,010	10,00,010	0.57	10,00,010	0.57	-	10,00,000	100.00	-	-	10,00,010
Sub Total A1		19	8,94,13,665	8,94,13,665	50.77	8,94,13,665	50.77	-	2,73,00,000	30.53	22,96,000		8,39,13,665
A2) Foreign					0.00		0.00	-		0.00		2.57	
A=A1+A2		19	8,94,13,665	8,94,13,665	50.77	8,94,13,665	50.77	-	2,73,00,000	30.53	22,96,000	2.57	8,39,13,665
Notes:	Following no of Equity shares have been allotted pursuant to conversion of Fully Convertible Equity Warrants. 1. 84,70,000 Equity Shares on 30/04/2024 2. 1,77,55,000 Equity Shares on 09/07/2024												

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, 1957) As a % of (A+B+C2)	Number of voting rights held in each class of securities		No. of shares underlying outstanding convertible securities (including Warrants) (X)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No. (a)	As a % of total shares held (b)		No. (a)	As a % of total shares held (b)	Class eg: X	Total	
	Same are under the Process of Dematerialisation*												

**As on date of this Preliminary Placement Document all the equity shares of our Company are in dematerialised form.*

Statement showing shareholding pattern of the Public Shareholder as of July 09, 2024:

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. 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 Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No of Locked in Shares		No. of equity shares held in dematerialized form	Sub-cateogrization of shares (XV)		
												Shareholding (No. of shares) under		
									No. (a)	As a % of total Shares held (b)		Sub Category _I	Sub Category_ II	Sub_Category III
B1) Institutions	0	0	-	0.00		0.00	-	0.00	-	0.00	-	-	-	-
B2) Institutions (Domestic)	0	0	-	0.00		0.00	-	0.00	-	0.00	-	-	-	-
Mutual Funds/	3	12553871	1,25,53,871	7.13	1,25,53,871	7.13	-	7.05	-	0.00	1,25,53,871	-	-	-
ITI SMALL CAP FUND	1	3263675	32,63,675	1.85	32,63,675	1.85	-	1.83	-	0.00	32,63,675	-	-	-
BANDHAN MIDCAP FUND	1	4087679	40,87,679	2.32	40,87,679	2.32	-	2.30	-	0.00	40,87,679	-	-	-

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. 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 Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No of Locked in Shares		No. of equity shares held in dematerialized form	Sub-cateogrization of shares (XV) Shareholding (No. of shares) under		
									No. (a)	As a % of total Shares held (b)		Sub Category _I	Sub Category_ II	Sub_Category III
HSBC SMALL CAP FUND	1	5202517	52,02,517	2.95	52,02,517	2.95	-	2.92	-	0.00	52,02,517	-	-	-
Alternate Investment Funds	4	5421556	54,21,556	3.08	54,21,556	3.08	-	3.04	-	0.00	54,21,556	-	-	-
MOTILAL OSWAL EQUITY OPPORTUNITIES FUND SERIES II	1	2241083	22,41,083	1.27	22,41,083	1.27	-	1.26	-	0.00	22,41,083	-	-	-
Sub Total B1	7	17975427	1,79,75,427	10.21	1,79,75,427	10.21	-	10.09	-	0.00	1,79,75,427	-	-	-
B3) Institutions (Foreign)	0	0	0	0.00	0	0.00	-	0.00	-	0.00	-	-	-	-
Foreign Portfolio Investors Category I	14	7851391	78,51,391	4.46	78,51,391	4.46	-	4.41	75,00,000	95.52	3,51,391	-	-	-
AG DYNAMIC FUNDS LIMITED	1	7583000	75,83,000	4.31	75,83,000	4.31	-	4.26	75,00,000	98.91	83,000	-	-	-
Foreign Portfolio Investors Category II	2	7505000	75,05,000	4.26	75,05,000	4.26	-	4.21	75,00,000	99.93	5,000	-	-	-
NEXPACT LIMITED	1	7500000	75,00,000	4.26	75,00,000	4.26	-	4.21	75,00,000	100.00	-	-	-	-
Sub Total B2	16	15356391	1,53,56,391	8.72	1,53,56,391	8.72	-	8.62	1,50,00,000	97.68	3,56,391	-	-	-
B4) Central Government/State Government(s)/President of India	0	0	0	0.00	0	0.00	-	0.00	-	0.00	-	-	-	-
B5) Non-Institutions	0	0	0	0.00	0	0.00	-	0.00	-	0.00	-	-	-	-

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. 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 Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No of Locked in Shares		No. of equity shares held in dematerialized form	Sub-cateogrization of shares (XV)		
												Shareholding (No. of shares) under		
									No. (a)	As a % of total Shares held (b)		Sub Category _I	Sub Category_ II	Sub_Category III
Key Managerial Personnel	1	4000	4,000	0.00	4,000	0.00	-	0.00		0.00	4,000	-	-	-
Resident Individuals holding nominal share capital upto Rs. 2 lakhs	51173	29674413	2,96,74,413	16.85	2,96,74,413	16.85	-	16.66	12,00,000	4.04	2,86,74,413	-	-	-
Resident Individual holding nominal share capital in excess of Rs. 2 lakhs	23	9603724	96,03,724	5.45	96,03,724	5.45	20,00,000	6.51	16,00,000	16.66	89,03,724	-	-	-
Non Resident Indians (NROs)	461	1173627	11,73,627	0.67	11,73,627	0.67	-	0.66		0.00	11,73,627	-	-	-
Bodies Corporate	256	8514524	85,14,524	4.83	85,14,524	4.83	-	4.78	2,00,000	2.35	84,64,524	-	-	-
PENANG ENTERPRISES PRIVATE LIMITED	1	3075290	30,75,290	1.75	30,75,290	1.75	-	1.73		0.00	30,75,290	-	-	-
Any Other (Specify)	281	4395229	43,95,229	2.50	43,95,229	2.50	-	2.47	10,00,000	22.75	43,95,229	-	-	-
Sub Total B4	52195	53365517	5,33,65,517	30.30	5,33,65,517	30.30	20,00,000	31.08	40,00,000	7.50	5,16,15,517	-	-	-
B=B1+B2+B3+B4	52218	86697335	8,66,97,335	49.23	8,66,97,335	49.23	20,00,000	49.80	1,90,00,000	21.92	6,99,47,335	-	-	-

Statement showing the shareholding pattern of the Non-Promoter Non-Public Shareholder as of July 09, 2024:

Category & Name of the Shareholders(I)	No. of shareholder (III)	No. of fully paid-up		Shareholding% calculated as per	No. of shares underlying	Number of Locked in Shares (XII)	Number of equity shares held in

		equity shares held (IV)	Total no. shares held (VII=IV+V+VI)	SCRR, 1957 as a % of (A+B+C2)(VIII)	outstanding convertible securities (Including warrants)(X)	No	As a % of total shares held	dematerialized form (XIV)(Not applicable)
C1) Custodian/DR Holder	0	0	-	0.00	-	-	0.00	-
C2) Employee Benefit Trust	0	0	-	0.00	-	-	0.00	-

Details of Disclosure by Trading Members (TM) holding 1% or more of the Total no. of Shares as of July 09, 2024:

Sl. 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

Statement showing foreign ownership limits as of July 09, 2024:

	s	Limits Utilized %
As on shareholding date	100.00	1.82
As on the end of previous 1st quarter	100.00	0.81
As on the end of previous 2nd quarter	100.00	0.82
As on the end of previous 3rd quarter	100.00	1.29
As on the end of previous 4th quarter1000	100.00	1.44

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 the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Manager. Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. For further details, see "Selling Restrictions" and "Transfer Restrictions" on pages 251 and 259, respectively.

Our Company, the Book Running Lead Manager and their directors, shareholders, employees, counsel, officers, agents, advisors, 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 Preliminary 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 Preliminary 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 Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THIS 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 Preliminary 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.

This 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 Qualified Institutions Placement ("**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, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must specify (a) that the Allotment of Equity Shares is proposed to be made pursuant to the QIP; and (b) the Relevant Date;

- 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 our 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 Issue, the contribution made by the promoters or directors either as part of the Issue 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 our Company, which are proposed to be Allotted through this Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution. For details, please see "*Capital Structure*" on page 84;

- the Issue must be made through a private placement offer cum application letter (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible

QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- the Promoter and Directors of our Company are not fugitive economic offenders;

- the Promoters 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;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any previous 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 letter (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom this Issue will be made. This Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and

- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about this Issue is prohibited.

- At least 10% of the Equity Shares issued to Eligible QIBs shall be Allotted 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 Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the 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. The "Relevant Date" referred to above means the date of the meeting in which the Fund Raising Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares 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. Further, in accordance with the approval of the Shareholders on September 21, 2024 our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

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 Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving this Issue being September 21, 2024 and within 60 days from the date of receipt of Application Amount from the Successful Bidders. For details of Allotment, see **"**– *Pricing and Allocation" and "Designated Date and Allotment of Equity Shares*" on pages 245 and 247, respectively.

The Equity Shares issued pursuant to this Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under the PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select investors 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 this Preliminary Placement Document addressed to you, you may not rely on this Preliminary 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.

This Issue has been approved by our Board of Directors on August 19, 2024 subject to approval of the shareholders. Subsequently, our Shareholders, through special resolution, approved the Issue on September 21, 2024.

The minimum number of Allottees with respect to the 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 this Issue. For details of what constitutes "same group" or "common control", see "— *Bid Process—Application Form*" on page 242.

Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on floor of recognised stock exchange. Allotments made to VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. 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 or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in reliance on Regulations S. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 251. The Equity Shares sold in the Issue are transferable only in accordance with the restrictions set forth under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 251 and 259, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has filed a copy of this Preliminary Placement Document with and shall also file a copy of the Placement Document with each of the Stock Exchanges. We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE, dated October 7, 2024.

Issue Procedure

1. Our Company in consultation with the Book Running Lead Manager shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer 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.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers. 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. An 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 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 Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and 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.

4. Bidders will be 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, phone number, permanent account number, e-mail address and bank account details;

- number of Equity Shares Bid for;

- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

- details of the beneficiary account maintained with a depository participant to which the Equity Shares should be credited pursuant to this Issue;

- an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the U.S. Securities Act; and

- a representation that it is outside the United States and it has agreed to certain other representations set forth in the "*Representations by Investors*" on page 4 and "*Transfer Restrictions*" on page 259 and certain other representations made in the Application Form.

Note: Eligible FPIs are required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme 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.

5. Each Bidder shall be 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 within the 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 shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment and the filing of return of Allotment by our Company with the RoC or receipt of final listing and trading approval from the Stock Exchanges, whichever is later. Application Amount received for subscription of the Equity Shares shall be 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, among others, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the 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 Application Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but 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"* below.

6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIBs 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.

7. Eligible QIBs acknowledge that in accordance with 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.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme 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.

9. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the Book Running Lead Manager, determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Manager, on behalf of our Company, will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. 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 and the Refund Amount (if any) due to the Successful Bidders. 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, in consultation with the Book Running Lead Manager.**

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Manager, shall, on our behalf, send a serially numbered Placement Document to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. 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. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to this Issue.

13. 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.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. 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.

16. 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 Book Running 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 ("Eligible QIBs")

Eligible QIBs are who have not been prohibited by the SEBI from buying, selling or dealing in securities can participate in this 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 and non-resident multinational and bilateral development financial institutions are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in this Issue 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;
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹ 25 crores;
- provident funds with minimum corpus of ₹ 25 crores;
- public financial institutions;
- 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,

subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

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 ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES, IN THIS ISSUE. ELIGIBLE FPIS ARE 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.

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 Non-Debt Rules, the total holding by each FPI including its investor group shall be below 10% of the total paid-up Equity Share capital of our Company. In case the holding of an FPI including its investor group increases to 10% or more of the total 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, 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 our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) 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.

Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates. The existing aggregate investment limit for FPIs in our Company is not exceeding the sectoral cap i.e., 51% of the post issue of the paid-up capital of our Company.

In case the holding of an FPI including its investor group increases to 10.00% or more of the total 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, the total investment made by such FPI together with its investor group will be reclassified as FDI as per the procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our 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. As per the circular issued by SEBI dated November 5, 2019 (circular no. IMD/FPI&C/CIR/P/2019/124), these investment restrictions shall also apply to subscribers of Offshore Derivative Instruments. Two or more subscribers of Offshore Derivative Instruments having a common beneficial owner shall be considered together as a single subscriber of the Offshore Derivative Instruments. In the event an 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.

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. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL 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. 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.

Subject to receipt of valid Bids, 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.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, our Promoters or any person related to our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of our Promoter Group;

- veto rights; or

- a right to appoint any nominee director on our Board.

Provided, however, that a 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 our Promoters.

Our Company and the Book Running Lead Manager and any of their respective shareholders, employees, counsel, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary 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 Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under-subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running 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 Preliminary Placement Document.

An 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 Issue Period, and in such case, 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.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 4, 251 and 259, respectively:

1. The 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. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly

or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Eligible QIB confirms and consents to its name and percentage of post-Issue shareholding (assuming full subscription in the Issue) will be included as a 'proposed allottee' in the Issue in the Placement Document;

4. The Eligible QIB confirms that it has 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 the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

5. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

6. The Eligible QIB 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 on the Stock Exchanges;

7. The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to this Issue, if any. The Eligible QIB further confirms that its holding of the Equity Shares, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. The Eligible QIB confirms that its Bids would not result in triggering an open offer under the SEBI Takeover Regulations;

9. 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 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running 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;

10. The Eligible QIB acknowledges that in terms of 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. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in the Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company;

11. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

- 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 QIB; and

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

12. The Eligible QIB confirms that it is outside the United States, it is purchasing the Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and is not our affiliate or a person acting on behalf of such an affiliate.

13. The Eligible QIB 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.

14. The Eligible QIB 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. The QIBs confirm that they 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.

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, 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 dated October 15, 2020.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, 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 KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be 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.

Once a duly completed Application Form is submitted by a Bidder, whether signed or not, the submission of such 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 to pay the entire Issue Price for the Equity Shares that may be Allotted to such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must 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 will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact person	Email	Telephone
Pantomath Capital Advisors Limited	Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai – 400072, Maharashtra, India	Ashish Baid/ Ritu Agarwal	emerald@pantomathgroup.com	1800 889 8711

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. An 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 Issue Period. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Application Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and 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.

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders submitting a Bid in the Issue, shall pay the entire Application Amount within the Issue Period.

Payment of Application Amount

Our Company has opened the "*Hi- Tech Pipes Limited*" with The Federal Bank Limited, the Escrow Bank, in terms of the arrangement among our Company, the Book Running Lead Manager and the Escrow Bank. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Note: Payments are to be made only through electronic fund transfer. Payments through cheque or demand draft or cash shall be rejected.

If the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in the Escrow Account only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Application Amount if our Company is not able to Allot Equity Shares in the Issue. 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 "*-Refunds*" on page 247.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act in the Application Form. A copy of PAN card is required to be submitted with the Application Form. Further, Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

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

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price Determination and Allocation

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company, in consultation with the Book Running Lead Manager, may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations and the approval of shareholders of our Company accorded by way of a special resolution passed in the fortieth AGM held on September 21, 2024.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation on a discretionary basis in consultation with the Book Running Lead Manager and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING 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 IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER 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. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the Application Forms and Application Amount, our Company in their sole and absolute discretion, in consultation with the Book Running Lead Manager, 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, the Application Amount for the Equity Shares Allotted and the Refund Amount (if any) shall be notified to such Successful Bidders.

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 our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the QIB 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. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

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, the Eligible QIB would be deemed to have made the representations and warranties as set forth in "*Notice to Investors*" and "*Representation by Investors*" on pages 1 and 4, respectively, and such Eligible QIBs 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 the Stock

Exchanges.

Designated Date and Allotment of Equity Shares

Our Company will ensure that the Allotment of Equity Shares is completed by the Designated Date provided in the respective CANs. The Equity Shares in the Issue 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 and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

Our Company, at its 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 pursuant to the Issue into the QIBs' beneficiary accounts maintained with the Depository Participant, our Company will apply for final trading and listing approvals from the Stock Exchanges.

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 this Issue, viz, the 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. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Manager and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Successful 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 Successful Bidder, or the Application Amount paid by a Successful Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Successful Bidder and the Issue Price, the excess Application Amount paid by such Successful Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the CAN issued to such Successful Bidder. The Refund Amount will be transferred to the relevant Successful Bidders within two Working Days from the date of issuance of the CAN.

In the event that a Bidder withdraws the Application Form prior to the Issue Closing Date or does not receive any Allocation in the Issue, or the Issue is cancelled prior to Allocation or at any time after that for any reason, the Application Amount paid by such Bidder (or all Bidders, if the Issue is cancelled) will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue within 60 days from the date of receipt of the Application Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Application Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running 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. For further details see – "*Bid Process*" and – "*Refund*" on pages 242 and 247, respectively.

Equity Shares in Dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialized 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 QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the QIB.

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 dematerialized form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager will 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 QIBs.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the Escrow Account to our Company until receipt of notice from the Book Running Lead Manager, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT AND LOCK-UP

Placement Agreement

The Book Running Lead Manager and our Company have entered into the Placement Agreement dated October 7, 2024 pursuant to which the Book Running Lead Manager have agreed, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis to be placed with the QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement 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 Preliminary Placement Document and the Placement Document have not been, and will not be, filed as a prospectus with the Registrar of Companies, 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.

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. Accordingly, the Equity Shares are being offered and sold by our Company outside the United States, in "offshore transactions", as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdiction where those offers, and sales occur.

For further details, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 251 and 259, respectively.

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager (or its affiliates) may, for its 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 sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager (or its affiliates) may hold long or short positions in the 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 Book Running Lead Manager may purchase Equity Shares, see "*Offshore Derivative Instruments*" on page 11.

From time to time, the Book Running Lead Manager and its affiliates may engage in transactions with and perform services for our Company, its affiliates, shareholders or their respective affiliates in the ordinary course of business and have engaged, or may in the future engage, in, investment banking, advisory services relating to debt syndication and any other transactions in this regards with our Company, its affiliates, shareholders or their respective affiliates, for which they have received compensation and may in the future receive compensation.

Lock-up

Our Company undertakes that it will not, for a period commencing the date hereof and ending 60 days from the date of allotment of equity shares pursuant to the Issue ("**Lock-up Period**"), without the prior written consent of the Book Running Lead Manager, do the following:

1. 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 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 except for any offer, issuance, grant, allotment made under the provision of employee

stock scheme if any, or

2. 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 Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares (regardless of whether any of the transactions described in clause 1 or 2 is to be settled by the delivery of the Equity Shares or such other securities, in cash or otherwise), or

3. 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 Equity Shares in any depository receipt facility, or

4. publicly announce any intention to enter into any transaction falling within 1 to 3 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 Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within 1 to 3 above

Our Promoters and Promoter Group, severally and not jointly, agree that they will not, without the prior written consent of the Book Running Lead Manager (which such consent shall not be unreasonably withheld), we will not, during the period commencing on the date hereof and ending 60 days after the date of allotment of the Equity Shares pursuant to the Issue (the "**Lock-up Period**", which shall be communicated by the Book Running Lead Manager in writing immediately on the completion of the allotment of the Equity Shares), directly or indirectly:

a. sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose off, directly or indirectly, any Promoter Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the Promoter Equity Shares or such other securities, in cash or otherwise);

b. enter into any swap or other agreement or any transaction that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Promoter Equity Shares or any securities convertible into or exercisable or exchangeable for any of the Promoter and Equity Shares (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the Promoter Equity Shares or such other securities, in cash or otherwise); or

c. deposit any of the Promoter Equity Shares or any securities convertible into or exercisable or exchangeable for the Promoter Equity Shares or which carry the right to subscribe to or purchase the Promoter Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or

d. publicly announce any intention to enter into any transaction whether any such transaction described in a), b) or c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise

provided however that the foregoing restrictions will not be applicable to (i) pledge or mortgage of the Equity Shares already existing on the date of this Agreement or transfer of such existing pledge or mortgage; and (ii) any inter group transfer made to any member of promoter group's , subject to compliance with applicable laws and subject to observance by the transferee promoter group's entities of the foregoing restrictions on transfer of Promoter Shares until the expiry of the Lock-up Period.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this 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. This 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.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations the Companies Act and Rule 14 of the PAS Rules. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under sections entitled "Notice to Investors" and "Representations by Investors" on pages 1 and 4, respectively.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this 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. This Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 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. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under the section entitled *"Transfer Restrictions"* on page 259.

Republic of India

This Preliminary 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 Preliminary Placement Document has not been and will not be registered 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 Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Preliminary Placement Document, and any offers made under this Preliminary Placement Document, you represent to our Company and the Book Running Lead Manager that you will not provide this Preliminary Placement Document or communicate any offers made under this Preliminary Placement Document to, or make any applications or receive any offers for the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the Book Running Lead Manager) under this Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian

Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. All applications for investment should be received, and any allotments should be made, in each case from outside the Kingdom of Bahrain. This Preliminary Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Issuer has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

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 Preliminary 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.

People's Republic of China

This Preliminary 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 except under applicable laws and regulations of the People's Republic of China.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to this Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of Equity Shares shall require the Issuer or the Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Book Running Lead Manager and our Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in the Prospectus Regulation, each such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in this Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Manager have been obtained to each such proposed offer or resale. Our Company, its directors, the Book Running Lead Manager, their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Member 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.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be offered or may be in the possession of any person for the purpose of issue (in each case 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 in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (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 the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**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.
If an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), 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.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), 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 the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

This Preliminary Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

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 Preliminary 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), excluding the value of the primary residence of the individual; (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 Preliminary Placement Document is subject to Malaysian laws. This Preliminary 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 Preliminary 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 Preliminary 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 Companies Act 2001.

New Zealand

This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Sultanate of Oman

This Preliminary 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 Capital Market Authority ("**Oman CMA**") 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 Oman CMA. The offering and sale of Equity Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary 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 other person than the intended recipient hereof. This Issue does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of Oman CMA. Additionally, this Preliminary Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Preliminary Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the CMAL) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of this Preliminary Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This Preliminary Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to "Sophisticated Investors" (as defined in Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "**KSA Regulations**")) for the purposes of Article 9 of the KSA Regulations. Each Book Running Lead Manager has represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

The offer of Equity Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Equity Shares are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary 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 Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**")), (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, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 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 months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and this Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and this Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

The Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with this Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the UAE or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

1. an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**"); and

2. made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

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, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) 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 Book Running Lead Manager for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Equity Shares shall require the Issuer or any placement agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

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.

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*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 4, 251 and 259, respectively.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary 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 subscribing for 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 a recognized Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in this Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see section entitled *"Selling Restrictions"* on page 251.

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 Preliminary Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be 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 Preliminary 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 reliance on, 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 has been provided access to this Preliminary Placement Document and will be provided access to the 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 or the Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

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 Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Rules**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalization requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules 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 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 institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

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 the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

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. 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.

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 the SEBI including the SEBI ICDR Regulations and the 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 byelaws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 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 of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time, such company shall increase its public shareholding to at least 25%, within a period of twelve months from the date of such fall, respectively, in the manner specified by SEBI. Further, every listed public sector company whose public shareholding falls below 25% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. 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 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 price bands of 5%, 10% and 20% movements either up or down. 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.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers 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 and other applicable laws. 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 the BSE On-line Trading 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. The 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 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 were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. 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**"), subject to certain limited exceptions. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities 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, 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. Further, the SEBI Insider Trading Regulations makes 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.

The SEBI Insider Trading Regulations also provides for initial and continuing disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of 10 lakh rupees 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. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details persons with whom information is shared shall be maintained.

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 has framed regulations in relation to the 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 organization under the supervision of the SEBI.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, a company may buyback its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles and the Companies Act. Bidders are urged to read the Memorandum and Articles carefully, and consult with their advisers, as the Memorandum and Articles and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The Authorised Share Capital of the Company is ₹ 240,000,000 (Rupees two hundred and forty millions only) divided into 240,000,000 Equity Shares having face value of ₹1 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹176,111,000 comprising of 176,111,000 Equity Shares (of face value of ₹1 each). The Equity Shares are listed on BSE and NSE.

Dividends

Under the Companies Act, a company may pay dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, 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 laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a smaller dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

Further, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, a company may declare dividend out of surplus, 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 the most recent audited financial statement; (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 reserves of the company after such withdrawal shall not fall below 15% of the company's paid up share capital as per the most recent audited financial statement of the company.

Further, as per the Companies Act, 2013, bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. Bonus shares cannot be issued in lieu of dividend.

Pursuant to the Articles of Association of our Company, if our Company declares a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, our Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remains so unpaid or unclaimed to a special account to be opened by our Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account".

Further, any money so transferred to the unpaid dividend account of our Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by our Company to the fund established under Section 125 of the Companies Act, *viz*. "Investor Education and Protection Fund".

The Equity Shares issued pursuant to this Preliminary Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalisation of Profits

In addition to permitting dividends to be paid out of current or retained earnings as described above, the

Companies Act 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 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.

Our Company may by a resolution passed in a general meeting of the Shareholders, upon a recommendation by the Board, resolve to capitalise any part of the amount for the time being standing to the credit of any of our Company’s reserve accounts or to the credit of the statement of profit and loss and that such sum be available for distribution amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions. The aforesaid sum shall not be paid in cash but shall be applied on behalf of such shareholders in paying up any amounts for the time being unpaid on any Equity Shares held by such Shareholders and/or in paying up in full, unissued shares of our Company to be allotted and distributed, credited as fully paid up in the proportion aforesaid, provided that a share premium account and a capital redemption reserve fund may, be applied in the paying up of any unissued shares to be issued to members of our Company as fully paid bonus shares.

Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing Shareholders in proportion to the amount paid up 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 the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. 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.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting.

Pursuant to the terms of our Articles of Association, our Company may, from time to time: (a) increase its share capital by such amount as it thinks expedient by issuing new shares; (b) consolidate and divide all or any of its share capital into shares of larger denomination than its existing shares; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. Further, our Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law, — (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account.

General meetings of Shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company is required to hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between two AGMs, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board of Directors may convene an EGM *suo motu* when it deems fit. Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of the company and every director of the company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95.00% of the shareholders entitled to vote. Further, a general meeting, other than an annual general meeting may be called after giving a shorter notice if consent is received, by the majority in number of shareholders of the company who are entitled to vote and who represent not less than 95.00% of the paid up share capital of the company. Unless, the Articles of Association provide for a larger number, (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. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with, unless exempted by appropriate authority.

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 letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The Chairman of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form prescribed. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Pursuant to the terms of our Articles of Association, and subject to any rights or restrictions for the time being attached to any class or classes of shares, — (a) on a show of hands, every member holding equity shares present in person or proxy shall have one vote; and (b) on a poll or voting through electronic means, the voting rights of members shall be in proportion to their share in the paid-up equity share capital of our Company.

Transfer 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 exempt from stamp duty. Our Company has entered into an agreement for such depository services with the 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. Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Directors

The Articles of Association provide that the number of Directors on the Board shall not be less than 3 and not more than 15. The Articles of Association also permit our Directors to appoint any other person as a director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number of 15, as fixed under the Articles of Association. However, any director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated, but shall be eligible for re-election at such meeting.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act and any related SEBI guidelines issued in connection therewith.

Registration of Transfers and Register of Members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Liquidation Rights

In the event of our winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies 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. 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.

TAXATION

To,

The Board of Directors
Hi-Tech Pipes Limited
505, Pearls Omaxe Tower,
Netaji Subhash Place,
Pitampura, Delhi 110034

Pantomath Capital Advisors Private Limited
Pantomath Nucleus House, Saki Vihar Road,
Andheri East, Mumbai - 400072
Maharashtra, India

(Pantomath Capital Advisors Private Limited is referred to as the "**Book Running Lead Manager**" or **"BRLM**" in relation to the Issue)

Sub: Proposed Qualified Institutions Placement of equity shares of face value of ₹ 1 each (the "Equity Shares") by Hi-Tech Pipes Limited (the "Company") in accordance with Sections 42 and 62(1)(c) of the Companies Act, 2013 (the "Act") read with Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") (the "Issue").

We, A.N. Garg & Company, Chartered Accountants, (Firm Registration Number: 004616N), statutory auditor of the Company, hereby confirm that the enclosed **Annexure A**, accurately and adequately states the possible special tax benefits available to the Company, to its shareholders and HTL Metal Private Limited its material subsidiary of the Company ("**Material Subsidiary**") under the direct and indirect taxes presently in force in India ("**Indian Tax Laws**") and the income tax regulations in the respective countries where the material subsidiaries are located. These possible special tax benefits are dependent on the Company or its shareholders and its Material Subsidiary fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders and its Material Subsidiary or their shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, its shareholders and its Material Subsidiary may or may not choose to fulfill such conditions.

The special tax benefits discussed in the enclosed Annexure A are not exhaustive or conclusive and cover the possible special tax benefits available to the Company, its shareholders and its Material Subsidiary and do not cover any general tax benefits available to them. The 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 proposed Issue. Neither we are suggesting nor advising investors to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders and its Material Subsidiary or their shareholders will continue to obtain these possible tax benefits in future; or
(ii) the conditions prescribed for availing the possible tax benefits, where applicable have been/would be met.

Our confirmation is based on the information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

We have issued this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the '**Guidance Note'**) issued by the Institute of Chartered Accountants of India (the '**ICAI**'). The Guidance Note requires that we comply with the independence and ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

The enclosed statement is issued in connection with the Issue and the contents of the statements, in full or in part, can be disclosed in the Preliminary Placement Document, the Placement Document and other documents or materials in relation to the Issue.

We undertake to inform you promptly, in writing of any changes, within our knowledge, to the above information until the Equity Shares issued by the Company pursuant to issue commence trading on **Stock Exchanges**. In the absence of such communication from us, the above information should be considered as updated information until the Equity Shares issued pursuant to the Issue, commence trading on the Stock Exchanges.

This certificate may be relied upon by the addressees to this certificate and the legal counsel appointed for the purpose of the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the Preliminary Placement Document and Placement Document to be filed in relation to the Issue. We also consent to the submission of this certificate as may be necessary to any regulatory authority and/or for the records to be maintained by the BRLM in connection with the Issue, in accordance with applicable law.

We also authorize the BRLM to deliver this letter to Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges or any other governmental or regulatory authority as may be required or in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Preliminary Placement Document and Placement Document to be filed in relation to the Issue.

For **A N Garg & Company**
Chartered Accountants
FRN: - 004616N

A.N. Garg
(FCA, Partner)
M.No. 083687
UDIN: 24083687BKCBVE2672

Place: New Delhi
Date: October 7, 2024

CC:

Dentons Link Legal
Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi 110 002, India

Annexure A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS UNDER INCOME TAX ACT, 1961 (ACT), THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 AND THE APPLICABLE STATES' GOODS AND SERVICES TAX ACTS

Sr. No.	Particulars	Direct Tax	Indirect Tax
1.	Special tax benefit to the Company	NIL	NIL
2.	Special tax benefit to the Material Subsidiary	NIL	NIL
3.	Special tax benefit to the Shareholders	NIL	NIL

STATUTORY AUDITORS

Our Company's current Statutory Auditor, A. N. Garg & Company, Chartered Accountants, is an independent auditor with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI and has been appointed as the statutory auditor of our Company.

The Audited Consolidated Financial Statements for Fiscals 2022, 2023 and 2024 have been audited by our Statutory Auditors.

The Unaudited Consolidated Financial Results for the three months ended June 30, 2024 and June 30, 2023 have been subject to limited review by our Statutory Auditors.

For further details with respect to the financial statements of our Company, see section titled "*Financial Statements*" on page 280.

LEGAL PROCEEDINGS

We 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 criminal cases, civil case, tax proceedings etc. We assess each such legal proceedings filed by or against us and monitor the legal position on an ongoing basis.

*Except as disclosed in this section, there is no outstanding legal proceeding which has been considered material in accordance with our Company's 'Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges' framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**").*

However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable:

- *All outstanding criminal proceedings involving our Company, our Subsidiaries, our Promoters and our Directors;*
- *All outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) which is outstanding and involves our Company, our Subsidiaries, our Promoters and our Directors;*
- *Additionally, for the purpose of identification of material litigation, pursuant to the terms of the approach approved by the Board in its meeting held on September 14, 2024, solely for the purpose of the Issue Any outstanding civil litigations including tax proceedings involving our Company, our Subsidiaries, our Promoters and our Directors where the amount involved is equal to or exceeds 5% of average absolute value of profit or loss after tax from total operations (being the lowest of 2% of turnover, 2% of net worth and 5% of average absolute value of profit or loss after tax from total operations) as per the audited consolidated financial statements of the Company for the last three years, which is approximately equivalent to ₹ 24.42 million or above will be disclosed individually ("**Materiality Threshold**"), which has been determined as material in accordance with the Materiality Policy adopted by the board of directors of the Company, in accordance with Regulation 30 of the Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The materiality threshold as disclosed here is applicable on the civil proceedings (including outstanding tax proceedings) only. Consolidated disclosure of the direct and indirect tax matters involving the Company, its Subsidiaries, Promoters and Directors that are above the Materiality Threshold. Any other outstanding litigation involving our Company, its Subsidiaries its Promoters and Directors 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.*

Except as disclosed elsewhere, this section of the Preliminary Placement Document also discloses (i) any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company, its Subsidiaries, or its Promoters and any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years and the stub period for the Company, its Subsidiaries and its Promoters ; (ii) any material fraud committed against our Company including Subsidiaries in the last three years, and if so, the action taken by our Company; (iii) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (iv) any default by our Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) any default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; (vi) any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Directors of our Company during the last three years immediately preceding the year of this Preliminary Placement Document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action, if any,; or (vii) there are no reservations, qualifications or adverse remarks of auditors in their respective reports on our Audited Consolidated Financial Statements in the last five Fiscal Years immediately preceding the year of circulation of this Preliminary Placement Document and any other documents issued in relation to the Issue.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Subsidiaries, our Promoters or our Directors as the case may be, from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall not, unless otherwise decided by the board of directors of the Company, be considered material until such time that the relevant party, as the case may be, is *impleaded as a defendant in litigation before any judicial or arbitral forum.*

Capitalised terms used herein shall, unless otherwise specified, have the same meanings ascribed to such terms in this section.

I. Litigations involving our Company

A. Criminal Proceedings involving our Company

Criminal Proceedings filed by our Company

Nil

Criminal Proceedings filed against our Company

Nil

B. Material Civil Proceedings involving our Company

Civil Proceedings filed by our Company

Nil

C. Actions taken by Regulatory and Statutory Authorities against our Company

Nil

II. Litigations involving our Subsidiaries

A. Criminal Proceedings involving our Subsidiaries

Criminal Proceedings filed by our Subsidiaries

Nil

Criminal Proceedings filed against our Subsidiaries

Nil

B. Material Civil Proceedings involving our Subsidiaries

Civil Proceedings filed by our Subsidiaries

Nil

Civil Proceedings filed against our Subsidiaries

Nil

III. Actions taken by Regulatory and Statutory Authorities against our Subsidiaries

Nil

IV. Litigations involving our Promoters

A. Criminal Proceedings involving our Promoters

Criminal Proceedings filed by our Promoters

Nil

Criminal Proceedings filed against our Promoters

Nil

B. Material Civil Proceedings involving our Promoters

Civil Proceedings filed by our Promoters

Nil

Civil Proceedings filed against our Promoters

Nil

C. Actions taken by Regulatory and Statutory Authorities against our Promoters

Nil

V. Litigations involving our Directors

A. Criminal Proceedings involving our Directors

Criminal Proceedings filed by our Directors

Nil

Criminal Proceedings filed against our Directors

Nil

B. Material Civil Proceedings involving our Directors

Civil Proceedings filed by our Directors

Nil

Civil Proceedings filed against our Directors

Nil

C. Actions taken by Regulatory and Statutory Authorities against our Directors

As on the date of this Preliminary Placement Document, there are no action taken by regulatory and statutory authorities against our Directors.

D. Cases filed under Section 138 of Negotiable Instruments Act, 1881

As on date of this Preliminary Placement Document, a total of 17 legal proceedings filed by our Company and Subsidiaries are pending, against accused persons under section 138 of the Negotiable Instruments Act, 1881 and the amount involved in such cases aggregates to a sum of ₹ 24.42 million.

VI. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years or prosecutions filed, fines imposed or compounding of offences in the last three years in respect of the Company or its Subsidiaries

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act, 1956 or the Companies Act, 2013 in the last three years immediately preceding the year of issue of this Preliminary 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 Preliminary Placement Document involving our Company or our Subsidiaries.

VII. 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 Preliminary Placement Document.

VIII. 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.

IX. 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 Preliminary Placement Document, our Company has no outstanding defaults in repayment of undisputed 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.

X. Details of defaults in annual filing of our Company under the Companies Act and the rules made thereunder

As on the date of this Preliminary Placement Document, our Company has not made any default in filings of our Company under the Companies Act and the rules made thereunder.

XI. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Preliminary 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

Except as disclosed in the section, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 92, there are no reservations, qualifications, or adverse remarks of the Statutory Auditor in their report on audited consolidated financial statements or audited standalone financial statements for last five Fiscals preceding the date of this Preliminary Placement Document.

XII. Tax Proceedings

We have set out below claims relating to direct and indirect taxes involving our Company, Subsidiaries, Directors and Promoters in a consolidated manner giving details of number of cases and total amount involved in such claims:

Nature of case	Number on cases	Amount involved (₹ in million)*
Company		
Direct Tax	1	0.03
Indirect Tax	1	4.33
Total	2	4.36
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil
Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil
Promoters		

Nature of case	Number on cases	Amount involved (₹ in million)*
Company		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

**To the extent quantifiable.*

GENERAL INFORMATION

- Our Company was incorporated as "*Ram Lal Harbans Lal Limited*" under the provision of the Companies Act, 1956, pursuant to the certificate of incorporation dated January 02, 1985, issued by Registrar of Companies, Delhi and Haryana, located at New Delhi (the "**RoC**"). Consequently, the certificate for commencement of business dated January 23, 1985, was issued by RoC. Subsequently, the name of our Company was changed to "*Hi-Tech Pipes Limited*" a fresh certificate of incorporation consequent upon the change of name was granted on October 15, 1986 by the RoC**.**

- The registered office of our Company is located at 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, North Delhi, New Delhi – 110034, India. The CIN of our Company is L27202DL1985PLC019750.

- The website of our Company is https://hitechpipes.in.

- The Equity Shares of our Company was initially listed on NSE Emerge on February 25, 2016. Subsequently the Equity Shares of our Company was migrated from NSE Emerge to the mainboard of NSE since May 7, 2018. Thereafter, the Equity Shares of our Company were listed on BSE under direct listing since December 16, 2021.

- The Issue has been approved by our Board of Directors on August 19, 2024 subject to approval of the shareholders. Subsequently, our Shareholders, through special resolution, approved the Issue on September 21, 2024.

- Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations to list the Equity Shares on the NSE and the BSE, each dated October 7, 2024. 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.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- Copies of the Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday between 10.00 A.M. to 5.00 P.M. (except public holidays) at our Corporate Office.

- No change in the control of our Company will occur consequent to the Issue.

- Except as disclosed in this Preliminary Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- Except as disclosed in this Preliminary Placement Document, there has been no material change in our financial or trading condition since June 30, 2024, the date of the Unaudited Consolidated Financial Results prepared and included herein.

- Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see "*Legal Proceedings*" on page 273.

- There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

- Our Company Secretary and Compliance Officer is Arun Kumar. His contact details are as follows:

  Name: Arun Kumar
  Address: 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, North Delhi, New Delhi – 110034, India

Telephone: (+91) 11-48440050
E-mail: info@hitechpipes.in

- The Floor Price for the Issue is ₹ 194.98 per Equity Share, calculated in accordance with Regulation 176 of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the Shareholders accorded through their resolution passed on September 21, 2024.

- Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at his or her own risk.

FINANCIAL STATEMENTS

Independent Auditor's Review Report on the Unaudited Consolidated Financial Results of the Company for the Quarter ended June 30, 2024 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Hi-Tech Pipes Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Hi-Tech Pipes Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the quarter ended June 30, 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 ('Listing Regulations').

2. This statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 ("Ind AS 34") "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410; "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of holding personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing specified under section 143(10) of the companies Act, 2013 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.

4. We also performed procedures in accordance with the Circulars issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

5. These Consolidated results includes the results ~~of the~~ following entities:

   (i) The Holding Company
   - Hi-Tech Pipes Limited

A.N. GARG & CO
N. DELHI
CHARTERED ACCOUNTANTS

309-310, Aggarwal Millenium Tower-1, Netaji Subhash Place, Pitampura, Delhi-110 034
Ph.: +91-11-27351188, 45781199 I Email : angargco@gmail.com

(ii) Wholly owned subsidiaries companies: -
- HTL Metal Private Limited
- HTL Ispat Private Limited
- Hitech Metalex Private Limited

6. Based on our review conducted as stated in paragraph 3 & 4 above nothing has come to our attention that causes us to believe that the accompanying Statement of Un-audited consolidated Financial Results of the company for the Quarter Ended June 30, 2024, prepared in accordance with applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For A. N.Garg & Company
Chartered Accountants
FRN: 004616N

A.N. GARG & CO
N. DELHI
CHARTERED ACCOUNTANTS

A. N. Garg
(FCA Partner)
M. No. 083687
UDIN: 24083687BKCBPH8869

Place : New Delhi
Date : 12th August, 2024

Hi-Tech Pipes Limited

Registered Office: 505, Pearl Omaxe Tower, Netaji Subhash Place, Pitampura, , New Delhi – 110 034

CIN L27202DL1985PLC019750 Website : www.hitechpipes.in

Statement of Unaudited Consolidated Financial Results for the Quarter Ended June 30th, 2024

(Rupees in Lacs , except EPS)

S.No	Particulars	Quarter Ended (Un-Audited)			Year Ended (Audited)
		30-Jun-24	30-Jun-23	31-Mar-24	31-Mar-24
1	**Income from Operations**				
	Net Revenue from Operations	86,697.80	64,216.60	68,102.77	2,69,929.34
2	Other Income	52.91	27.70	(26.85)	117.75
3	**Total Income (1+2)**	**86,750.71**	**64,244.30**	**68,075.92**	**2,70,047.09**
4	**Expenses**				
	a) Cost of material consumed	71,687.94	52,708.90	59,907.09	2,25,505.04
	b) Change in Inventories of Finished Goods, Work In Progress & Stock in Trade	(2,433.16)	922.99	(533.74)	1,627.48
	c) Purchase of Stock in Trade	9,887.40	5,932.42	1,512.23	19,119.13
	d) Employee Benefit Expenses	853.25	746.87	921.95	3,145.73
	e) Finance costs	1,408.16	794.66	1,425.51	4,186.17
	f) Depreciation and amortisation expenses	513.18	273.27	594.41	1,548.75
	g) Other Expenses	2,433.78	1,786.25	2,761.72	9,046.08
	Total Expenses	**84,350.55**	**63,165.36**	**66,589.17**	**2,64,178.38**
5	**Profit before Exceptional items and Tax (3-4)**	**2,400.16**	**1,078.94**	**1,486.76**	**5,868.71**
6	Exceptional items	0.00	0.00	0.00	0.00
7	**Profit Before Tax (5-6)**	**2,400.16**	**1,078.94**	**1,486.76**	**5,868.71**
8	**Tax Expenses**				
	Current Tax	521.68	218.40	227.33	1,077.60
	Deferred Tax	73.19	58.20	146.90	398.03
	Total Tax Expenses	**594.87**	**276.60**	**374.23**	**1,475.63**
9	**Profit for the period / year after Tax** (7-8)	**1,805.29**	**802.34**	**1,112.53**	**4,393.08**
10	Other Comprehensive Income	0.00	0.75	7.03	9.66
11	**Total Comprehensive Income (9+10)**	**1,805.29**	**803.09**	**1,119.56**	**4,402.75**
12	Paid up Equity Share Capital (Face Value Re.1 per share)	1,583.56	1,308.11	1,498.86	1,498.86
13	**Earning Per Share (Not Annualised) (Face value of Re.1 each)**				
	a) Basic	**1.16**	**0.61**	**0.83**	**3.25**
	b) Diluted	**1.03**	**0.45**	**0.68**	**2.69**

A.N. GARG & CO
N. DELHI
CHARTERED ACCOUNTANTS

HI-TECH PIPES LTD.

Notes to Consolidated Unaudited Financial Results
for the Quarter ended June 30, 2024

1. The above results were reviewed and recommended by the Audit Committee and approved subsequently by the Board of Directors at their respective meetings held on August 12th, 2024. In terms of Regulation 33 of the SEBI (LODR) Regulations, 2015, Statutory Auditors of the Company have carried out the "Limited Review" on the above Results of the Company and have issued an unmodified Report thereon.

2. These Results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

3. In accordance with the provisions of Ind AS 108 – Operating Segment, the company has only one operating segment i.e. Manufacturing of Steel Pipes & CR products and which is considered to be the only reportable segment by the management.

4. Consolidated Results of the company includes, Results of HTL Metal Pvt. Ltd., HTL Ispat Pvt. Ltd. and Hitech Metalex Pvt. Ltd. (Wholly Owned Subsidiary Companies)

5. Previous quarter/ year figures has been regrouped / reclassified as appropriate.

6. The Board of Directors had approved allotment of 55,40,000 Fully Convertible Equity Warrants (FCEWs) on preferential basis upon receipt of 25% of the issue price @ Rs. 692/- each in its meeting dated 10/01/2023, out of which during the period under review, total 8,47,000 warrants have been converted on April 30, 2024 into total 84,70,000 equity shares in the ratio of 1:10 (The Face Value of the Equity share of the company undergone sub-division/split from Rs. 10/- to Re. 1/- w.e.f. record date 17/03/2023, therefore for every 1 warrant, 10 equity shares shall be allotted). As on 30.06.2024 only 19,75,500 number of share warrants are pending for the conversion.

7. The Unaudited Consolidated and Standalone Financial Results for the quarter ended June 30, 2024 are also available on the website of the Company (www.hitechpipes.in) and on Stock Exchange(s) website (www.nseindia.com, www.bseindia.com).

A.N. GARG & CO
CHARTERED ACCOUNTANTS
N. DELHI

For and on behalf of the Board of Director
of Hi-Tech Pipes Limited

HI-TECH PIPES LTD.

Date: August 12, 2024
Place: New Delhi

Ajay Kumar Bansal
Managing Director

Independent Auditor's Review Report on the Unaudited Standalone Financial Results of the Company for the Quarter ended June 30, 2024 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Hi-Tech Pipes Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Hi-Tech Pipes Limited** ('the Company') for the quarter ended June 30, 2024 ("the Statement") attached herewith, being submitted by the 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 is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We have conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*"issued by The Institute of Chartered Accountants of India. This standard requires that we planned perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of holding personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing specified under section 143(10) of the companies Act, 2013 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.

4. Based on our review conducted as stated in paragraph 3 above nothing has come to our attention that causes us to believe that the accompanying statement of Un-audited Standalone Financial Results for the Quarter Ended June 30, 2024, prepared in accordance with applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For A. N.Garg & Company
Chartered Accountants
FRN: 004616N

A. N. GARG & CO
N. DELHI
CHARTERED ACCOUNTANTS

A. N. Garg
(FCA Partner)
M. No. 083687
UDIN: 24083687BKCBPG5461

Place : New Delhi
Date : 12th August, 2024

Hi-Tech Pipes Limited

Registered Office: 505, Pearl Omaxe Tower, Netaji Subhash Place, Pitampura, , New Delhi – 110 034

CIN L27202DL1985PLC019750 Website : www.hitechpipes.in

Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30th, 2024

(Rupees in Lacs , except EPS)

S.No	Particulars	Quarter Ended (Un-Audited)			Year Ended (Audited)
		30-Jun-24	30-Jun-23	31-Mar-24	31-Mar-24
1	**Income from Operations**				
	Net Revenue from Operations	72,344.02	52,025.31	56,549.09	2,20,742.20
2	Other Income	52.63	26.49	(27.37)	111.86
3	**Total Income (1+2)**	**72,396.65**	**52,051.80**	**56,521.72**	**2,20,854.06**
4	**Expenses**				
	a) Cost of material consumed	58,228.72	42,450.36	49,100.46	1,81,603.26
	b) Change in Inventories of Finished Goods, Work In Progress & Stock in Trade	(1,896.04)	32.10	311.38	1,424.05
	c) Purchase of Stock in Trade	9,887.40	5,932.42	1,512.23	19,119.13
	d) Employee Benefit Expenses	627.48	569.36	700.03	2,365.99
	e) Finance costs	1,108.58	531.40	1,269.67	3,163.35
	f) Depreciation and amortisation expenses	444.21	210.99	521.53	1,286.55
	g) Other Expenses	1,954.77	1,445.31	2,319.31	7,408.32
	Total Expenses	**70,355.12**	**51,171.94**	**55,734.61**	**2,16,370.65**
5	**Profit before Exceptional items and Tax (3-4)**	**2,041.53**	**879.86**	**787.11**	**4,483.41**
6	Exceptional items	0.00	0.00	0.00	0.00
7	**Profit Before Tax (5-6)**	**2,041.53**	**879.86**	**787.11**	**4,483.41**
8	**Tax Expenses**				
	Current Tax	446.52	175.24	99.27	808.82
	Deferred Tax	58.11	46.62	75.10	284.63
	Total Tax Expenses	**504.63**	**221.86**	**174.37**	**1,093.45**
9	**Profit for the period / year after Tax (7-8)**	**1,536.90**	**658.00**	**612.74**	**3,389.96**
10	Other Comprehensive Income	0.00	0.75	5.77	8.40
11	**Total Comprehensive Income (9+10)**	**1,536.90**	**658.75**	**618.51**	**3,398.36**
12	Paid up Equity Share Capital (Face Value Re.1 per share)	1,583.56	1,308.11	1,498.86	1,498.86
13	**Earning Per Share (Not Annualised) (Face value of Re.1 each)**				
	a) Basic	**0.99**	**0.50**	**0.46**	**2.51**
	b) Diluted	**0.88**	**0.37**	**0.38**	**2.08**

A.N. GARG & CO ★ N. DELHI ★ CHARTERED ACCOUNTANTS

HI-TECH PIPES LTD. ★

Notes to Standalone Unaudited Financial Results
for the Quarter Ended June 30, 2024

1. The above results were reviewed and recommended by the Audit Committee and approved subsequently by the Board of Directors at their respective meetings held on August 12, 2024. In terms of Regulation 33 of the SEBI (LODR) Regulations, 2015, Statutory Auditors of the Company have carried out the "Limited Review" on the above Results of the Company and have issued an unmodified Report thereon.

2. These Results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

3. In accordance with the provisions of Ind AS 108 – Operating Segment, the company has only one operating segment i.e. Manufacturing of Steel Pipes & CR products and which is considered to be the only reportable segment by the management.

4. Previous quarter /half -year/ year figures has been regrouped / reclassified as appropriate.

5. The Board of Directors had approved allotment of 55,40,000 Fully Convertible Equity Warrants (FCEWs) on preferential basis upon receipt of 25% of the issue price @ Rs. 692/- each in its meeting dated 10/01/2023, out of which during the period under review, total 8,47,000 warrants have been converted on April 30, 2024 into total 84,70,000 equity shares in the ratio of 1:10 (The Face Value of the Equity share of the company undergone sub-division/split from Rs. 10/- to Re. 1/- w.e.f. record date 17/03/2023, therefore for every 1 warrant, 10 equity shares shall be allotted). As on 30.06.2024 only 19,75,500 number of share warrants are pending for the conversion.

6. The Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2024 are also available on the website of the Company (www.hitechpipes.in) and on Stock Exchange(s) website (www.nseindia.com, www.bseindia.com).

A.N. GARG & CO
CHARTERED ACCOUNTANTS
N. DELHI

For and on behalf of the Board of Director
of Hi-Tech Pipes Limited

HI-TECH PIPES LTD.

Ajay Kumar Bansal
Managing Director

Date: August 12, 2024
Place: New Delhi

Independent Auditor's Review Report on the Unaudited Consolidated Financial Results of the Company for the Quarter ended June 30, 2023 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Hi-Tech Pipes Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Hi-Tech Pipes Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the quarter ended June 30, 2023 ("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 ('Listing Regulations').

2. This statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 ("Ind AS 34") "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410; *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of holding personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing specified under section 143(10) of the companies Act, 2013 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.

4. We also performed procedures in accordance with the Circulars issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

5. These Consolidated results includes the results of the following entities:

   (i) The Holding Company
   - Hi-Tech Pipes Limited

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

(ii) Wholly owned subsidiaries companies:
- HTL Metal Private Limited
- HTL Ispat Private Limited
- Hitech Metalex Private Limited

6. Based on our review conducted as stated in paragraph 3 & 4 above nothing has come to our attention that causes us to believe that the accompanying Statement of Un-audited consolidated Financial Results of the company for the Quarter Ended June 30, 2023, prepared in accordance with applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For A. N.Garg & Company
Chartered Accountants
FRN: 004616N

A. N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A. N. Garg
(FCA Partner)
M. No. 083687
UDIN: 23083687BGXHRQ4913

Place : New Delhi
Date : 11th August, 2023

Hi-Tech Pipes Limited

Registered Office: 505, Pearl Omaxe Tower, Netaji Subhash Place, Pitampura, , New Delhi – 110 034

CIN L27202DL1985PLC019750 Website : www.hitechpipes.in

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30th, 2023

(Rupees in Lacs , except EPS)

S.No.	Particulars	Quarter Ended (Un-Audited)			Year Ended (Audited)
		30-Jun-23	30-Jun-22	31-Mar-23	31-Mar-23
1	**Income from Operations**				
	Net Revenue from Operations	64,216.60	51,617.46	70,185.79	2,38,584.74
2	Other Income	27.70	56.79	29.77	226.20
3	**Total Income (1+2)**	**64,244.30**	**51,674.25**	**70,215.56**	**2,38,810.94**
4	**Expenses**				
	a) Cost of material consumed	52,708.90	50,634.93	57,674.82	2,08,991.53
	b) Change in Inventories of Finished Goods, Work In Progress & Stock in Trade	922.99	(3,048.24)	1,382.19	(1,613.79)
	c) Purchase of Stock in Trade	5,932.42	57.46	4,350.09	10,054.95
	d) Employee Benefit Expenses	746.87	562.11	803.07	2,640.23
	e) Finance costs	794.66	990.22	811.64	3,530.11
	f) Depreciation and amortisation expenses	273.27	245.34	523.54	1,377.26
	g) Other Expenses	1,786.25	1,629.31	2,600.50	8,190.76
	Total Expenses	**63,165.36**	**51,071.13**	**68,145.85**	**2,33,171.05**
5	**Profit before Exceptional items and Tax (3-4)**	**1,078.94**	**603.12**	**2,069.71**	**5,639.89**
6	Exceptional items	0.00	0.00	0.00	651.52
7	**Profit Before Tax (5-6)**	**1,078.94**	**603.12**	**2,069.71**	**4,988.37**
8	**Tax Expenses**				
	Current Tax	218.40	97.66	351.96	927.14
	Deferred Tax	58.20	57.65	133.68	293.08
	Total Tax Expenses	**276.60**	**155.31**	**485.64**	**1,220.22**
9	**Profit for the period / year after Tax** (7-8)	**802.34**	**447.81**	**1,584.07**	**3,768.15**
10	Other Comprehensive Income	0.75	3.75	7.32	11.07
11	**Total Comprehensive Income (9+10)**	**803.09**	**451.56**	**1,591.39**	**3,779.22**
12	Paid up Equity Share Capital (Face Value Re.1 per share)	1,308.11	1,227.11	1,278.11	1,278.11
13	**Earning Per Share (Not Annualised) (Face value of Re.1 each)**				
	a) Basic	**0.61**	**0.37**	**1.29**	**3.06**
	b) Diluted	**0.45**	**0.37**	**0.92**	**2.18**

HI-TECH PIPES LTD.

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

Notes to Consolidated Un-Audited Financial Results
for the Quarter ended June 30, 2023

1. The above results were reviewed and recommended by the Audit Committee and approved subsequently by the Board of Directors at their respective meetings held on August 11th, 2023. In terms of Regulation 33 of the SEBI (LODR) Regulations, 2015, Statutory Auditors of the Company have carried out the "Limited Review" on the above Results of the Company and have issued an unmodified Report thereon.

2. These Results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

3. In accordance with the provisions of Ind AS 108 – Operating Segment, the company has only one operating segment i.e. Manufacturing of Steel Tubes & Pipes and which is considered to be the only reportable segment by the management.

4. Consolidated Results of the company includes, Results of HTL Metal Pvt. Ltd., HTL Ispat Pvt. Ltd. and Hitech Metalex Pvt. Ltd. (Wholly Owned Subsidiary Companies)

5. Previous quarter / year figures has been regrouped / reclassified as appropriate.

6. The Board of Directors had approved allotment of 55,40,000 Fully Convertible Equity Warrants (FCEWs) on preferential basis upon receipt of 25% of the issue price @ Rs. 692/- each in its meeting dated 10/01/2023, out of which during the period under review, total 3,00,000 warrants have been converted in two tranches viz. 2,00,000 warrants on April 21, 2023 and 1,00,000 warrants on April 27, 2023 into total 30,00,000 equity shares in the ratio of 10:1 (The Face Value of the Equity share of the company undergone sub-division/split from Rs. 10/- to Re. 1/- w.e.f. record date 17/03/2023, therefore for every 1 warrant, 10 equity shares shall be allotted) on being receipt of balance payment of Rs. 15,57,00,000 i.e. (75% of total amount) by the warrant holders.

7. The Un-Audited Consolidated and Standalone Financial Results for the quarter Ended June 30, 2023 are also available on the website of the Company (www.hitechpipes.in) and on Stock Exchange(s) website (www.nseindia.com, www.bseindia.com).

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

For and on behalf of the Board of Director
of Hi-Tech Pipes Limited

HI-TECH PIPES LTD.

Date: August 11, 2023
Place: New Delhi

Ajay Kumar Bansal
Managing Director

Independent Auditor's Review Report on the Unaudited Standalone Financial Results of the Company for the Quarter ended June 30, 2023 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Hi-Tech Pipes Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Hi-Tech Pipes Limited** ('the Company') for the quarter ended June 30, 2023 ("the Statement") attached herewith, being submitted by the 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 is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We have conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*issued by The Institute of Chartered Accountants of India. This standard requires that we planned perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of holding personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing specified under section 143(10) of the companies Act, 2013 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.

4. Based on our review conducted as stated in paragraph 3 above nothing has come to our attention that causes us to believe that the accompanying statement of Un-audited Standalone Financial Results for the Quarter Ended June 30, 2023, prepared in accordance with applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For A. N.Garg & Company
Chartered Accountants
FRN: 004616N

A. N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A. N. Garg
(FCA Partner)
M. No. 083687
UDIN: 23083687BGXHRP6138

Place : New Delhi
Date : 11th August, 2023

Hi-Tech Pipes Limited

Registered Office: 505, Pearl Omaxe Tower, Netaji Subhash Place, Pitampura, , New Delhi – 110 034

CIN L27202DL1985PLC019750 Website : www.hitechpipes.in

Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30th, 2023

(Rupees in Lacs , except EPS)

S.No.	Particulars	Quarter Ended (Un-Audited)			Year Ended (Audited)
		30-Jun-23	30-Jun-22	31-Mar-23	31-Mar-23
1	**Income from Operations**				
	Net Revenue from Operations	52,025.31	40,719.57	55,289.50	1,86,055.01
2	Other Income	26.49	56.79	13.69	197.77
3	**Total Income (1+2)**	**52,051.80**	**40,776.36**	**55,303.19**	**1,86,252.78**
4	**Expenses**				
	a) Cost of material consumed	42,450.36	41,071.13	44,254.27	1,61,393.39
	b) Change in Inventories of Finished Goods, Work In Progress & Stock in Trade	32.10	(3,423.16)	1,130.86	(1,761.40)
	c) Purchase of Stock in Trade	5,932.42	57.46	4,350.09	10,054.95
	d) Employee Benefit Expenses	569.36	399.16	597.99	1,911.73
	e) Finance costs	531.40	710.45	611.98	2,531.70
	f) Depreciation and amortisation expenses	210.99	181.84	479.69	1,128.14
	g) Other Expenses	1,445.31	1,309.17	2,140.79	6,567.82
	Total Expenses	**51,171.94**	**40,306.05**	**53,565.67**	**1,81,826.33**
5	**Profit before Exceptional items and Tax (3-4)**	**879.86**	**470.31**	**1,737.52**	**4,426.45**
6	Exceptional items	0.00	0.00	0.00	651.52
7	**Profit Before Tax (5-6)**	**879.86**	**470.31**	**1,737.52**	**3,774.93**
8	**Tax Expenses**				
	Current Tax	175.24	73.04	317.97	701.75
	Deferred Tax	46.62	46.85	54.17	183.17
	Total Tax Expenses	**221.86**	**119.89**	**372.14**	**884.92**
9	**Profit for the period / year after Tax (7-8)**	**658.00**	**350.42**	**1,365.38**	**2,890.01**
10	Other Comprehensive Income	0.75	3.75	9.90	13.65
11	**Total Comprehensive Income (9+10)**	**658.75**	**354.17**	**1,375.28**	**2,903.66**
12	Paid up Equity Share Capital (Face Value Re.1 per share)	1,308.11	1,227.11	1,278.11	1,278.11
13	**Earning Per Share (Not Annualised) (Face value of Re.1 each)**				
	a) Basic	**0.50**	**0.29**	**1.11**	**2.35**
	b) Diluted	**0.37**	**0.29**	**0.74**	**1.67**

HI-TECH PIPES LTD.

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

Notes to Standalone Un-Audited Financial Results for the Quarter ended June 30, 2023

1. The above results were reviewed and recommended by the Audit Committee and approved subsequently by the Board of Directors at their respective meetings held on August 11, 2023. In terms of Regulation 33 of the SEBI (LODR) Regulations, 2015, Statutory Auditors of the Company have carried out the "Limited Review" on the above Results of the Company and have issued an unmodified Report thereon.

2. These Results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

3. In accordance with the provisions of Ind AS 108 – Operating Segment, the company has only one operating segment i.e. Manufacturing of Steel Tubes & Pipes and which is considered to be the only reportable segment by the management.

4. Previous quarter / year figures has been regrouped / reclassified as appropriate.

5. The Board of Directors had approved allotment of 55,40,000 Fully Convertible Equity Warrants (FCEWs) on preferential basis upon receipt of 25% of the issue price @ Rs. 692/- each in its meeting dated 10/01/2023, out of which during the period under review, total 3,00,000 warrants have been converted in two tranches viz. 2,00,000 warrants on April 21, 2023 and 1,00,000 warrants on April 27, 2023 into total 30,00,000 equity shares in the ratio of 10:1 (The Face Value of the Equity share of the company undergone sub-division/split from Rs. 10/- to Re. 1/- w.e.f. record date 17/03/2023, therefore for every 1 warrant, 10 equity shares shall be allotted) on being receipt of balance payment of Rs. 15,57,00,000 i.e. (75% of total amount) by the warrant holders.

6. The Un-Audited Consolidated and Standalone Financial Results for the quarter Ended June 30, 2023 are also available on the website of the Company (www.hitechpipes.in) and on Stock Exchange(s) website (www.nseindia.com, www.bseindia.com).

A.N. GARG & CO. CHARTERED ACCOUNTANTS Delhi

For and on behalf of the Board of Director of Hi-Tech Pipes Limited

HI-TECH PIPES LTD.

Ajay Kumar Bansal
Managing Director

Date: August 11, 2023
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HI-TECH PIPES LIMITED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of HI-TECH PIPES LIMITED (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"),which includes Group's share of profit/ loss, comprising the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, for the year then ended, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statement, and details of subsidiaries as follows:-

a) HTL Metal Private Limited,
b) HTL Ispat Private Limited,
c) Hitech Metalex Private Limited

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 consolidated state of affairs of the Group as at March 31, 2024, their consolidated profit including other comprehensive income, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit 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 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 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 on consolidated financial statements.

A.N. GARG & CO. * CHARTERED ACCOUNTANTS * N. Delhi

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:-

Key Audit Matter	Auditor's Response
Inventories: - Inventory of the company has maintained at multiple branch locations, due to complexity of the nature of the inventory, involvement of risk factor, and inventories are also important factor to consider in our audit procedures on the revenues, we considered this as a key audit matter.	• Our Audit procedures to test the existence of the inventories mainly consist of evaluating the design and implementation and testing the relevant internal control procedures, specifically: - 1) by testing the inventory cycle counts that are periodically performed by the management, 2) assessing the company's accounting policy for valuation of inventory, 3) Assessing the inventory valuation processes and testing the key controls around inventory existence and valuation assertions. • We have also relied upon the audit procedures performed and verification reports provided by the management of the company, based on the above, existence and valuation of inventories identified as a key audit matter, in this regards we also obtained management representation Letter duly signed by the management of the company.
The Confirmation/ Reconciliation of balances of trade receivables/trade payables (including Micro & Small enterprises & Including creditor for Capital expenses are pending.	• Our Audit procedures to test the balance confirmation of large creditors and debtors for which we have performed audit procedures including test check and Key Control on balance confirmations of trade payable/trade receivables, however management is confident that on confirmation/reconciliation there will not be any material impact on the financial statements, we have relied upon the same.

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Parent company's annual report, but does not include the consolidated financial statements and our auditors' 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 during the course of our 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 MANAGMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for matters stated in section 134(5) of the Act with regards to the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 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 Directors of the Parent, as aforesaid.

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 Management either intends to liquidate 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 is also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES 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:

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N. Delhi
CHARTERED ACCOUNTANTS

- 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 Parent Company and its subsidiaries, which are companies incorporated in India, have 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 management'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 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 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.

We communicate with those charged with governance of the Parent Company and such other entities 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are qualification regarding audit trial in the holding company and its subsidiaries.

A.N. GARG & CO. N. Delhi CHARTERED ACCOUNTANTS

2. A) As required by Section 143(3) of the Act, based on our audit 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 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 of accounts except for the matters stated in paragraph (2)(B)(f) below on reporting under rule 11(g) of the companies (Audit and Auditors) Rule, 2014.

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 Cash Flow Statement 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 the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2024 taken on record by the Board of Directors of the Parent, none of the directors of the Group companies, incorporated in India is disqualified as on 31st 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(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

a) The consolidated financial statements of the company have disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements.

b) The Group did not have any long term contracts include derivative contracts. Hence the question of any foreseeable losses does no arise.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

d (i) The respective Managements of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, 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 Parent or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in any other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective Managements of the Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of 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.

(iii) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us nothing has come to our or other auditor's notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

e) The board of directors of Hi-Tech Pipes Ltd has proposed final dividend for the year which is subject to the approval of the members at the annual general meeting. The amount of dividend declared is in accordance with the section 123 of the Act to the extent it applies to declaration of dividend.

f) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, the Holding Company and its subsidiary companies incorporated in India have used accounting softwares for maintaining its books of account, which did not have a feature of recording audit trail (edit log) facility throughout the year for all relevant transactions recorded in the respective softwares, hence we are unable to comment on audit trial features of the said software.

C) With respect to other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the parent company to its directors during the year is in accordance with the provisions of Section 197 of the Act;

For A. N.GARG & COMPANY
Chartered Accountants
FRN- 004616N

A. N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A. N. GARG
(FCA, Partner)
(M.No.-083687)
Place: New Delhi
Date: 11th May, 2024
UDIN: **24083687BKCBLL6608**

Annexure- A

To the Independent Auditor's Report

(Referred to in paragraph 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")

To the Members of Hi-Tech Pipes Limited

In conjunction with our audit of the consolidated financial statements of the Hi-Tech Pipes Limited ("Company" or "Parent Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of the Parent Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("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 its 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 Companies Act, 2013

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls with reference to financial statements of Parent Company and its subsidiary companies, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to financial statements.

A.N. GARG & CO. N. Delhi CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control 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 Group's internal financial control with reference to financial statements 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 Group; (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 Group are being made only in accordance with authorizations of management and directors of respective companies in the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Parent Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For A. N.GARG & COMPANY
Chartered Accountants
FRN- 004616N

A. N. GARG
(FCA, Partner)
(M.No.-083687)
Place: New Delhi
Date: 11th May, 2024
UDIN: **24083687BKCBLL6608**

HI-TECH PIPES LIMITED
CIN NO. L27202DL1985PLC019750
CONSOLIDATED BALANCE SHEET
As at March 31, 2024

(₹ in Lakhs)

	Particulars	Note No.	Total 31.03.2024	As at 31.03.2023
I	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant & Equipments	2	35,436.52	28,653.91
	(c) Capital Work-in-Progress	3	6,230.00	3,640.66
	(d) Intangible assets	4	53.37	56.54
	(f) Financial Assets			
	(i) Investments	5	255.03	170.03
	(ii) Other financial assets	5 (a)	577.29	535.77
	(g) Other non-current assets	6	3,761.95	3,361.92
	Total Non-Current Asset		**46,314.15**	**36,418.84**
	Current Assets			
	(a) Inventories	7	34,665.83	30,676.20
	(b) Financial Assets			
	(i) Trade receivables	8	28,017.82	18,552.25
	(ii) Cash and cash equivalents	9	233.34	188.89
	(iii) Bank balances	10	2,365.92	1,927.76
	(c) Other current assets	11	6,272.88	3,788.43
	Total Current Assets		**71,555.79**	**55,133.53**
	Total Assets		**1,17,869.94**	**91,552.38**
II	**EQUITY AND LIABILITIES:**			
	Equity			
	(a) Equity Share Capital	12	1,498.86	1,278.11
	(b) Other Equity	13	56,138.54	40,532.75
	Total Equity		**57,637.40**	**41,810.86**
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	10,645.44	9,402.67
	(ii) Other financial liabilities	15	247.00	232.00
	(b) Provisions	16	149.24	121.24
	(c) Deferred tax liabilities (Net)	17	2,609.11	2,195.35
	Total Non-Current Liabilities		**13,650.79**	**11,951.26**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	25,934.08	14,108.24
	(ii) Trade payables due to	19		
	(a) total outstanding dues of micro and small enterprises		31.29	1,503.89
	(b) total outstanding dues of creditors other than micro and small enterprises		15,698.49	15,912.48
	(iii) Other financial liabilities	20	3,750.90	3,928.22
	(b) Other current liabilities	21	390.05	879.72
	(c) Provisions	22	354.81	994.41
	(d) Current Tax Liabilities (Net)	23	422.13	463.30
	Total Current Liabilities		**46,581.75**	**37,790.26**
	Total Liabilities		**60,232.54**	**49,741.52**
	Total Equity & Liabilities		**1,17,869.94**	**91,552.38**

Material Accounting Policies 1

See the accompanying notes to the standalone financial statements 2-44

As per our report of even date

For A.N. Garg & Company
Chartered Accountants
FRN:- 004616N

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A.N. Garg
(FCA,Partner)
Membership No. 083687
Place: New Delhi
Date: May 11th , 2024

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Wholetime Director
DIN : 00670250

HI-TECH PIPES LTD.

Arun Kumar
Company Secretary

Arvind Bansal
Executive Director & CFO

HI-TECH PIPES LIMITED
CIN NO. L27202DL1985PLC019750
CONSOLIDATED STATEMENT OF PROFIT & LOSS
For the Half year ended 31 March, 2024

(₹ in Lakhs)

	Particulars	Note No.	Year Ended 31.03.2024	Year Ended 31.03.2023
REVENUES				
I	Revenue from operations	24	2,69,929.34	2,38,584.74
II	Other income	25	117.75	226.20
III	**Total income (I + II)**		**2,70,047.09**	**2,38,810.94**
IV	**Expenses:**			
	Cost of materials consumed	26	2,25,505.04	2,08,991.53
	Purchases of stock-in-trade	27	19,119.13	10,054.95
	Changes in inventories of finished goods, wip and stock-in-trade	28	1,627.48	(1,613.79)
	Employee benefits expense	29	3,145.73	2,640.23
	Finance costs	30	4,186.17	3,530.11
	Depreciation and Amortization Expenses	31	1,548.75	1,377.26
	Other expenses	32	9,046.08	8,190.77
	Total expenses		**2,64,178.38**	**2,33,171.05**
V	**Profit before exceptional items and tax (III-IV)**		**5,868.71**	**5,639.89**
VI	**Exceptional items**		-	651.52
VII	**Profit/(loss) before tax (V-VI)**		**5,868.71**	**4,988.37**
VIII	**Tax expense/(benefit):**			
	Current tax	17	1,077.60	927.14
	Deferred tax	17	364.98	296.34
	Tax related to earlier years		(15.73)	(66.83)
	MAT Credit Entitlement		48.78	63.57
	Total Tax Expense		**1,475.63**	**1,220.22**
IX	**Profit/(loss) for the period from continuing operations(VII-VIII)**		**4,393.08**	**3,768.14**
	Total Other comprehensive income / (loss) (A+B)		**9.66**	**11.07**
XV	**Total comprehensive income / (loss) (XIII + XIV)**		**4,402.75**	**3,779.22**
XVI	Earnings per equity share (for continuing operation)			
	Basic	33	**3.25**	**3.06**
	Diluted	33	**2.69**	**2.18**
XVII	Earnings per equity share (for discontinued operation)			
	Basic		-	-
	Diluted		-	-
XVIII	**Earnings per equity share(for discontinued & continuing operations)**			
	Basic	33	**3.25**	**3.06**
	Diluted	33	**2.69**	**2.18**

Material Accounting Policies 1
See the accompanying notes to the standalone financial statements 2-44
As per our report of even date

For A.N. Garg & Company
Chartered Accountants
FRN:- 004616N

A.N. GARG & CO. ★ CHARTERED ACCOUNTANTS ★ N. Delhi

A.N. Garg
(FCA,Partner)
Membership No. 083687
Place: New Delhi
Date: May 11th , 2024

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Wholetime Director
DIN : 00670250

HI-TECH PIPES LTD.

Arun Kumar
Company Secretary

Arvind Bansal
Executive Director & CFO

HI-TECH PIPES LIMITED
CIN U27202DL1985PLC019750
CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

PARTICULARS	For the year ended 31.03.2024		For the year ended 31.03.2023	
A. CASH FLOW FROM THE OPERATING ACTIVITIES				
Net Profit Before Tax and Extra Ordinary Activity		5868.71		5639.89
Add/(Less) Adjustments for:				
Other non-cash items	12.52		14.80	
Depreciation and amortization expenses	1548.75		1377.26	
Interest income on Bank deposits	(110.21)		(139.04)	
Finance Costs	4186.17		3530.11	
Loss / (gain) on sale of property, plant and equipment	(1.02)		(5.07)	
		5636.22		4778.05
Operating Profit Before Working Capital Changes		**11504.93**		**10417.94**
Adjustments for:-				
Increase / (Decrease) Trade Paybles	(1686.59)		9450.31	
Increase / (Decrease) Other Current/Non current Liabilities	(477.25)		672.26	
Increase / (Decrease) Provisions	(611.60)		682.46	
(Increase) / Decrease Trade Receivable	(9465.56)		(1811.12)	
(Increase) / Decrease Inventories	(3989.63)		(4735.50)	
(Increase) / Decrease other Current Assets	(3659.81)		859.45	
Expected credit loss allowances/Doubtful debt	0.00		-651.52	
		(19890.45)		**4466.35**
Cash Generated from Operations		(8385.52)		**14884.29**
Direct Taxes Paid		1133.45		1509.83
Net Cash Flow from the operating activities		**(9518.97)**		**13374.46**
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
(Increase) / Decrease other non current assets		(400.02)		(2698.92)
Bank deposits considered other than Cash and cash equivalents		(438.16)		(310.68)
Increase/ (Decrease) in Non Current other Financial Liabilities		15.00		151.75
Payment for Property ,Plant & Equipment , Intangible Assets ,CWIP		(10917.52)		(6934.31)
Loss / (gain) on sale of property, plant and equipment		1.02		5.07
Investment others		(85.00)		(170.00)
Interest income on Bank deposits		110.21		139.04
Net Cash Flow From Investing Activities		**(11714.48)**		**(9818.04)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net Proceeds on conversion of Share Warrants		11456.93		12231.10
Proceeds from Shares issue		0.00		0.00
Dividend Paid (Including taxes)		(32.68)		(61.35)
Increase/ (Decrease) in Long Term Borrowings		3750.15		(5284.66)
Increase/ (Decrease) in Short Term Borrowings		11825.85		(7653.89)
Increase/ (Decrease) in other current financial liability		2129.13		939.05
(Increase) / Decrease other Non Current financial assets		(3665.30)		(98.00)
Finance Costs		(4186.17)		(3530.11)
Net Cash Flow Used In Financing Activities		**21277.90**		**(3457.86)**
Net Increase/ (Decrease) Changes in Cash & Cash Equivalent (A+B+C)		**44.46**		**98.56**
Cash and Cash Equivalent at the Beginning of the Year		188.89		90.33
Cash and Cash Equivalent at the Closing of the Year		**233.34**		**188.89**

Material Accounting Policies 1
See the accompanying notes to the standalone financial statements 2-44
As per our report of even date

For A.N. Garg & Company
Chartered Accountants
FRN:- 004616N

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A.N. Garg
(FCA,Partner)
Membership No. 083687
Place: New Delhi
Date: May 11th , 2024

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Wholetime Director
DIN : 00670250

HI-TECH PIPES LTD.

Arun Kumar
Company Secretary

Arvind Bansal
Executive Director & CFO

HI-TECH PIPES LIMITED

Consolidated Statement of Changes in Equity for the year ended 31 March, 2024

A. Equity Share Capital (Refer Note 12)

Previous Reporting period

(₹ in Lakhs)

As at 01.04.2022	Change in equity share capital during the year	As at 31.03.2023
1,227.11	51.00	1,278.11

Current Reporting period

(₹ in Lakhs)

As at 01.04.2023	Change in equity share capital during the year	As at 31.03.2024
1,278.11	220.75	1,498.86

B. Other Equity (Refer Note 13)

(₹ in Lakhs)

Particulars	Reserves & Surplus					Total
	Security Premium Reserve	Retained Earnings	General Reserve	Money Received Against Share Warrant	Capital Reserve	
Balance as at 31 March, 2022	**6,198.07**	**14,905.87**	**3,145.60**	**10.25**	**375.00**	**24,634.79**
Money received against Share Warrants (see note 14 (iii))	-	-	-	9,584.20	-	**9,584.20**
Amount received for conversion of warrants (see note 14 (iii))	-	-	-	2,646.90	-	**2,646.90**
Conversion of Share Warrents into Equity (see note 14 (iii))	-	-	-	(3,529.20)	-	**(3,529.20)**
Forfeited and transferred to capital reserve (see note 14 (iv))				(10.25)	10.25	
Share premium on conversion of Share Warrants Into Equity share (see note 14 (iii))	3,478.20	-	-	-	-	**3,478.20**
Profit for the Year	-	3,779.22	-	-	-	**3,779.22**
Dividend 2021-22	-	**(61.35)**	-	-	-	**(61.35)**
Balance as at 31 March, 2023	**9,676.27**	**18,623.73**	**3,145.60**	**8,701.90**	**385.25**	**40,532.75**
Money received against Share Warrants (see note 14 (iii))	-	-	-	11,456.93	-	**11,456.93**
Conversion of Share Warrents into Equity (see note 14 (iii))	-	-	-	(15,275.90)	-	**(15,275.90)**
Share premium on conversion of Share Warrants Into Equity share (see note 14 (iii))	15,055.15	-	-	-	-	**15,055.15**
Profit for the Year	-	4,402.30	-	-	-	**4,402.30**
Dividend 2022-23	-	(32.68)	-	-	-	**(32.68)**
Balance as at 31 March, 2024	**24,731.42**	**22,993.35**	**3,145.60**	**4,882.93**	**385.25**	**56,138.54**

Material Accounting Policies 1

See the accompanying notes to the standalone financial statements 2-44

As per our report of even date

For A.N. Garg & Company
Chartered Accountants
FRN:- 004616N

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A.N. Garg
(FCA,Partner)
Membership No. 083687
Place: New Delhi
Date: May 11th , 2024

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Wholetime Director
DIN : 00670250

HI-TECH PIPES LTD.

Arun Kumar
Company Secretary

Arvind Bansal
Executive Director & CFO

NOTES TO THE HITECH PIPES LTD CONSOLIDATED FINANCIAL STATEMENTS

Background

Hi-Tech Pipes Limited ("the Company" or "the Holding Company") is a Public company limited by shares, incorporated and domiciled in India. Its registered office is located at 505, Pearl Towers, New Delhi – 110034, India and principal place of business is located at 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi - 110034, India.

The Company is listed on NSE and BSE. The Company is in the business of manufacturing of ERW Steel Round & Section Pipes, cold Rolled Strips, coils, GP coils and colour coated sheet & Engineering Products and distribution of the same across India. The company has three wholly owned subsidiaries in India. The group has five manufacturing unit.

Note: 1 Material Accounting Policy Information

This Note provides a list of the Material Accounting Policies adopted by the Group in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) **Basis of preparation:**

i) **Compliance with Ind AS:**

The Financial Statements have been prepared, covered and complied all materiality with respects to Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended thereof and other relevant provisions of the Act.

These Financial Statements have been prepared under applicable Ind AS-Rules and Provisions of Companies Act 2013

ii) The consolidated financial statements have been prepared on accrual basis and historical cost basis except

a. certain financial assets and liabilities and contingent considerations measured at fair value.

b. Assets held for Sale measured at lower of fair value or cost.

c. Share based payment measured at fair value

Fair value is the price that would be receivable to sell an asset or consideration to transfer a liability in an orderly transaction between market participants at the measurement date, irrespective of that price is directly available or estimated using another valuation technique. The Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in this financial statements has determined on such a basis that may have some similarities to fair value but actually not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

iii) Principles of consolidation

The Group consolidates all entities which are controlled by it. The Group establishes control when; it 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 the entity's returns by using its power over relevant activities of the entity.

The consolidated financial statements pertains to Hi-Tech Pipes Limited, the holding Company and its subsidiary companies (hereinafter collectively referred as the Group). The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2024.

b. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like line items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.

c. The excess of cost to the Group of its investments in the subsidiary companies over its share of equity and its premium of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. On the other hand, where the share of equity and its premium of the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' or 'Capital Reserve" is determined for each subsidiary Company separately and such amount are not set off between different entities.

d. Non-controlling interests, if any in the net assets of consolidated subsidiaries are identified separately from the Group's equity.

e. Goodwill on consolidation is not amortised however, tested for impairment.

f. Following subsidiaries have been considered in the preparation of consolidated financial statements: - HTL METAL Private Limited (a wholly owned subsidiary)

- HTL ISPAT Private Limited (a wholly owned subsidiary)
- HITECH METALEX Private Limited (a wholly owned subsidiary)

iii) Accrual basis of accounting

iii) Historical cost and conventional:

b. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period

V.A. SINGHAL & CO. CHARTERED ACCOUNTANTS N. Delhi

HI-TECH PIPES LTD.

adjustments. The measurement period does not exceed one year from the acquisition date.

C. Use of estimates and critical accounting judgements

In preparation of the financial statements, the Group makes estimates, judgements, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on past experience and situation that are considered to be relevant. Actual results may vary from these estimates or assumptions

The estimates and the underlying assumptions are reviewed certain frequent basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Following are some important judgements, apart from those involving estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the probability of transaction and event for future taxable profits.

The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

Income Taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that temporary differences of deductions can be realized. The Group estimates deferred tax assets and liabilities based on temporary differences.
Deferred tax assets are recognised to extent that it is probable that taxable profit will be available against which deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilized.

Provision for tax liabilities require judgements on the interpretation of tax legislation, judgements in case law and the potential outcomes of tax audits.

Therefore, the actual results may differ from estimates and same shall be adjusted to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Useful lives of Property, plant and equipment ('PPE')

The Group reviews the estimated useful lives and residual value of PPE at the end of each reporting period. The factors such as changes in the expected level of usage, product life-cycle, may impact the economic useful lives and the residual values of these assets. Subsequently, the depreciation charge could be revised and this would have an impact on the profits of the future years.

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation ('DBO') are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of derivative and other financial instruments

The fair value of financial instruments, is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market precedents exists at the Balance Sheet date.

b) <u>**Foreign currency transactions**</u>:

i) Functional and presentation currency:

Items included in the Consolidated Financial Statements of are measured using the currency of the primary economic environment in which the Group operates ('functional currency'). The Financial Statements of the Group are presented in Indian currency (Rs), which is also the functional and presentation currency of the Group.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain/ (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss except that they are deferred in equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain/| (loss) are presented in the Statement of Profit and Loss on a net basis within other income/ (expense).

N.A. GARG & CO. CHARTERED ACCOUNTANTS N. Sethi

HI-TECH PIPES LTD.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain/ (loss).

c) Revenue recognition:

Measurement of revenue and recognition:

The Group recognises revenues from sale of products measured at the amount of transaction price (net of variable consideration), when it satisfies its performance obligation at a point in time which is when products are delivered to a customer or to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer, and when there are no longer any unfulfilled obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue from services is recognised in the accounting period in which the services are rendered.

Eligible export incentives are recognised in the year in which the conditions precedents are met and when there is certainty about the collectability.

Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

d) Income taxes:

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit/ (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

e) Government grants:

i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

f) Leases:

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

HI-TECH PIPES LTD.

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

As a lessor:

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

g) Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value: Depreciation is provided on the Straight Line Method to allocate the cost of assets, net of their residual values, over their estimated useful lives:

Asset category	Estimated useful life
Buildings	30 to 60years
Plant and equipment	10 to 30 years
Vehicle	8 to 10 years
Office equipment and furniture	8 to15 years
Furniture & Fittings	10 years
Computers	3 to 6 years

Land accounted under finance lease is amortized on a straight-line basis over the period of lease.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

h) Intangible assets:

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration services. Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product/ patent. Computer software cost is amortised over a period of 5 years using Straight Line Method.

i) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs.

j) Impairment of assets:

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The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/ external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

k) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

l) Inventories:

Raw materials, packing materials, purchased finished goods, work-in-progress; manufactured finished goods, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

m) Investments and other financial assets:

Classification:

The Company classifies its financial assets in the following measurement categories:

Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)

Those measured at amortised cost

The classification depends the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable selection at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement of Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

After initial recognition, financial assets are measured at:

i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,

ii) Amortised cost

Debt instruments:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

<u>Measured at amortised cost:</u>

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

<u>Measured at fair value through Other Comprehensive Income (OCI):</u>

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture Company at fair value. The Management of the Company has selected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiary companies, associate company and joint venture company:

Investments in subsidiary companies, associate company and Joint Venture Company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and Joint Venture Company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. **Note 36** details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company 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.

Expected credit loss are measured through a loss allowance at an amount equal to the following:
(a) the 12-months expected credit losses (expected credit losses that result from default events on financial instrument that are possible within 12 months after reporting date); or
(b) Full lifetime expected credit losses (expected credit losses that result from those default events on the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable 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.
Individual receivables which are known to be uncollectible are written off by reducing the carrying -amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.
Subsequent recoveries of amounts previously written off are credited to other income.

De-recognition:

A financial asset is de-recognised only when the Company

i) has transferred the rights to receive cash flows from the financial asset or

ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

n) **Financial liabilities:**

i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) **Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

o) **Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

p) **Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

Borrowings are classified as current liabilities if the loan is payable on demand or within 12 months after the reporting period and in all other cases its classified as Non-current liabilities.

q) **Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

r) **Provisions:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

s) **Contingent Liabilities:**

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 within the control of the Company 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 the obligation or a reliable estimate of the amount cannot be made.

t) **Employee benefits:**

Short-term employee benefits:

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined contribution plan:

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plan:

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

u) Research and Development expenditure:

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

v) Earnings per share:

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

w) Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation of useful life of tangible assets

ii) Estimation of defined benefit obligation

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

Note 27.18 Regrouped/ Recast/Reclassified

Figures of earlier year have been reclassified to conform to Ind AS presentation requirement.

Note 27.19 Rounding off.

Figures less than 50000 have been rounded off.

Note 27.20 Authorisation for issue of the Financial statement

The Consolidated Financial Statements were authorised for issue by the Board of Directors on May 11th, 2024.

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2 Property, Plant and Equipment

(₹ in Lakhs)

Carrying amounts of :	As at March 31'2024	As at March 31'2023
Land	4,515.21	3,483.45
Buildings	8,396.29	6,912.85
Plant & Equipment	21,571.10	17,390.99
Office Equipment	73.72	64.71
Computers	25.97	25.30
Furniture & Fixtures	171.37	193.44
Vehicles	682.87	583.17
Total	35,436.52	28,653.91

(₹ in Lakhs)

Particulars	Land	Buildings	Plant & Equipment	Office Equipment	Computers	Furniture & Fixtures	Vehicles	Total Tangible Assets
Gross Carrying amount as at 31.3.2022	3,247.46	5,529.78	17,926.67	111.63	57.26	288.53	752.13	27,913.46
Addition	235.99	2195.87	3427.84	19.47	11.55	48.36	191.21	6,130.29
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	68.58	68.58
Gross Carrying amount as at 31.03.2023	3,483.45	7,725.65	21,354.50	131.10	68.82	336.89	874.77	33,975.18
Addition	1031.76	1663.50	5354.58	23.19	13.05	1.44	250.62	8,338.13
Disposals	0.00	0.00	0.29	0.00	0.00	0.00	27.83	28.12
Gross Carrying amount as at 31.03.2024	4,515.21	9,389.15	26,708.80	154.29	81.86	338.33	1,097.55	42,285.19
Accumulated depreciation								
Balance as at 31.03.2022	-	667.15	2,899.97	49.21	31.31	121.30	249.08	4,018.02
Depreciation for the year	-	145.65	1063.54	17.18	12.21	22.14	107.67	1,368.40
Depreciation on Disposals	-	0.00	0.00	0.00	0.00	0.00	65.15	65.15
Balance as at 31.03.2023	-	812.80	3,963.51	66.39	43.52	143.44	291.60	5,321.27
Depreciation for the year	-	180.06	1,174.19	14.18	12.37	23.52	123.08	1,527.40
Depreciation on Disposals	-	-	-	-	-	-	-	-
Balance as at 31.03.2024	-	992.86	5,137.70	80.57	55.89	166.96	414.68	6,848.67
Net Carrying Amount								
As at 31.03.2024	4,515.21	8,396.29	21,571.10	73.72	25.97	171.37	682.87	35,436.52
As at 31.03.2023	3,483.45	6,912.85	17,390.99	64.71	25.30	193.44	583.17	28,653.91
As at 31.03.2022	3,247.46	4,862.63	15,026.70	62.42	25.95	167.23	503.05	23,895.44
Useful life of Assets (Years)	NA	30-60	10-30	8-15	3-6	10	10	-
Method of Depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	-

Note:

a) Property, Plant & equipment have been Mortgaged or Hypothecated as the case may be, for details Refer Note 14 & 18

b)The group has Capitalised Rs.413.12 Lakhs as interest during the Financial Year 2023-24.

c) No revaluation has been done during the year with respect to Property Plant and Equipment.

d) The title deed of immovable properties is held in the name of company.

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3 **Capital Work-in-Progress**

(₹ in Lakhs)

Particulars	Total
Closing Balance as at March 31, 2022	**2,896.65**
Add: Addition during the year	4,733.95
Less: Transfer to property, Plant and equipment (see note 2)	3,989.94
Closing Balance as at March 31, 2023	**3,640.66**
Add: Addition during the year	9,004.69
Less: Transfer to property, Plant and equipment (see note 2)	6,415.35
Closing Balance as at March 31, 2024	**6,230.00**

Capital work-in-progress aging schedule

(₹ in Lakhs)

Particulars	As at 31st March, 2024				
At Cost/ Deemed Cost	< 1 year	1-2 years	2-3 years	>3 years	Total
a) Projects in progress:	3,324.89	2,905.11	-	-	6,230.00
Total	3,324.89	2,905.11	-	-	6,230.00

Capital work-in-progress aging schedule

(₹ in Lakhs)

Particulars	As at 31st March, 2023				
At Cost/ Deemed Cost	< 1 year	1-2 years	2-3 years	>3 years	Total
a) Projects in progress:	2,534.88	1,105.77	-	-	3,640.66
Total	2,534.88	1,105.77	-	-	3,640.66

4 **Intangible Assets**

(₹ in Lakhs)

Intangibles Assets	Computer Software	Intangibles Total
Gross Carrying amount as at 31.03.2022	**24.34**	**24.34**
Additions	63.40	63.40
Disposals	-	-
Gross Carrying amount as at 31.03.2023	**87.74**	**87.74**
Additions	18.18	18.18
Disposals	-	-
Gross Carrying amount as at 31.03.2024	**105.92**	**105.92**
Accumulated Amortisation and impairment		
Balance as at 31.03.2022	**22.34**	**22.34**
Amortisation for the year	8.86	8.86
Amortisation on Disposals	-	-
Balance as at 31.03.2023	**31.20**	**31.20**
Amortisation for the year	21.35	21.35
Amortisation on Disposals	-	-
Balance as at 31.03.2024	**52.55**	**52.55**
Net Carrying Value		
As at 31.03.2024	**53.37**	**53.37**
As at 31.03.2023	**56.54**	**56.54**
As at 31.03.2022	**2.00**	**2.00**
Useful life of Assets (Years)	3-5	
Method of Depreciation	SLM	

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5 Investments (Non -Current)

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Investments in equity instruments carried at fair value through the other comprehesive income-(Unquoted,fully paid)		
17,00,000 (March31,2022: Nil) equity shares of Rs.10/- each fully paid up in Amplus RJ Solar Private Limited (see note (ii) below)	170.00	170.00
100 (March 31,2022:100) equity shares of Rs.25/- each fully paid up in SVC Co-Operative Bank Ltd.	0.03	0.03
Investments in FDR	85.00	-
Total	**255.03**	**170.03**

Notes:

(i) The Group holds 2.30% (March 31,2022: Nil) equity shares of Ampus RJ Solar Private Limited, a company engaged in the business of providing solar energy to its customers.

(ii) The Group is having power purchse agreement (of 5 MW) with Amplus RJ Solar Private Limited and the Group has received Security deposit of Rs.178.00 lacs against 5MW PPP from Amplus RJ Solar Pvt Ltd shown in note 15.

5(a) Other Financial Assets (Non Current)

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured & Considered Good		
Security Deposit	577.29	535.77
Total	**577.29**	**535.77**

6 Other Assets - Non Current

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured & Considered Good		
Capital Advances (considered good)	3,761.95	3,361.92
Total	**3,761.95**	**3,361.92**

7 Inventories

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Inventories (at lower of cost and net realisable value)		
Raw materials	20,798.49	14,647.15
Semi-finished / finished goods	11,838.99	13,740.59
Waste & Scrap	1,225.11	950.98
Consumables and stores and spares	803.24	1,337.48
Total	**34,665.83**	**30,676.20**

Notes:

i) The mode of valuation of inventories has been stated in note 1(m) of Material Accounting Policy Information.

ii) Inventories have been hypothecated as security against certain bank borrowings of the Group (Refer note 18)

iii) Cost of inventory (including stores & spares) recognised as expense during the year amounted to Rs.2,46,251.64 lacs (March 31,2023: Rs.2,17,432.69 lacs)

iv) Raw material Inventory lying with third party.	Nil
v) Provision for slow moving inventory of stores & spares	Nil
iv) Details of Stock-in-transit	Rs.15.32 lacs

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8 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured (considered good)		
i) Related Parties	-	-
ii) Other than related parties	28,017.82	18,552.25
Sub total	**28,017.82**	**18,552.25**
Unsecured (considered doubtful)	-	651.52
Less: Allowance for trade receivables (expected credit loss allowance)	-	-651.52
Sub total	-	-
Total	**28,017.82**	**18,552.25**

a) The credit period on sale of goods ranges from 15 to 90 days without securities. No interest is charged on trade receivables for the amount overdue obove the credit period.

b) Before accepting any new customer, the Group evaluates the financial position, past performance, business opportunities, credit references etc. of the new customers and define credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

c) The Group does not generally hold any collateral or other credit enhancements over the balances.

d) Trade receivables have been Hypothecated as security towards Group's borrowings from bank (refer security note below Note18)

e) There are no outstanding debts due from directors or other officers of the group.

Ageing of trade receivables and credit risk arising there from is as below:

i) Undisputed trade receivables

(₹ in Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Considered good	Considered Doubtful	Considered good	Considered Doubtful
Outstanding for following periods from due date of receipts				
Less than 6 months	4,236.80	-	1,663.75	-
6 months- 1year	-	-	-	-
1-2 years	-	-	-	651.52
2-3 years	-	-	-	-
> 3 years	-	-	-	-
Within credit period	23,781.03	-	16,888.51	-
Total trade receivable	**28,017.82**	-	**18,552.25**	**651.52**
Less: allowance for the for the credit losses	-	-	-	651.52
Net trade receivable	**28,017.82**	-	**18,552.25**	-

ii) Disputed trade receivables

(₹ in Lakhs)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Considered good	Considered Doubtful	Considered good	Considered Doubtful
Outstanding for following periods from due date of receipts				
Less than 6 months	-	-	-	-
6 months- 1year	-	-	-	-
1-2 years	-	-	-	651.52
2-3 years	-	-	-	-
> 3 years	-	-	-	-
Within credit period	-	-	-	-
Total	-	-	-	**651.52**

9 **Cash and cash equivalents**

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Balance with banks in current accounts		
In current accounts	131.41	105.31
Cash in hand	101.93	83.57
Total	**233.34**	**188.89**

10 **Bank Balance other than cash and cash equivalents**

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Earmarked balances		
In current accounts (unpaid dividend)	1.62	0.46
In margin money	2,364.30	1,927.30
Total	**2,365.92**	**1,927.76**

Notes

11.1 Earmarked bank balance in current accounts are restricted in use and it relates to unclaimed dividend and balances with banks held as margin money for security against the guarantees & LC issued by Banks.

11 **Other Current Assets (Unsecured)**

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Advances to suppliers & others	2,772.58	831.74
Balance with Government authorities		
(i) GST Credit receivable	3,050.06	2,487.61
(ii) Others	365.18	365.18
Advances to Fellow subsidiary/related party	-	-
Prepayment & others	85.06	103.90
Total	**6,272.88**	**3,788.43**

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12 Equity share capital

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
	Number of Equity Shares		Amount (Rs in lakhs)	
Share Capital				
(a) Authorised :				
Equity shares of the par value Rs.1/ each (P.Y. Rs.10 each) see note below	24,00,00,000	24,00,00,000	2,400.00	2,400.00
(b) Issued and subscribed & fully paid				
Outstanding at the end of the year (Equity shares of the par value Rs.1/- each (P.Y. Rs. 10 each) see note below	14,98,86,000	12,78,11,000	1,498.86	1,278.11
Total	**14,98,86,000**	**12,78,11,000**	**1,498.86**	**1,278.11**

Notes:

a) The Movement/Reconciliation of Share Capital in Subscribed and Paid up Share Capital is set out as below

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
	Number of Share		Amount (Rs in lakhs)	
Equity shares of Rs.10/- each fully paid up at the beginning of the year	**12,78,11,000**	**1,22,71,100**	**1,278.11**	**1,227.11**
Add: Conversion of Equity Warrants into Equity Share	2,20,75,000	5,10,000	220.75	51.00
Add: Increase in number of shares on account of split (see note:b&c)	-	11,50,29,900	-	-
Equity shares - at the end of the year	**14,98,86,000**	**12,78,11,000**	**1,498.86**	**1,278.11**

b) The shareholders of the company vide ordinary resolution through postal ballot dated 27.12.2022 have approved the authorised share capital of the company is Rs. 24,00,00,000/- (Rupees twenty four crore only) divided in to 2,40,00,000(two crore fourty lacs) equity shares of Rs. 10/- each. Further after approval of shareholder through postal ballot w.e.f. 17.03.2023 one share of Rs. 10/- each has been spllited in to 10 equity shares of Re.1/- each. Thus the total number of authorised share capital is 24,00,00,000 equity shares of Re. 1 each.

c) Board of directors proposed sub-division/split of the equity shares of the company in board meeting dated 28.01.2023 after that shareholders of the company through postal ballot have approved sub-division of equity shares of the company from one equity share of face value of Rs. 10/- each to ten equity shares of face value of Rs.1/- each. from the record date of March 17, 2023.Therefore total fresh shares 11,50,29,900(12781100*9) issued.

d) Conversion of Equity Share Warrant into Equity Share of face value Rs 1 each , at Rs.69.2/- Per Share

Date of Allottment	Number of Share	Share Capital (Rs.)	Security Premium (Rs.)	Total Amt in Rs.
April 21, 2023	20,00,000	20,00,000	13,64,00,000	13,84,00,000
April 27, 2023	10,00,000	10,00,000	6,82,00,000	6,92,00,000
October 16, 2023	32,00,000	32,00,000	21,82,40,000	22,14,40,000
November 8, 2023	30,25,000	30,25,000	20,63,05,000	20,93,30,000
January 19, 2024	65,50,000	65,50,000	44,67,10,000	45,32,60,000
February 17, 2024	63,00,000	63,00,000	42,96,60,000	43,59,60,000

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Total	2,20,75,000	2,20,75,000	1,50,55,15,000	1,52,75,90,000

d.1) Board of Directors of the company proposed issue of Converitible equity share warrants 55,40,000 @ Rs.692/- on prefrential basis. Which has been approved by Shareholders of the company through postal ballot cum e-voting held on 27.12.2022, and same has been allotted on 10.01.2023, being receipt of upfront 25% application money i.e Rs.173/- (balance 75% i.e Rs. 519/- shall be payable within 18 months i.e. dated 09.07.2024) . Further on being full paymnet by warrant holders during the period 22,07,500 share warrants have been converted in to the 1:10 number of equity shares as approved by the board of 'Securities allotment-commitee' on respective date.

d.2) As on 31.03.2024 - 28,22,500 warrants were pending for conversion in to equity shares and the same will be converted in to the equity share on receipt of full amount. However post split of equity shares, such warrant holder will receive 10 equity shares of Re.1 /-each fully paid for each warrant.

e) Rights, preferences and restrictions attached to equity shares

The Company has single class of equity shares having a par value of Re.1/- each w.e.f. 17.03.2023 (On being split off 1 Share of Rs.10/- each in to 10 share of Re.1/- each fully paid) and carry an equal right of dividend. Each shareholder is eligible for one vote per share held & in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

f) Shareholders holding more than 5% share in the company are set out below:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of Share	% of Share	Number of Share	% of Share
Ajay Kumar Bansal	1,92,39,770	12.84%	1,92,39,770	15.05%
Anish Bansal	1,55,44,000	10.37%	1,35,44,000	10.60%
Vipul Bansal	1,32,55,590	8.84%	1,12,55,590	8.81%
AKS Buildcon Pvt. Ltd.	85,20,000	5.68%	55,20,000	4.32%
Parveen Bansal	74,11,070	4.94%	95,11,070	7.44%

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g) Shares held by promoters and promoter group at the end of the year:

Name of the promoter	As at 31 March 2024		As at 31 March 2023		% Change During the Year
Promoters	**Number of Share**	**% of Share**	**Number of Share**	**% of Share**	
Ajay Kumar Bansal	1,92,39,770	12.84%	1,92,39,770	15.05%	-2.21%
Anish Bansal	1,55,44,000	10.37%	1,35,44,000	10.60%	-0.23%
Total	**3,47,83,770**	**23.21%**	**3,27,83,770**	**25.65%**	**-2.44%**
Promoter's Group					
Parveen Bansal	74,11,070	4.94%	95,11,070	7.44%	-2.50%
Vipul Bansal	1,32,55,590	8.84%	1,12,55,590	8.81%	0.03%
Shweta Bansal	27,56,000	1.84%	27,56,000	2.16%	-0.32%
Ajay Kumar & Sons (HUF)	-	0.00%	46,08,000	3.61%	-3.61%
AKS Buildcon Pvt. Ltd.	85,20,000	5.68%	55,20,000	4.32%	1.36%
Hi- Tech Agrovision Pvt. Ltd.	71,60,000	4.78%	51,60,000	4.04%	0.74%
Govind Aggarwal HUF	2,900	0.00%	2,900	0.00%	0.00%
Naresh Aggarwal	10,00,650	0.67%	10,00,650	0.78%	-0.11%
Mukesh Mittal	10,06,750	0.67%	6,900	0.01%	0.66%
Renu Mittal	10,01,400	0.67%	1,400	0.00%	0.67%
Krishan Mittal HUF	2,800	0.00%	73,700	0.06%	-0.06%
Naresh Kumar HUF	6,350	0.00%	6,350	0.00%	0.00%
Mrinaal Mittal	10,00,010	0.67%	10	0.00%	0.67%
Total	**4,31,23,520**	**28.77%**	**3,99,02,570**	**31.22%**	**-2.45%**
Grand Total	**7,79,07,290**	**51.98%**	**7,26,86,340**	**56.87%**	**-4.89%**

h) For the period of five years immediately preceding the date of Balance Sheet,

Aggregate number & class of shares allotted by the company as fully paid up pursuance to contracts without receipt of cash	Nil
Aggregate number & class of shares bought back by the company	Nil
Aggregate number & class of shares alloted by the company as fully paid up by way of bonus shares	Nil

13 Other Equity

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
General reserve	3,145.60	3,145.60
Share Warrants	4,882.93	8,701.90
Retained earnings	22,993.35	18,623.73
Other reserves:		
Capital Reserve	385.25	385.25
Securities premium account	24,731.42	9,676.27
Total	**56,138.54**	**40,532.75**

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(i) Securities premium account

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Indian Companies Act,2013 (" The Companies Act").

(ii) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.There is no policy of regular transfer. General reserves represents the free profits of the Company available for distribution. As per the Companies Act, certain amount was required to be transferred to General Reserve every time Company distribute dividend. General reserve is not an item of OCI, items included in the general reserve will not be reclassified to profit or loss.

(iii) Share Warrant (Fully Convertible in Equity Shares)

The company has issued and allotted 55,40,000 fully convertible warrants to non-promoters, promoter and promoter group on preferential basis @ Rs. 692/- each on subscription amount of Rs.173/- each (being 25% application money), which are convertible into equal number of equity shares Rs.10/- each fully paid, carries pari - passu rank with existing equity shares, The holder of convertible warrants shall convert his holding of convertible warrants within 18 month from the date of allotment of such convertible warrants. During the current Financial Year 22,07,500 warrants has been converted into 1:10 number of Equity shares as per details given herein below.

Date of allotment	Issue Price per Warrant	Total Amount on Waarant	Amount Received for capital	Premium on conversion
April 21, 2023	692	13,84,00,000	20,00,000	13,64,00,000
April 27, 2023	692	6,92,00,000	10,00,000	6,82,00,000
October 16, 2023	692	22,14,40,000	32,00,000	21,82,40,000
November 8, 2023	692	20,93,30,000	30,25,000	20,63,05,000
January 19, 2024	692	45,32,60,000	65,50,000	44,67,10,000
February 17, 2024	692	43,59,60,000	63,00,000	42,96,60,000
Total	**4,152**	**1,52,75,90,000**	**2,20,75,000**	**1,50,55,15,000**

Note:

Remaining 28,22,500 fully convertible warrants are convertible in equity share only after the payment of balance receivable on such fully convertible warrants.However post split of equity shares, such warrant holder will receive 10 equity shares of Re. 1/- each fully paid for each warrant.

(iv) Capital Reserve

The Company had allotted 13,70,000 Fully Convertible Warrants at a price of Rs.41 being 25% of issue price of Rs.164/- on January 05, 2021 out of which the allottees had converted their 13,45,000 FCW's into 13,45,000 Equity Shares within the period of 18 Months and 25,000 FCW's were left pending for conversion. Hence, the Company has forfeited the allotment money of Rs.10,25,000 (Rs. Ten lakhs, twenty Five thousands) for 25,000 FCW's and transferred the same on 1st Jan'2023 in the Capital Reserve Account.

(v) Retained earnings

It represents unallocated/ un-distributed profit of the company. The amount that can be distributed as dividend by the company as dividends to its equity shareholders is determined based on the separate financial statements of the company and also considering the requirements of the companies Act,2013.

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14 Borrowings (Non Current)

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Secured- At Amortised cost		
Term Loans:		
From Bank	6,849.87	7,417.66
From Others	1,134.42	1,100.00
Vehicle Loans	188.32	112.36
(A)	**8,172.60**	**8,630.03**
Unsecured- At Amortised cost		
From Directors	424.65	746.85
From Others	2,057.69	-
Intercorporate Borrowings:		
Loan from Related Parties	-	0.00
Loan from Body Corporate	-	50.00
(B)	**2,482.34**	**796.85**
Unamortised upfront fee on Secured Borrowing (C)	-9.50	-24.21
Total (A) + (B) + ('C')	**10,645.44**	**9,402.67**

(₹ in Lakhs)

Particluars	As at 31.03.2024		As at 31.03.2023	
Summary	**Non current**	**Current**	**Non current**	**Current**
Term Loans:				
From Bank	6,849.87	3,524.14	7,417.66	3,521.98
From Others	1,134.42	-	1,100.00	219.91
Vehicle Loans	188.32	125.02	112.36	93.47
Total	**8,172.60**	**3,649.16**	**8,630.03**	**3,835.36**

(₹ in Lakhs)

Particluars	As at 31.03.2024		As at 31.03.2023		
Term Loans from banks are secured as follows:	**borrowings**	**Current borrowings**	**borrowings**	**borrowings**	**Nature of Security**
Terms of Repayment and Nature of Security					
The principal amount of Rs. 9 crore shall payable in to 48 equal instalments of Rs.18,75,000 starting after completion of moratorium of 12 months from the date of First disbursement. Installment starts from March'2022 and last installment date is Feb'2026. Applicable ROI 9.05%	206.25	225.00	431.25	225.00	Second charge on immovable fixed & current assets at plot no. 10 & 16 Sikandrabad Bulandshahr Uttar Pradesh.
Repayable in 48 monthly Installments after complition of moratorium of 24 months. EMI starting from April'2023 and last installment due in March'2027). Applicable ROI 9.25%	166.79	62.37	187.63	62.37	
Repayable in 48 monthly Installments (principal) of Rs.10,39,583 after moratorium period of 12 months, starting from Feb'2022 and last installment due in Jan'2026). Applicable ROI 9.35%	103.96	124.75	228.71	124.75	
Repayable in 48 monthly Installments (Principal) of Rs.26,04,167 starting from April'2022 after moratorium period of 12 months and last installment due in March'2026). Appplicable ROI 9.25%	286.46	312.50	625.00	312.50	
Repayable in 48 monthly Installments (Principal) of Rs.13,02,084 starting from April'2024 after moratorium period of 24 months and last installment is due in March'2028). Applicable ROI 9.25%	572.92	26.04	598.96	-	
Repayable in 24 monthly Installments starting from May'2023 and last installment due in April'2026). Applicable ROI 9.25%	177.81	118.27	2.82	300.00	
Repayable in 48 monthly Installments (principal) of Rs.21,91,667 after moratorium period of 12months, starting from March'2022 and last installment due in Feb'2026). Applicable ROI 9.25%	252.08	275.00	527.08	275.00	Second charge on movable & immovable fixed assets. current assets of Sanand unit

Repayable in 48 monthly Installments (principal) of Rs.20,83,333 ,starting from March'2022 and last installment due in Feb'2026). Applicable ROI 9.25%	229.17	250.00	479.17	250.00	i.e. E-6 GIDC Sanand Ahmedabad.
Repayable in 60 monthly Installments (principal) of Rs.20,38,600 after moratorium period of 15 months, starting from April'2023 and last installment due in March'2028). Applicable ROI 10%	2,292.89	339.16	989.73	244.63	Exclusive charge on land building P&M situated at Makhiyav unit, Village Makhiyav, Sanand, Ahmedabad, Gujarat.
Repayable in 60 monthly Installments (EMI) of Rs.15,05,666 starting from May'2019 and last installment is due on March'2024)	-	-	0.00	84.78	Exclusive charge on P&M being financed at plot No. 10 &16 at Sikandrabad Buland shahar Uttar pradesh.
Repayable in 54 monthly Installments (principal) of Rs.9,26,000 after moratorium period of 6 months, starting from Oct'2021 and last installment due in Feb'2026). Applicable ROI 9.35%	87.03	111.12	200.79	111.12	
Repayable in 60 monthly Installments (principal) of Rs.6,17,000 starting from Sept'2021 and last installment due in March'2026). Applicable ROI 9.35%	71.32	74.04	147.12	74.04	
Repayable in 36 monthly Installments (principal) of Rs.9,26,000 after moratorium period of 6 months, starting from Oct'2022 and last installment due in Sept'2025). Applicable ROI 9.35%	48.58	111.12	169.98	111.12	
Repayable in 72 monthly Installments (EMI) of Rs.25,77,402 starting from June'2022 and last installment due in May'2028). Applicable ROI 8.90%	897.70	236.72	1,100.00	219.91	Exclusive charge on Plot No. 130, located at Sector-44, Gurugram Haryana.
Repayable in 19 quarterly Installments, starting from Jan'2020 and last installment due in Oct'2024). Applicable ROI 12%	-	73.11	73.11	88.35	**a)** Exclusive charge on fixed assets of sanand unit. **b)** First charge on entire movable fixed assets of sanand both present and future. **c)** Second charge on entire current & future assets and equitable mortgage of property situated at E-2/4, situated at land-2 at jaypee greens, G-Block, Suraj pur kasna road, Greater Noida-201306 d) Personal guarantee of promoter director.
Repayable in 22 quarterly Installments, starting from May'2018 and last installment due in November'2023)	-	-	-	72.37	
Repayable in 22 quarterly Installments, starting from Feb'2019 and last installment due in August'2024). Applicable ROI 10.75%	-	60.65	60.65	88.68	
Repayable in 48 monthly Installments and applicable ROI 9.25%	1,125.83	531.42	1,335.30	560.63	Equitable Mortgage of Land and building located at plot No.41 b, 1& 2 Golapuram Village , Anantpur District Andhra Pradesh. Exclusive charge on P&M being financed located at at plot No.41 b, 1& 2 Golapuram Village , Anantpur District Andhra Pradesh.
Repayable in 48 monthly Installments and applicable ROI 9.75%	1,040.12	592.86	1,360.37	536.64	Exclusive charge on P&M being financed located at at Khapauli unit.
Repayable in 84 monthly Installments and applicable ROI 9.75%	425.38	-	-	-	Exclusive charge on full Plant at Jammu including factory Land and building situated at SIDCO Industrial Estate, Forelain, Falling under Khasra no. 5465/4611/3019 min village Forelain Tehsil & District Kathua, Jammu.
Repayable in 36 monthly Installments and applicable ROI 9%	188.33	125.02	112.36	93.47	Exclusive charge on vehicle Financed.
Total	**8,172.61**	**3,649.16**	**8,630.03**	**3,835.36**	

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15 Other Financial Liabilities Non-Current

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Other Deposits	247.00	232.00
Creditors for capital goods	-	-
Total	**247.00**	**232.00**

The Group is having power purchse agreement (of 5 MW) with Amplus RJ Solar Private Limited and the company has received Security deposit of Rs.178.00 lacs against 5MW PPP from Amplus RJ Solar Pvt Ltd.

16 Provisions (Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Leave encashment	3.34	3.34
Provision for Gratuity (refer note-34)	145.89	117.89
Total	**149.24**	**121.24**

17 Income Taxes

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April'1 and ending on March'31.

For each fiscal year, the respective entities' profit or loss is subject to the higher of the regular income tax payable or the minimum alternative tax ("MAT").

(a) Income tax expense / (benefits) (₹ in Lakhs)

Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
Current tax :		
Current tax	1,077.60	927.14
Tax refund / reversal pertaining to earlier years	(15.73)	(66.83)
	1,061.87	**860.31**
Deferred tax :		
Deferred tax	364.98	296.34
MAT credit entitlement	48.78	63.57
Tax provision/(reversal) for earlier years	-	-
Total deferred tax	**413.76**	**359.91**
Total Tax expense / (benefit)	**1,475.63**	**1,220.22**

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
Profit/loss before tax	5,868.71	4,988.37
Enacted tax rate in India (Weighted Average)	25.60%	25.66%
Expected income tax expense / (benefit) at statutory tax rate	**1,502.54**	**1,280.01**
Tax on Depreciation under Income Tax Act	(759.88)	(653.40)
Tax on Depreciation under Companies Act	394.92	351.48
Net deductions allowed under tax Laws	364.98	308.97
Tax related to earlier years	(15.73)	(66.83)
Tax on expense not allowed under Income Tax Act	(11.21)	-
Tax expense for the Current year	**1475.63**	**1220.22**
Tax expense pertaining to current year	1475.63	1,220.22
Effective income tax rate	**25.14%**	**24.46%**

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Deferred tax assets / (liabilities) **(₹ in Lakhs)**

Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31.03.2024	As at 31.03.2023
Deferred tax liabilities (net)	2,609.11	2,195.35
Total	**2,609.11**	**2,195.35**

(₹ in Lakhs)

Deferred tax balance in relation to	As at 31.03.2023	Recognised / reversed through Profit and loss	Recognised in / reclassified from other OCI	As at 31.03.2024
Property, plant and equipment	(2,237.42)	(364.98)	-	(2,602.41)
Mat credit entitlement	76.23	(48.78)		27.45
Provisions for employee benefit / loans, advances and guarantees	(34.15)	-	-	(34.15)
Total	**(2,195.35)**	**(413.76)**	**-**	**(2,609.11)**

(₹ in Lakhs)

Deferred tax balance in relation to	As at 31.03.2022	Recognised / reversed through Profit and loss	Recognised in / reclassified from other OCI	As at 31.03.2023
Property, plant and equipment	(1,939.81)	(297.61)	-	(2,237.42)
Mat credit entitlement	139.80	(63.57)		76.23
Provisions for employee benefit / loans, advances and guarantees	(35.43)	1.28	-	(34.15)
Total	**(1,835.44)**	**(359.91)**	**-**	**(2,195.35)**

18 Borrowings (current) **(₹ in Lakhs)**

Particulars	As at 31.03.2024	As at 31.03.2023
Working capital loans from banks (secured)	25,934.08	14,108.24
Total	**25,934.08**	**14,108.24**

Working capital loan are secured by :-

Working capital facilities availed are secured by first pari passu charge on entire present and future current assets of the Group. Additionaly second pari passu on present and future moveable fixed assets of the Group. These credit facitilities are further secured by personel guarantee of promoter-directors of the Company.

Quarterly statements of current assets filed by the company with banks or financial institutions are is in agreement with the books of accounts.

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19 **Trade Payables (current)**

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Trade payables:		
a) Total Outstanding dues of micro and small enterprises	31.29	1,503.89
b)Total Outstanding dues of creditors other than micro and small enterprises	13,669.56	15,200.07
Total	**13,700.85**	**16,703.96**
Other than Raw Material	2,028.93	712.41
Grand Total	**15,729.78**	**17,416.37**

Credit Terms of these Trade Payable varies from 0-90 days.

20 **Other financial liabilities**

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Term Loans		
From Banks	3,287.42	3,521.98
From others	236.72	219.91
Vehicle Loans	125.02	93.47
Current maturities of long-term borrowing (refer note 15)	**3,649.16**	**3,835.36**
Interest accrued but not due on borrowings	101.74	92.86
Loan from related party	-	
Total	**3,750.90**	**3,928.22**

21 **Other Current liabilities**

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Advances from customers	-	379.55
Statutory liabilities	122.80	149.76
Unclaimed dividends	1.62	0.46
Creditors for fixed assets	174.85	288.23
Other Outstanding Liabilities	90.78	61.72
Total	**390.05**	**879.72**

22 **Provisions (Current)**

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Leave encashment	0.02	0.19
Provision for employee benefits	28.16	24.48
Bonus payable	20.21	20.32
Other Provisions	301.96	945.12
Provision for Gratuity	4.47	4.30
Total	**354.81**	**994.41**

23 **Current Tax Liability (Net)**

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Tax	1,046.54	1,073.33
TDS (Income tax)	-624.41	(610.03)
Total	**422.13**	**463.30**

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24 Revenue from operations

(₹ in Lakhs)

Particulars		As at 31.03.2024	As at 31.03.2023
Sale of products:			
Domestic		2,62,540.09	2,31,776.38
Export		202.67	386.25
	A	**2,62,742.76**	**2,32,162.63**
Other operating revenues			
Rent		210.29	198.04
Export incentive		166.29	-
Job work		-	-
Sale of Scrap		6,810.00	6,224.07
Subsidy from Government		-	-
	B	**7,186.59**	**6,422.11**
Total	(A+B)	**2,69,929.34**	**2,38,584.74**

25 Other Income

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Interest income on Bank deposits	110.21	139.04
Other Income	6.52	82.09
Profit on Sale of Property plant & equipments	1.02	5.07
Total	**117.75**	**226.20**

26 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Inventories of material as at the beginning of the year	15,984.62	12,862.92
Add: Purchase during the year	2,31,122.15	2,12,113.23
Less: Inventories of material as at the closing of the year	21,601.73	15,984.62
Total	**2,25,505.04**	**2,08,991.53**

27 COST OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
HR Coil/ Skelp	19,119.13	10,054.95
Total	**19,119.13**	**10,054.95**

28 Changes in inventories of finished goods, work-in-progress and stock in trade

(₹ in Lakhs)

Particulars		As at 31.03.2024	As at 31.03.2023
Opening Stock :			
Semi finished /finished goods		11,613.10	10,978.49
Rejection & Scraps		950.98	691.09
Work-in-progress		2,127.49	1,408.20
	A	14,691.57	13,077.78
Closing stock :			
Semi finished /finished goods		9,711.49	11,613
Rejection & Scraps		1,225.11	951
Work-in-progress		2,127.49	2,127
	B	13,064.10	14,691.57
	C (A-B)	**1,627.48**	**(1,613.79)**

29 Employee benefits expense

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Salaries and wages	2,947.39	2,440.79
Contribution to provident and other funds	65.44	61.49
Provisions for Employees Benefits	69.00	59.45
Staff welfare expenses	63.91	78.50
Total	**3,145.73**	**2,640.23**

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30 **Finance costs** (₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Interest expenses on term loan	1,103.83	919.41
Interest expenses on working capital borrowings	2,735.98	2,215.39
Other borrowing costs	346.36	395.32
Total	**4,186.17**	**3,530.11**

31 **Depreciation and amortization** (₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Tangible assets	1,527.40	1,368.40
Intangible assets	21.35	8.86
Total	**1,548.75**	**1,377.26**

32 **Other expenses** (₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Power and fuel	3,839.27	3,091.31
Rent	98.33	38.07
Repairs and maintenance	-	-
Plant and equipment	192.40	235.41
Buildings	127.00	95.26
Others	58.26	48.62
Sales Promotion	111.95	343.97
Fee & Subscription	224.71	61.44
Insurance	87.44	101.55
Carriage and freight	2,842.95	2,865.76
Commission on sales	162.58	125.41
Travelling and Conveyance	316.94	248.48
Legal or Professional Consultation Charges	260.95	241.85
Vehicle Running and Maintenance	147.13	172.12
CSR Exp.	85.29	85.29
Security Services	90.86	90.65
Miscellaneous expenses	400.03	345.61
Total	9,046.08	8,190.77

Note :

Auditors remuneration (excluding service tax | GST) included in other expenses :

(₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Audit fees(including limited review)	41.20	38.20
Tax audit fees	2.00	2.00
Total	**43.20**	**40.20**

33 **Earnings per share (EPS)** (₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Profit/(Loss) attributable to Equity shareholders (A)	4,402.75	3,779.22
Weighted average number of Equity shares for basic EPS (B)	1,353.22	1,234.38
Effect of Dilution :		
Equity share outstanding	1,353.22	1,234.38
Weighted average number of Treasury shares held through Convertible Warrant	282.25	503.00
Weighted average number of Equity shares adjusted for the effect of dilution (C)	1,635.47	1,737.38
Basic EPS (Amount in Rs.) (A/B)	3.25	3.06
Diluted EPS (Amount in Rs.) (A/C)	2.69	2.18
Face value per Share	Rs.1/-	Rs.1/-

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Note No.: 34 **Consolidated Financial Ratios**

S. No.	Particulars	Numerator	Denominator	Ratios		Variance (%)
				For the year ended		
				31th March, 2024	31st March, 2023	
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.54	1.46	5.29%
2	Debt-Equity Ratio (in times)	Total Borrowings (i.e. Non-current borrowings + Current borrowings)	Total Equity	0.70	0.66	6.62%
3	Debt Service Coverage Ratio (in times)	Profit before tax + Depreciation and amortisation expenses + interest	Interest + Scheduled principal repayments of term loans	1.46	1.33	10.19%
4	Return on Equity Ratio (%)	Net profit after tax	Average Networth	8.85%	11.17%	-20.72%
5	Inventory Turnover (no. of days)	Closing Inventory	Revenue from operations per day	47	47	-0.12%
6	Debtors Turnover (no. of days)	Trade Receivables * No of days in the reporting year	Revenue from operations	38	28	33.48%
7	Payables Turnover (no. of days)	Trade payables * No of days in the reporting year	Revenue from operations	21	27	-20.17%
8	Net Capital Turnover (in times)	Revenue from operations	Working capital	10.81	13.76	-21.43%
9	Net Profit Margin (%)	Net profit for the year	Total Income	1.63%	1.58%	3.02%
10	Return on Capital Employed (%)	Profit before tax plus Interest	Net worth + Total borrowings + Deferred Tax	10.00%	11.92%	-16.15%

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34 A Additional Regulatory Information

(a) The amount due to Micro and small enterprises as defined in "The Micro, Small and Medium Enterprises Development act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company.

The disclosures relating to Micro and Small Enterprises are as below:

Particulars	As at March 31, 2024	As at March 31, 2023
(i) The principal amount remaining unpaid to supplier as at the end of the year	31.29	1,503.89
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii) The amount of interest-due and payable for the period of delay in making payment (which have been paid beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
(v) The amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961	-	-
Total	**31.29**	**1,503.89**

(b) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(c) Disclosures under Rule 11(e)(ii) of the Company (Audit & Auditors) Rule, 2014 :

No funds have been received by the Company in current and previous year (other than as disclosed under note 48(e) from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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.

(d) Details of benami property held

No proceeding has been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

(e) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or any lender.

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(f) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(g) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(h) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(i) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(j) Disclosures under Rule 11(f) of the Company (Audit & Auditors) Rule, 2014 - Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. The Company declares and pays dividends in Indian rupees. Companies are required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows :

Particulars	As at March 31, 2024	As at March 31, 2023
Final dividend per share	Rs.0.025	Rs.0.025

During the year ended March 31, 2024, on account of the final dividend for year ended March 31, 2023, the Company has incurred a net cash outflow of Rs.32.68 Lakhs. The Board of Directors in their meeting held on May 11, 2024 recommended a final dividend of Rs.0.025 per equity share for the year ended March 31, 2024. This payment of dividend is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company.

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35 **Segment reporting**

In accordanace with the provisions of Ind AS 108 -Operating Segment, the operations of the Group falls under manufacturing of Steel Products and which is also considered to be the reportable segment by management.

36 **Employee benefits**

Defined benefit plans

(₹ in Lakhs)

Particulars	As at March 31,2024		
	Current	Non-current	Total
Gratuity			
Present value obligation	4.47	145.89	150.36
Total Employee benefit obligation	**4.47**	**145.89**	**150.36**

(₹ in Lakhs)

Particulars	As at March 31,2023		
	Current	Non-current	Total
Gratuity			
Present value obligation	4.30	117.89	122.19
Total Employee benefit obligation	**4.30**	**117.89**	**122.19**

(a) Gratuity

The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof inexcess of 6 months subject to a limit of Rs. 20.00 Lacs (Previous Year Rs. 20.00 Lacs). Vesting occurs upon completion of 5 years of service.

(b) Defined contribution plans

The Group makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs.65.44 Lacs (Year ended March 31, 2023 Rs.61.49 lacs) for Provident Fund contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(c) Movement of defined benefit obligation:

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows.

(₹ in Lakhs)

Particulars	**Gratuity**
Opening Balance as at April 1,2022 (A)	**109.65**
Current Service cost	20.08
Interest expenses/(income)	8.22
Expected return on plan assets	-
Total amount recognised in profit and loss (B)	**28.29**
Remeasurements:	
effect of change in financial assumptions	-
effect of change in demographic assumptions	-
experience variance (i.e. Actual experiencevs assumptions)	(15.75)
changes in asset ceiling	-
Total amount recognised in other comprehensive income (	**(15.75)**
Employer contributions: Benefit payments **(D)**	-
Balance as at March 31,2023 (A+B+C+D)	**122.19**

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Balance as at March 31,2023 (A)	**122.19**
Current service cost	28.73
Past service cost	1.74
Interest expense/(Income)	9.18
Expected return on plan assets	-
Total amount recognised in profit & loss (B)	**39.65**
Remeasurements:	
effect of change in financial assumptions	6.11
effect of change in demographic assumptions	-
experience variance (i.e. Actual experiencevs assumptions)	4.40
changes in asset ceiling	-
Total amount recognised in other comprehensive income (	**10.52**
Employer contributions: Benefit payments **(D)**	(21.98)
Balance as at March 31,2024 (A+B+C+D)	**150.38**

d) Movement of Plan Assets **(₹ in Lakhs)**

Particulars	**Year ended March31,2024**	**Year ended March31,2023**
Opening Balance	-	-
Contribution by the employer	-	-
Expected return on the plan assets	-	-
Acturiel gain or (loss)	-	-
Benefits paid	-	-
Closing Balance	-	-

e) Net asset/(liability) recognised in the balance sheet **(₹ in Lakhs)**

Particulars	**Year ended March31,2024**	**Year ended March31,2023**
Present value of the defined benefit obligation	150.36	122.19
Less: Fair Value of Plan assets	-	-
Funded status- Surplus/(Deficit)	(150.36)	(122.19)
Unrecognised past service costs	-	-
Net Liability recognised in the Balance Sheet	(150.36)	(122.19)

f) Category of assets	**Year ended March31,2024**	**Year ended March31,2023**
Funds managed by insurer	0.00%	0.00%

g) Post-Employment benefits

The significant acturial assumptions were as follows: **(₹ in Lakhs)**

Particulars	**Year ended March31,2024**	**Year ended March31,2023**
Discount Rate	7.50%	7.50%
Salary growth rate	3.00%	3.00%
Expected return on assets	0.00%	0.00%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Attrition rate		
18 to 30 years	0.50%	0.50%
30 to 45 years	0.50%	0.50%
above 45 years	0.50%	0.50%

Notes:

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other
relevant factors such as supply and demand in the employment market.

h) The Group does not expects to make any contribution to the defined benefit plans during the next financial year.

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i) **Sensitivity analysis**

Significant actuarial assumptions for the detemination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in Lakhs)

Particulars	31/03/2024	31/03/2023
Defined Benefit Obligation (Base)	150.36	122.19

(₹ in Lakhs)

Particulars	31/03/2024		31/03/2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	171.75	132.72	137.96	108.93
(% change compared to base due to sensitivity)	14.23%	-11.73%	12.91%	-10.85%
Salary Growth Rate (-/+1%)	131.93	172.44	108.28	138.55
(% change compared to base due to sensitivity)	-12.26%	14.69%	-11.39%	13.38%
Attrition Rate (-/+1%)	148.09	152.58	120.39	123.93
(% change compared to base due to sensitivity)	-1.51%	1.48%	-1.47%	1.42%
Mortality Rate (-/+1%)	150.11	150.65	121.97	122.41
(% change compared to base due to sensitivity)	-0.17%	0.19%	-0.18%	0.18%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

J) **Risk Exposures**

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availabilty of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

Note: The above is a standard list of risk exposures in providing the gratuity benefit. The Group is advised to carefully examine the above list and make suitable amendments (including adding more risks, if relevant) to the same before disclosing the above in its financial statements.

k) **Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 11 years.(March31, 2023:11 years)

The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lakhs)

Particulars	March31,2024	March31,2023
Less than a year	4.49	4.30
Between 2-5 years	36.73	19.84
Between 6-10 years	67.00	71.87
More than 10 years	371.59	273.61
Total	**479.80**	**369.61**

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37 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which were specified in schedule VII of the Companies Act, 2013.

(₹ in Lakhs)

	Particulars	March31,2024	March31,2023
(i)	Amount required to be spent as per section 135 of Companies Act, 2013	85.29	85.29
(ii)	Amount of expenditure in the books of accounts	85.29	85.29
(iii)	Actual expenditure	85.29	85.29
(iv)	Provision made for liability	-	-
(v)	Shortfall at the end of the year	-	-
(vi)	Total of the previous years shortfall	-	-
(vii)	Reason for shortfall	See note below	See note below
(viii)	Amount of expenditure incurred on		
	(i) Construction /acquisition of any asset	-	-
	(ii) On purposes other (i) above	85.29	85.29
(ix)	Nature of CSR activity	Education and skill enhancement, healthcare, rural development	Education and skill enhancement, healthcare, rural development
(x)	Details of related party transactions	None	None

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 (the rules), the Group has subsequent to balance sheet date has deposited amount of Rs.Nil (March 31, 2023 : Rs.Nil) to a separate bank account because all the amount spend during the period.

Notes:

Based on legal opinion, the Group is of the view that the past unspent obligation till March 31,2024 not carried forward will be treated as lapsed and accordingly does not be spent/ transferred to a separate bank account.

38 Financial instruments

a) Capital Risk Management

The Group's capital requirements are mainly to fund its expansion, working capital and strategic acquisition. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by short term borrowings from bank . The Group is not subject to any externaly imposed capital requirements.

Ther Group regularly consider other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisition, to capture market opportunities at minimum risk.

The Group monitors its capital gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowing less cash and cash equivalents, bank balances other cash and cash equivalents.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

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(₹ in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
Long term borrowings	10,645.45	9,402.67
Current maturities of long term debts	3,649.16	3,835.36
Short term bottowings	25,934.08	14,108.24
Less: Cash and Cash equivalents	-233.34	-188.89
Less: Bank balances other than cash and cash equivalents	-2,365.92	-1,927.76
Net Debt	37,629.43	25,229.63
Total Equity	57,637.40	41,810.86
Gearing Ratio	0.65	0.60

i) Equity includes all capital and reserves of the Group that are managed as capital.

ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 14 and 18.

b) Financial risk management objectives

The Group's activities expose it to market risk including foreign currency risk, interest rate risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk : The Group's risk management is carried out by a treasury department under policies approved by the managment. Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board and managment provides principles for overall risk management, as well as policies covering specific areas, such as hedging of foreign currency transactions foreign exchange risk.

The Group has an Audit Committee established by its Board of Directors for the Risk Management Framework and developing and monitoring the Group's risk management policy. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks. The Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

a) Market risk
   (i) Foreign currency risk
   (ii) Interest rate Risk
b) Credit risk; and
c) Liquidity risk

a) Market risk

Market risk is the risk of any loss in upcomimg earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as result of changes in interest rates, commodity prices ,foreign currency exchange rates, liquidity and other market changes. Future based market movements can not be normally forecasted with accuracy.

(i) Foreign currency risk

The Group's functional currency is Indian Rupees (INR). The Group undertakes no transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations are not arises. The Group is not exposed to any exchange rate risk under its trade and debt portfolio.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group is in rupees with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in lending rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term borrowings. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and further by keeping a close eye view on the market variables and time to time negotiations with the Bankers for reduction of rate of interest.

HI-TECH PIPES LTD. ★

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		(₹ in Lakhs)
Particulars	**As at 31-03-2024**	**As at 31-03-2023**
Variable Rate Borrowings	25,934.08	14,108.24
Fixed rate Borrowings	11,821.76	12,465.40
Total Borrowing	**37,755.84**	**26,573.63**

Sensitivity (₹ in Lakhs)

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a result of cha		
Particulars	**As at 31-03-2024**	**As at 31-03-2023**
Interest rates- increases by 50 basis points (50 bps)	129.67	70.54
Interest rates- decreases by 50 basis points (50 bps)	(129.67)	(70.54)

b) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Group's credit risk arises principally from the trade receivables and advances.

Group's trade receivables are generally categories into following categories:

1. Export customers
2. Institutional customers
3. Dealers

In case of export sales, in order to mitigate credit risk, generally sales are made on advance payment terms. Where export sales are not made on advance payment terms, the same are secured through letter of credit or bank guarantee, etc.

In case of sale to institutional customers, in order to mitigate credit risk, majority of the sales are secured by letter of credit, bank guarantee, post dated cheques, etc. however , certain credit period is allowed to some reputed institution in contry like Reliance, L&T,

In case of sale to dealers certain credit period is allowed with vintage of 3-5 years atleast. In order to mitigate credit risk, majority of the sales made to dealers are secured by way of post dated cheques (PDC), conducting reference check also within the market.

Further, Group has an ongoing credit evaluation process in respect of customers who are allowed credit period. Customer credit risk is managed centrally by the group and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation,vintage, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

c) Liquidity risk management

Liquidity risk refers to the risk of financial distress extra ordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for working capital needs as well as for capex purposes. The Group generates sufficient cashflow for operations, which together with the available cash and cash equivalents and short term borrowings provide liquidity. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continues monitoring of actual cash flows, and by matching the maturity profiles of financial assests and liabilities.

The Group has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

(i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows :

		(₹ in Lakhs)
Particulars	**As at 31-03-2024**	**As at 31-03-2023**
Nature of facility	Working Capital	Working Capital
Floating rate borrowings	5,465.92	16,291.76

(ii) Maturities of financial liabilities

The table below analyses the Group's all non-derivative financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities :-

(₹ in Lakhs)

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
As at March 31, 2024				
Borrowings (interest bearing)	29,583.24	8,172.61	-	37,755.84
Interest accrued but due on borrowings	101.74	-	-	101.74
Trade payables	15,729.78	-	-	15,729.78
Security deposits payable	247.00	-	-	247.00
Deferred payment (interest bearing)	-	-	-	-
Others	-	-	-	-
Total non-derivative liabilities	**45,661.76**	**8,172.61**	-	**53,834.37**

(₹ in Lakhs)

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
As at March 31, 2023				
Borrowings (interest bearing)	17,943.60	8,630.03	-	26,573.63
Interest accrued but due on borrowings	92.86	-	-	92.86
Trade payables	17,416.37	-	-	17,416.37
Security deposits payable	232.00	-	-	232.00
Deferred payment (interest bearing)	-	-	-	-
Others	-	-	-	-
Total non-derivative liabilities	**35,684.83**	**8,630.03**	-	**44,314.86**

c) Commodity price risk:

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its products. Market forces generally determine prices for the steel products sold by the Group. These prices may be affected by supply and demand, production costs (including the cost of raw material inputs) global ,regional economic conditions, growth and so on. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sale of its products.

The Group purchases the steel and other building products in the open market from third parties in prevailing market price. The Group is therefore subject to fluctuations in the prices of HR Coils, Zinc etc.

The Group sells the products at prevailing market prices. Similarly the Group procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs moves in the same direction.

39 **Operating Lease**

a) As Lessor:

The Group has entered into leasing arrangements for renting of a building admesuring approximately 1262 Square meter at the rate of Rs. 870/- per SM monthly For the period of 12 months, which is renewable.

Disclosure in respect of assets (building) given on operating lease: (₹ in Lakhs)

Particulars	As at 31-03-2024	As at 31-03-2023
Gross carrying amount of assets	3,71,80,995	3,71,80,995
Accumulated Depreciation	88,96,625	84,43,216
Depreciation for the year	4,53,409	4,53,409

b) As Leassee:

Various building have been taken on operating lease with lease term for 11 months for office primises, storage space & employee residence which are renewable on a periodic basis by mutual consent of both parties. All the operating lease are cancelable by either parties for any reason by giving a prior notice. There is no restriction imposed by lease aggrements, such as those concerning dividens, additional debts.

Lease payments recognised under rent expenses is as follows: (₹ in Lakhs)

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
Minimum lease payment made on operating lease	98.33	38.07

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40 Related party disclosures

A Name of Related Parties and nature of relationship:

1	**Associate enterprise over which key management personnels and their relative exercise significant influence**	1 Hitech Agro Vision Pvt Ltd 2 AKS Buildcon Pvt Ltd 3 Hi-tech Saw Ltd
2	**Subsidiaries**	1. HTL Metal Pvt. Ltd. (Wholly Owned Subsidiary) 2. HTL Ispat Pvt Ltd. (Wholly Owned Subsidiary) 2. Hitech Metalex Pvt. Ltd. (Wholly Owned Subsidiary)
3	**Key Management Personnel (KMP)**	1. Sh. Ajay Kumar Bansal as Managing Director 2. Sh. Anish Bansal as Whole time Director 3. Sh. Arvind Bansal Executive Director & CFO 3. Sh. Arun Sharma, CS & Compliance Officer
4	**Relatives of Key Management Personnel**	1. Vipul Bansal is as Relatives of Managing Director 2. Ajay Kumar & Sons Relatives of Mananging Director 2. Parveen Bansal is as Relatives of Managing Director

B Transactions with related parties & Outstanding balance **(₹ in Lakhs)**

	Particulars		**Value of Transaction**	
			FY 2023-24	**FY 2022-23**
1	Remuneration paid to Key Management Personnel		299.83	243.64
2	Sale of Goods to Subsidiaries		2,104.93	1,679.94
3	Purchase of Goods from Subsidiaries		360.86	59.09
4	Outstanding balance of Key Management Personnel	**Cr Bal**	424.65	746.85
5	Outstanding balance of Relatives of Key Management Personnel	**Cr Bal**	2,057.69	-
6	Rent paid to Key Management personnel		3.60	3.60
7	Outstanding balance of Wholly owned subsidiary		-	-

In respect of above parties there is no provision for doubtful debt as on March 31st, 2024 and no amount is written off or written back during the year in respect of debt/loans and advances due from/to them.

Credit facilities of the Group is further is collaterally secured by the personal gaurantee of the Promoter Directors as declared in note 14 & 18

41 Contingent liabilities and commitments (to the extent not provided for)

a) Contingent liabilities (for pending litigations) **(₹ in Lakhs)**

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Corporate Guarantee given for Subsidiaries		
Disputed UP Valud Added Tax Demand	43.27	43.27
Performance Bank Guarantee	1,457.68	717.87
Total	**1,500.95**	**761.14**

Note :

The Group has issued Financial bank guarantee for procurement of raw material against which liability has been expected under trade payables.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially effect on its financial statements.

b) Commitments

1) The Group has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. The Group does not have any other long term commitments or material non-cancellable contractual commitments /contracts, including derivative contracts for which there were any material foreseeable losses.

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42 **Events after the Reporting Period** Nil

43 **The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable**

44 **Approval of Financial Statements**

The Financial Statements were approved for issue by the Board of Directors on May 11, 2024.

As per our report of even date

For A.N. Garg & Company
Chartered Accountants
FRN:- 004616N

A.N. GARG & CO. N. Delhi CHARTERED ACCOUNTANTS

A.N. Garg
(FCA,Partner)
Membership No. 083687

Place: New Delhi
Date: May 11th , 2024

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Wholetime Director
DIN : 00670250

HI-TECH PIPES LTD.

Arun Kumar
Company Secretary

Arvind Bansal
Executive Director & CFO

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HI-TECH PIPES LIMITED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of HI-TECH PIPES LIMITED (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"),which includes Group's share of profit/ loss, comprising the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statement, and details of subsidiaries as follows:-

a) HTL Metal Private Limited,
b) HTL Ispat Private Limited,
c) Hitech Metalex Private Limited

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit including other comprehensive income, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit 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 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 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 on consolidated financial statements.

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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:-

Key Audit Matter	Auditor's Response
<u>Sundry Debtors :-</u> The management measured credit losses on an OEM Customer, who had defaulted in its payment. Its operations have also been discontinued and recently moved to liquidation process through NCLT. Therefore, expected credit loss (ECL) of Rs. 6.51 Crores and onetime provisioning has been done during quarter ended 30th September 2022, **<u>Inventories:-</u>** Inventory of the company has maintained at multiple branch locations, due to complexity of the nature of the inventory, involvement of risk factor, and inventories are also important factor to consider in our audit procedures on the revenues, we considered This as a key audit matter.	Our audit procedures for sundry debtors included:- • Regarding as OEM (original equipment manufacturer) Customer, we performed relevant standard on accountings for getting external confirmation, we also obtained Legal documents filed by such OEM with NCLT, Since this transaction has material impact on profitability of the Company and with reference to IND AS-1 and considering the material amount which is Non-recurring by nature, therefore it has been classified as Exceptional item in Profit and loss statement, we considered it as Key audit matter. • Our audit procedures to test the existence of the inventories mainly consist of evaluating the design and implementation and testing the relevant internal control procedures, specifically by testing the inventory cycle counts that are periodically performed by management, the closing stock has taken, valued & duly certified by the management, we have relied upon the same. • We have relied upon the audit procedures performed and verification reports provided by the management of the company.

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Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Parent company's annual report, but does not include the consolidated financial statements and our auditors' 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 during the course of our 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 MANAGMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for matters stated in section 134(5) of the Act with regards to the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 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 Directors of the Parent, as aforesaid.

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 Management either intends to liquidate 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 is also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES 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:

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- 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 Parent Company and its subsidiaries, which are companies incorporated in India, have 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 management'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 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 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 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 the financial statements of such entities included in the consolidated financial statements; we remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements

We believe that audit evidence obtained by us are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities 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.

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CHARTERED ACCOUNTANTS
N. Delhi

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 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, returns and the reports of the other auditors.

(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 Cash Flow Statement 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 the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2023 taken on record by the Board of Directors of the Parent, none of the directors of the Group companies, incorporated in India is disqualified as on 31st 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 over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the parent company to its directors during the year is in accordance with the provisions of Section 197 of the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements of the company have disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements.

ii. The Group did not have any long term contracts include derivative contracts. Hence the question of any foreseeable losses does no arise.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

iv. (a) The respective Managements of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, 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 Parent or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in any other

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persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The respective Managements of the Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of 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.

c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us nothing has come to our or other auditor's notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The board of directors of Hi-Tech Pipes Ltd has proposed final dividend for the year which is subject to the approval of the members at the annual general meeting. The amount of dividend declared is in accordance with the section 123 of the Act to the extent it applies to declaration of dividend.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For A. N.GARG & COMPANY
Chartered Accountants
FRN- 004616N

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A. N. GARG
(FCA, Partner)
(M.No.-083687)
Place: New Delhi
Date: 27th May, 2023
UDIN: **23083687BGXHQO2527**

Annexure- A

To the Independent Auditor's Report
(Referred to in paragraph 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")

To the Members of Hi-Tech Pipes Limited

In conjunction with our audit of the consolidated financial statements of the Hi-Tech Pipes Limited ("Company" or "Parent Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of the Parent Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("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 its 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 Companies Act, 2013

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls with reference to financial statements of Parent Company and its subsidiary companies, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to financial statements.

A.N. GARG & CO.
CHARTERED ACCOUNTANTS
N. Delhi

Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control 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 Group's internal financial control with reference to financial statements 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 Group; (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 Group are being made only in accordance with authorizations of management and directors of respective companies in the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Parent Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For A. N.GARG & COMPANY
Chartered Accountants
FRN- 004616N

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A. N. GARG
(FCA, Partner)
(M.No.-083687)
Place: New Delhi
Date: 27th May, 2023
UDIN: **23083687BGXHQO2527**

Annexure - A
To the Independent Auditor's Report

(Referred to in paragraph 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")

To the Members of Hi-Tech Pipes Limited

We have audited the internal financial controls over financial reporting of HI-TECH PIPES LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone/ standalone Ind AS (retain as applicable) financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting 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". 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 its business, including adherence to respective company 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 Companies Act, 2013

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its joint operations companies incorporated in India (retain as applicable) based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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 over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on "the criteria for internal financial control over financial reporting 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".

For A. N.GARG & COMPANY
Chartered Accountants
(FRN- 004616N)

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A. N. GARG
(FCA, Partner)
(M.No.-083687)
Place: New Delhi
Date: 27th May, 2023
UDIN: **23083687BGXHQP4164**

Annexure "B"
To the Independent Auditor's Report

The Annexure referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our Report to the Members of Hi-Tech Pipes Limited of even date.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:-

(a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work in progress and right-of-use assets.

(B) The Company has maintained Proper records showing full particulars of intangible assests.

(b) Certain Property, Plant and Equipment and capital work-in-progress were physically verified during the year by the Management in accordance with a program of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment and capital work-in-progress at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to information and explanations given to us and the records examined by us we report that the title deeds of all the immovable properties (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favor of company) disclosed in financial statements included in Plant Property and Equipment and Capital Work in Progress are held in the name of the company as at Balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) To best of our knowledge and according to information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management, in our opinion, the coverage and procedure of such verification by the management is appropriate; no discrepancies were noticed by us which is 10% or more in the aggregate for each class of inventory, however some immaterial discrepancies were observed by us which were properly dealt with in the books of accounts.

(b) Company has been sanctioned working capital limits which is in excess of five Crore rupees in aggregate, at point of time during the year from banks and financial institutions on the basis of security of current assets, in our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock and book debt statements, filed by the company with such banks are in agreement with the unaudited books of accounts of the company of the respective quarters.

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

(iii) (a) The Company has provided/granted secured or unsecured Loans during the year and the outstanding balance of loan as at March 31, 2023 are given below:-

Particulars	Loan (Rs. In Lakhs)
A. Aggregate amount granted / provided during the year	
- Subsidiary (wholly owned)	247.53
- Related Parties	-
B. Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiary (wholly owned)	247.53
- Related Parties	-

The company has not provided any guarantee or security to any other entity during the year.

b) In our opinion, the terms and conditions of the grant of all the above mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted or advances in nature of loans provided by the company to its Subsidiary company are interest free and which is payable on demand. During the year company has not demanded such loan. Having regards to the fact that the repayment of principal has not been demanded by the company, in our opinion the repayments of the principal amounts are regular.

d) According to information and explanations given to us and based on audit procedures performed In respect of loans granted by the company, we are unable to make specific comment on the total amount overdue for more than 90 days, if any in the absence of stipulated agreements.

e) According to information and explanations given to us and on the basis of examination of records of the company, no loan granted by the Company which has fallen due during the year has been has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Further to report that we are unable to make specific comment on due status of loan or advance in the nature of loan granted in the absence of stipulated agreements.

b) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to any promoter, related parties as defined in clause (76) of section 2 of the companies act 2013 during the year except HITECH METALEX PVT LIMITED (subsidiary company).

(iv) Based on information and explanations given to us in respect of loans, investments, guarantees, and security, have been complied with (wherever applicable on the company) necessary provision of section 185 & 186 of the Companies Act, 2013.

(v) According to the information and explanations given to us, the Company has not accepted any deposit or amount which is deemed to be deposit. Hence reporting under clause (v) of the order is not applicable.

(vi) The company has maintained cost records pursuant to the Companies (Cost Records and Audit) Rules, 2016, as amended, prescribed by the Central Government under sub – section (1) of Section 148 of the Companies Act, 2013; however we neither required carrying out, nor have carried out any detailed examination of such accounts and records.

(vii) (a) As explained to us and as per the books and records examined by us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Wealth Tax, Sales Tax, GST, Excise duty, Cess and other statutory dues have been generally deposited with the appropriate authority on regular basis.

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, GST, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us by the management and relied upon by us, there are no dues of Income Tax, Custom Duty, Wealth Tax, Sales Tax, GST, Excise duty & Cess, which have not been deposited on account of any dispute except the following Statutory dues, which have not been deposited on account of dispute and same is pending before appropriate authority as follows:-

Sl.No.	Name of the Statue	Nature of Dues	Amount Disputed (Rs. In Lakhs)	Period to which dues related	Authority where the dispute is Pending for Decision
1.	U.P. Tax on Entry of Goods in to Local areas ordinance, 2007	The Constitutional validity of U.P. Tax on Entry of Goods in to Local areas ordinance, 2007 had been challenged.	281.91	November, 2008 to March 2011	Before the High court Allahabad
2.	UP-VAT	Sales Tax	43.00	2011-2012	Before the Additional Commissioner (Appeal) of Commercial Tax Authority, Ghaziabad, Uttar Pradesh
4.	UP-VAT	Sales Tax	28.00	2016-2017	Before the Assistant Commissioner (Appeal) of Commercial Tax Authority, Ghaziabad, Uttar Pradesh

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) Company has taken various loans from Banks but there is no default in repayment of loans has been made by the company.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term Loans Taken by the company has been applied for the purpose for which they were obtained, no material discrepancies noticed.

(d) On overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not utilized during the year for long term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries; hence reporting on clause 3(ix) (f) of the order is not applicable.

(x) (a) The company has not issued any of its securities(including debt instruments) during the year and hence reporting under clause (x)(a) of the order is not applicable.

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

(b) According to the information and explanations given to us, the company has made preferential issue of convertible warrants and allotment of equity shares of shares during the year. In respect of the above issue, we further report that:-

(i) The requirement of section 42 of the of the companies act 2013 as applicable, have been complied with; and

(ii) The amounts raised have been applied by the company during the year for the purpose for which the funds were raised.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Govt, during the year and upto the date of this report

(c) As represented to us by management, there were no whistle blower complaints received by company during the year.

(xii) In our opinion on the basis of information and explanations given by the management, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

(xiii) According to the information and explanations given by the management, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures

(xv) According to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There is no Resignation by the statutory auditor of the company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans and based on out examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of

A.N. GARG & CO.
CHARTERED ACCOUNTANTS
N. Delhi

meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of subsection (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Hence, reporting under this clause is not applicable for the year

For A. N.GARG & COMPANY
Chartered Accountants
(FRN- 004616N)

A. N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A. N. GARG
(FCA, Partner)
(M.No.-083687)
Place: New Delhi
Date: 27th May, 2023
UDIN: **23083687BGXHQP4164**

HI-TECH PIPES LIMITED
CIN NO. L27202DL1985PLC019750
CONSOLIDATED BALANCE SHEET
As at March 31, 2023

(₹ in Lakhs)

	Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant & Equipments	2	28,653.92	23,895.44
	(b) Right of use assets		-	-
	(c) Capital Work-in-Progress	3	3,640.66	2,896.65
	(d) Intangible assets	4	56.54	2.00
	(e) Asset classified as held for sale		-	-
	(f) Financial Assets			
	(i) Investments	5	170.03	0.03
	(ii) Loans	6	-	437.77
	(g) Other non-current assets	7	3,897.70	663.01
	Total Non-Current Asset		**36,418.84**	**27,894.89**
	Current Assets			
	(a) Inventories	8	30,676.20	25,940.70
	(b) Financial Assets			
	(i) Trade receivables	9	18,552.25	16,741.14
	(ii) Cash and cash equivalents	10	188.89	90.33
	(iii) Bank balances	11	1,927.76	1,617.08
	(c) Other current assets	12	3,788.43	4,647.88
	Total Current Assets		**55,133.53**	**49,037.13**
	Total Assets		**91,552.38**	**76,932.02**
II	**EQUITY AND LIABILITIES:**			
	Equity			
	(a) Equity Share Capital	13	1,278.11	1,227.11
	(b) Other Equity	14	40,532.75	24,634.79
	Total Equity		**41,810.86**	**25,861.90**
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	9,402.67	14,687.33
	(ii) Other financial liabilities	16	232.00	104.64
	(b) Provisions	17	121.24	95.92
	(c) Deferred tax liabilities (Net)	18	2,195.35	1,835.44
	Total Non-Current Liabilities		**11,951.26**	**16,723.34**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	14,108.24	21,762.13
	(ii) Trade payables due to	20		
	(a) total outstanding dues of micro and small enterprises		1,503.89	1,118.84
	(b) total outstanding dues of creditors other than micro and small enterprises		15,912.48	6,847.22
	(iii) Other financial liabilities	21	3,928.22	2,989.17
	(b) Other current liabilities	22	879.72	312.71
	(c) Provisions	23	994.41	408.95
	(d) Current Tax Liabilities (Net)	18	463.30	907.77
	Total Current Liabilities		**37,790.26**	**34,346.79**
	Total Liabilities		**49,741.52**	**51,070.12**
	Total Equity & Liabilities		**91,552.38**	**76,932.02**

Significant Accounting Policies
See the accompanying notes to the standalone financial statements
As per our report of even date

For A.N. Garg & Company
Chartered Accountants
FRN:- 004616N

A.N. Garg
(FCA,Partner)
Membership No. 083687
Place: New Delhi
Date: May 27th , 2023

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Director & CFO
DIN : 00670250

Arun Kumar
Company Secretary

HI-TECH PIPES LIMITED
CIN NO. L27202DL1985PLC019750
CONSOLIDATED STATEMENT OF PROFIT & LOSS
For the Year ended 31 March, 2023

(₹ in Lakhs)

	Particulars	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
REVENUES				
I	Revenue from operations	24	2,38,584.74	1,87,884.73
II	Other income	25	226.20	93.67
III	**Total income (I + II)**		**2,38,810.94**	**1,87,978.41**
IV	**Expenses:**			
	Cost of materials consumed	26	2,08,991.53	1,73,534.03
	Purchases of stock-in-trade		10,054.95	250.51
	Changes in inventories of finished goods, wip and stock-in-trade	26	(1,613.79)	(3,856.95)
	Employee benefits expense	27	2,640.23	2,198.57
	Finance costs	28	3,530.11	3,647.00
	Depreciation and Amortization Expenses	29	1,377.26	966.24
	Other expenses	30	8,190.77	5,706.75
	Total expenses		**2,33,171.05**	**1,82,446.15**
V	**Profit before exceptional items and tax (III-IV)**		**5,639.89**	**5,532.26**
VI	**Exceptional items (refer note 46)**		651.52	
VII	**Profit/(loss) before tax (V-VI)**		**4,988.37**	**5,532.26**
VIII	**Tax expense/(benefit):**			
	Current tax	18	927.14	1,122.96
	Deferred tax	18	296.34	230.77
	Previous Year Adjustments		(66.83)	58.44
	MAT Credit Entitlement		63.57	87.47
	Total Tax Expense		**1,220.22**	**1,499.64**
IX	**Profit/(loss) for the period from continuing operations(VII-VIII)**		**3,768.14**	**4,032.62**
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	**Profit/(loss) for the period (IX+XII)**		**3,768.14**	**4,032.62**
XIV	**Other comprehensive income**			
A	i) Items that will not be reclassified to profit or loss			
	(a) Changes in Foreign Currency Monetary Item translation difference		(0.96)	-
	(b) Remeasurements of post employment benefit obligation		15.75	-
	ii) Income tax relating to items that will not be reclassified to profit or loss		(3.72)	-
	Total (A)		**11.07**	-
B	i) Items that will be reclassified to profit or loss			
	(a) The effective portion of gains and loss on hedging instruments		-	-
	(b) Changes in Foreign Currency Monetary Item translation difference		-	-
	ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total (B)		-	-
	Total Other comprehensive income / (loss) (A+B)		**11.07**	-
XV	**Total comprehensive income / (loss) (XIII + XIV)**		**3,779.22**	**4,032.62**
XVI	Earnings per equity share (for continuing operation)	31		
	Basic		**3.06**	**3.38**
	Diluted		**2.18**	**3.38**
XVII	Earnings per equity share (for discontinued operation)			
	Basic		-	-
	Diluted		-	-
XVIII	**Earnings per equity share(for discontinued & continuing operations)**			
	Basic		**3.06**	**3.38**
	Diluted		**2.18**	**3.38**

Significant Accounting Policies
See the accompanying notes to the standalone financial statements
As per our report of even date

For A.N. Garg & Company
Chartered Accountants
FRN:- 004616N

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A.N. Garg
(FCA,Partner)
Membership No. 083687
Place: New Delhi
Date: May 27th , 2023

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Director & CFO
DIN : 00670250

Arun Kumar
Company Secretary

HI-TECH PIPES LTD.

HI-TECH PIPES LIMITED
CIN U27202DL1985PLC019750
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED March 31, 2023

(₹ in Lakhs)

PARTICULARS	For the year ended 31.03.2023		For the year ended 31.03.2022	
A. CASH FLOW FROM THE OPERATING ACTIVITIES				
Net Profit Before Tax and Extra Ordinary Activity		5639.89		5532.26
Add/(Less) Adjustments for:				
Other non-cash items	14.80			
Depreciation and amortization expenses	1377.26		966.24	
Interest income on Bank deposits	(139.04)		(81.52)	
Finance Costs	3530.11		3647.00	
Loss / (gain) on sale of property, plant and equipment	(5.07)			
		4778.05		4531.72
Operating Profit Before Working Capital Changes		**10417.94**		**10063.98**
Adjustments for:-				
Increase / (Decrease) Trade Paybles	9450.31		3043.10	
Increase / (Decrease) Other Current/Non current Liabilities	672.26		(61.96)	
Increase / (Decrease) Provisions	682.46		(74.81)	
(Increase) / Decrease Trade Receivable	(1811.12)		(4680.56)	
(Increase) / Decrease Inventories	(4735.50)		(7093.63)	
(Increase) / Decrease other Current Assets	859.45		(2498.42)	
Expected credit loss allowances/Doubtful debt	(651.52)			
		4466.35		**(11366.28)**
Cash Generated from Operations		**14884.29**		**(1302.30)**
Direct Taxes Paid		1509.83		429.33
Net Cash Flow from the operating activities		**13374.46**		**(1731.63)**
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
(Increase) / Decrease other non current assets		(3164.88)		(159.83)
Bank deposits considered other than Cash and cash equivalents		(310.68)		12.17
Increase/ (Decrease) in Non Current other Financial Liabilities		151.75		24.84
Payment for Property ,Plant & Equipment , Intangible Assets ,CWIP		(6934.31)		(4521.94)
Loss / (gain) on sale of property, plant and equipment		5.07		-
Investment others		(170.00)		-
Net Cash Flow From Investing Activities		**(10423.06)**		**(4644.76)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net Proceeds on conversion of Share Warrants		12231.10		1309.95
Proceeds from Shares issue		-		0.00
Dividend Paid (Including taxes)		(61.35)		0.00
Increase/ (Decrease) in Long Term Borrowings		(5284.66)		3057.12
Increase/ (Decrease) in Short Term Borrowings		(7653.89)		3869.58
Increase/ (Decrease) in other current financial liability		939.05		1718.69
(Increase) / Decrease other Non Current financial assets		367.96		13.46
Interest income on Bank deposits		139.04		81.52
Finance Costs		(3530.11)		(3647.00)
Net Cash Flow Used In Financing Activities		**(2852.85)**		**6403.32**
Net Increase/ (Decrease) Changes in Cash & Cash Equivalent (A+B+C)		**98.56**		**26.93**
Cash and Cash Equivalent at the Beginning of the Year		90.33		63.40
Cash and Cash Equivalent at the Closing of the Year		**188.89**		**90.33**

Significant Accounting Policies
See the accompanying notes to the standalone financial statements
As per our report of even date

For A.N. Garg & Company
Chartered Accountants
FRN:- 004616N

A.N. Garg
(FCA,Partner)
Membership No. 083687
Place: New Delhi
Date: May 27th , 2023

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Director & CFO
DIN : 00670250

Arun Kumar
Company Secretary

HI-TECH PIPES LIMITED

Consolidated Statement of Changes in Equity for the year ended 31 March, 2023

A. Equity Share Capital (Refer Note 13)

Previous Reporting period (₹ in Lakhs)

As at 01.04.2021	Change in equity share capital during the year	As at 31.03.2022
1,120.61	106.50	1,227.11

Current Reporting period (₹ in Lakhs)

As at 01.04.2022	Change in equity share capital during the year	As at 31.03.2023
1,227.11	51.00	1,278.11

B. Other Equity (Refer Note 14) (₹ in Lakhs)

Particulars	Reserves & Surplus					Total
	Security Premium Reserve	Retained Earnings	General Reserve	Money Received Against Share Warrant	Capital Reserve	
Opening Balance as at 01 April, 2021	**4,557.97**	**10,873.25**	**3,145.60**	**446.90**	**375.00**	**19,398.72**
Money received against Share Warrants	-	-	-	1,309.95	-	**1,309.95**
Share premium on conversion of Share Warrants into Equity share	1,640.10	-	-	-	-	**1,640.10**
Conversion of Share Warrants into Equity	-	-	-	(1,746.60)	-	**(1,746.60)**
Profit for the Year	-	4,032.62	-		-	**4,032.62**
Balance as at 31 March, 2022	**6,198.07**	**14,905.87**	**3,145.60**	**10.25**	**375.00**	**24,634.79**
Money received against Share Warrants (see note 14 (iii))	-	-	-	9,584.20	-	**9,584.20**
Amount received for conversion of warrants (see note 14 (iii))	-	-	-	2,646.90	-	**2,646.90**
Conversion of Share Warrents into Equity (see note 14 (iii))	-	-	-	(3,529.20)	-	**(3,529.20)**
Forfeited and transferred to capital reserve (see note 14 (iv))				(10.25)	10.25	
Share premium on conversion of Share Warrants Into Equity share (see note 14 (iii))	3,478.20	-	-	-	-	**3,478.20**
Profit for the Year	-	3,779.22	-	-	-	**3,779.22**
Dividend 22-23 interim	-	**(61.35)**	-	-	-	**(61.35)**
Balance as at 31 March, 2023	**9,676.27**	**18,623.73**	**3,145.60**	**8,701.90**	**385.25**	**40,532.75**

Significant Accounting Policies

See the accompanying notes to the standalone financial statements

As per our report of even date

For A.N. Garg & Company
Chartered Accountants
FRN:- 004616N

A.N. Garg
(FCA,Partner)
Membership No. 083687
Place: New Delhi
Date: May 27th , 2023

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Director & CFO
DIN : 00670250

Arun Kumar
Company Secretary

2 **Property, Plant and Equipment**

(₹ in Lakhs)

Carrying amounts of :	As at March 31'2023	As at March 31'2022
Land	3,483.45	3,247.46
Buildings	6,912.85	4,862.63
Plant & Equipment	17,390.99	15,026.70
Office Equipment	64.71	62.42
Computers	25.30	25.95
Furniture & Fixtures	193.44	167.23
Vehicles	583.17	503.05
Total	**28,653.91**	**23,895.44**

(₹ in Lakhs)

Particulars	Land	Buildings	Plant & Equipment	Office Equipment	Computers	Furniture & Fixtures	Vehicles	Total Tangible Assets
Gross Carrying amount as at 31.03.2021	2715.44	5462.38	14061.00	107.40	43.29	281.82	634.52	**23,305.85**
Addition	532.02	67.40	3937.24	4.23	13.97	6.71	135.00	**4,696.57**
Disposals	-	-	71.57	0.00	0.00	0.00	17.39	**88.96**
Gross Carrying amount as at 31.3.2022	**3,247.46**	**5,529.78**	**17,926.67**	**111.63**	**57.26**	**288.53**	**752.13**	**27,913.46**
Addition	235.99	2195.87	3427.84	19.47	11.55	48.36	191.21	**6,130.29**
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	68.58	**68.58**
Gross Carrying amount as at 31.03.2023	**3,483.45**	**7,725.65**	**21,354.50**	**131.10**	**68.82**	**336.89**	**874.77**	**33,975.18**
Accumulated depreciation								
Balance as at 31.03.2021	**0.00**	**533.84**	**2164.27**	**42.06**	**26.99**	**98.27**	**191.47**	**3,056.90**
Depreciation for the year	-	133.31	736.09	7.15	4.32	23.03	60.98	**964.88**
Depreciation on Disposals	-	-	0.39	0.00		0.00	3.37	**3.76**
Balance as at 31.03.2022	-	**667.15**	**2,899.97**	**49.21**	**31.31**	**121.30**	**249.08**	**4,018.02**
Depreciation for the year	0.00	145.65	1063.54	17.18	12.21	22.14	107.67	**1,368.40**
Depreciation on Disposals	0.00	0.00	0.00	0.00	0.00	0.00	65.15	**65.15**
Balance as at 31.03.2023	-	**812.80**	**3,963.51**	**66.39**	**43.52**	**143.44**	**291.60**	**5,321.27**
Net Carrying Amount								
As at 31.03.2023	**3,483.45**	**6,912.85**	**17,390.99**	**64.71**	**25.30**	**193.44**	**583.17**	**28,653.91**
As at 31.03.2022	**3,247.46**	**4,862.63**	**15,026.70**	**62.42**	**25.95**	**167.23**	**503.05**	**23,895.44**
As at 31.03.2021	**2,715.44**	**4,928.54**	**11,896.72**	**65.34**	**16.30**	**183.56**	**443.05**	**20,248.95**
Useful life of Assets (Years)	NA	30-60	10-30	8-15	3-6	10	10	-
Method of Depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	-

Note:

a) Property, Plant & equipment have been Hypothicated as security against certain borrowings of the group as at 31 March 2023 (Refer Note 15)

b)The group has Capitalised Rs.228.74 Lakh as interest during the Financial Year 2022-23.

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3 **Capital Work-in-Progress**

(₹ in Lakhs)

Particulars						Total
As at April 1,2021						**2,988.16**
Add: Addition during the year						3,505.35
Less: Transfer to property, Plant and equipment (see note 2)						3,596.86
Closing Balance as at March 31, 2022						**2,896.65**
Add: Addition during the year						4,733.95
Less: Transfer to property, Plant and equipment (see note 2)						3,989.94
Closing Balance as at March 31, 2023						**3,640.66**

Capital work-in-progress aging schedule

(₹ in Lakhs)

Particulars	As at 31st March, 2023				
At Cost/ Deemed Cost	< 1 year	1-2 years	2-3 years	>3 years	Total
a) Projects in progress:	2,534.88	1,105.77	-	-	3,640.66
Total	**2,534.88**	**1,105.77**	-	-	**3,640.66**

Capital work-in-progress aging schedule

(₹ in Lakhs)

Particulars	As at 31st March, 2022				
At Cost/ Deemed Cost	< 1 year	1-2 years	2-3 years	>3 years	Total
a) Projects in progress:	2,158.77	737.88	-	-	2,896.65
Total	**2,158.77**	**737.88**	-	-	**2,896.65**

4 **Intangible Assets**

(₹ in Lakhs)

Intangibles Assets	Computer Software	Intangibles Total
Gross Carrying amount as at 31.03.2021	**21.84**	**21.84**
Additions	2.50	2.50
Disposals	-	-
Gross Carrying amount as at 31.03.2022	**24.34**	**24.34**
Additions	63.40	63.40
Disposals	-	-
Gross Carrying amount as at 31.03.2023	**87.74**	**87.74**
Accumulated Amortisation and impairment		
Balance as at 31.03.2021	**20.59**	**20.59**
Amortisation for the year	1.75	1.75
Amortisation on Disposals	-	-
Balance as at 31.03.2022	**22.34**	**22.34**
Amortisation for the year	8.86	8.86
Amortisation on Disposals	-	-
Balance as at 31.03.2023	**31.20**	**31.20**
Net Carrying Value		
As at 31.03.2023	**56.54**	**56.54**
As at 31.03.2022	**2.00**	**2.00**
As at 31.03.2021	**1.25**	**1.25**
Useful life of Assets (Years)	3-5	
Method of Depreciation	**SLM**	

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5 **Investments (Non -Current)**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Investments in equity instruments carried at fair value through the other comprehesive income-(Unquoted,fully paid)		
17,00,000 (March31,2022: Nil) equity shares of Rs.10/- each fully paid up in Amplus RJ Solar Private Limited (see note (ii) below)	170.00	-
100 (March 31,2022:100) equity shares of Rs.25/- each fully paid up in SVC Co-Operative Bank Ltd.	0.03	0.03
Total	**170.03**	**0.03**

Notes:

(i) The Group holds 2.30% (March 31,2022: Nil) equity shares of Ampus RJ Solar Private Limited, a company engaged in the business of providing solar energy to its customers.

(ii) The Group is having power purchse agreement (of 5 MW) with Amplus RJ Solar Private Limited and the Group has received Security deposit of Rs.178.00 lacs against 5MW PPP from Amplus RJ Solar Pvt Ltd shown in note 16.

6 **Loans -Non Curent**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured & Considered Good		
to related parties	-	-
to other body corporate	-	-
Security Deposit	-	437.77
Less: Allowance for doubtful Loans	-	-
(Considered doubtful)	-	-
Total	**0.00**	**437.77**

7 **Other Assets - Non Current**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured & Considered Good		
Capital Advances	3,361.92	663.01
Security Deposit	535.77	-
Total	**3,897.70**	**663.01**

8 **Inventories**

(₹ in Lakhs)

Particulars	As at 31.12.2022	As at 31.03.2022
Inventories (at lower of cost and net realisable value)		
Raw materials	14,647.15	11,663.13
Semi-finished / finished goods	13,740.59	12,386.69
Waste & Scrap	950.98	691.09
Consumables and stores and spares	1,337.48	1,199.79
Total	**30,676.20**	**25,940.70**

Notes:

i) The mode of valuation of inventories has been stated in note 1(m) of Material Accounting Policy Information.

II) Inventories have been hypothecated as security against certain bank borrowings of the Group (Refer note 19)

iii) Cost of inventory (including stores & spares) recognised as expense during the year amounted to Rs.217432.69 lacs (March 31,2022: Rs.1,69,927.59 lacs)

iv) Raw material Inventory lying with third party.	Nil
v) Provision for slow moving inventory of stores & spares	Nil
iv) Details of Stock-in-transit	Nil

9 **Trade Receivables**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured (considered good)		
i) Related Parties	-	-
ii) Other than related parties	18,552.25	16,741.14
Sub total	**18,552.25**	**16,741.14**
Unsecured (considered doubtful)	651.52	-
Less: Allowance for trade receivables (expected credit loss allowance)	-651.52	-
Sub total	-	-
Total	**18,552.25**	**16,741.14**

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a) The credit period on sale of goods ranges from 15 to 90 days without securities. No interest is charged on trade receivables for the amount overdue obove the credit period.

b) Before accepting any new customer, the Group evaluates the financial position, past performance, business opportunities, credit references etc. of the new customers and define credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

c) The Group does not generally hold any collateral or other credit enhancements over the balances.

d) Trade receivables have been pledged as security towards Group's borrowings from bank(refer security note below Note19)

e) There are no outstanding debts due from directors or other officers of the group.

f) Expected credit loss of Rs. 6.52 crores and onetime provisioning has been made during the year. Since it has material impact on profitability of the Group and with reference to Ind-AS-1 and considering the material amount which is non-recurring by nature, therefore it has been classified as Exceptional item in Profit and loss statement.

Ageing of trade receivables and credit risk arising there from is as below:

i) Undisputed trade receivables

(₹ in Lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Considered good	Considered Doubtful	Considered good	Considered Doubtful
Outstanding for following periods from due date of receipts				
Less than 6 months	1,663.75	-	632.46	-
6 months- 1year	-	-	-	-
1-2 years	-	651.52	-	-
2-3 years	-	-	-	-
> 3 years	-	-	-	-
Within credit period	16,888.51	-	16,108.68	-
Total trade receivable	**18,552.25**	**651.52**	**16,741.14**	-
Less: allowance for the for the credit losses	-	651.52	-	-
Net trade receivable	**18,552.25**	-	**16,741.14**	-

ii) Disputed trade receivables

(₹ in Lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Considered good	Considered Doubtful	Considered good	Considered Doubtful
Outstanding for following periods from due date of receipts				
Less than 6 months	-	-	-	-
6 months- 1year	-	-	-	-
1-2 years	-	651.52	651.52	-
2-3 years	-	-	-	-
> 3 years	-	-	-	-
Within credit period	-	-	-	-
Total	-	**651.52**	**651.52**	-

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10 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance with banks in current accounts		
In current accounts	105.31	13.21
Cash in hand	83.57	77.12
Total	**188.89**	**90.33**

11 Bank Balance other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Earmarked balances		
In current accounts (unpaid dividend)	0.46	0.46
In margin money	1,927.30	1,616.62
Total	**1,927.76**	**1,617.08**

Notes

11.1 Earmarked bank balance in current accounts are restricted in use and it relates to unclaimed dividend and balances with banks held as margin money for security against the guarantees & LC issued by Banks.

12 Other Current Assets (Unsecured)

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Advances to suppliers & others	831.74	2,652.16
Balance with Government authorities		
(i) GST Credit receivable	2,487.61	1,544.68
(ii) Others	365.18	368.14
Advances to Fellow subsidiary/related party	-	-
Prepayment & others	103.90	82.90
Total	**3,788.43**	**4,647.88**

13 Equity share capital

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
	Number of Equity Shares		Amount (Rs in lakhs)	
Share Capital				
(a) **Authorised :**				
Equity shares of the par value Rs.1/ each (P.Y. Rs.10 each) see note below	24,00,00,000	1,40,00,000	2,400.00	1,400.00
(b) **Issued and subscribed & fully paid**				
Outstanding at the end of the year (Equity shares of the par value Rs.1/- each (P.Y. Rs. 10 each) see note below	12,78,11,000	1,22,71,100	1,278.11	1,227.11
Total	**12,78,11,000**	**1,22,71,100**	**1,278.11**	**1,227.11**

Notes:

a) The Movement/Reconciliation of Share Capital in Subscribed and Paid up Share Capital is set out as below

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
	Number of Share		Amount (Rs in lakhs)	
Equity shares of Rs.10/- each fully paid up at the beginning of the year	**1,22,71,100**	**1,12,06,100**	**1,227.11**	**1,120.61**
Add: Conversion of Equity Warrants into Equity Share	5,10,000	10,65,000	51.00	106.50
Add: Increase in number of shares on account of split (see note:b&c)	11,50,29,900	-	-	-
Equity shares - at the end of the year	**12,78,11,000**	**1,22,71,100**	**1,278.11**	**1,227.11**

b) The shareholders of the company vide ordinary resolution through postal ballot dated 27.12.2022 have approved the authorised share capital of the company is Rs. 24,00,00,000/- (Rupees twenty four crore only) divided in to 2,40,00,000(two crore fourty lacs) equity shares of Rs. 10/- each. Further after approval of shareholder through postal ballot w.e.f. 17.03.2023 one share of Rs. 10/- each has been spllited in to 10 equity shares of Re.1/- each. Thus the total number of authorised share capital is 24,00,00,000 equity shares of Re. 1 each.

c) Board of directors proposed sub-division/split of the equity shares of the company in board meeting dated 28.01.2023 after that shareholders of the company through postal ballot have approved sub-division of equity shares of the company from one equity share of face value of Rs. 10/- each to ten equity shares of face value of Rs.1/- each. from the record date of March 17, 2023.Therefore total fresh shares 11,50,29,900(12781100*9) issued.

d) Conversion of Equity Share Warrant into Equity Share of face value Rs 10 each , at Rs.692/- Per Share

Date of Allottment	Number of Share	Share Capital (Rs.)	Security Premium (Rs.)	Total Amt in Rs.
February 8,2023	5,10,000	51,00,000	34,78,20,000	35,29,20,000
Total	**5,10,000**	**51,00,000**	**34,78,20,000**	**35,29,20,000**

d.1) Board of Directors of the company proposed issue of Converitible equity share warrants 55,40,000 @ Rs.692 on prefrential basis. Which has been approved by Shareholders of the company through postal ballot cum e-voting held on 27.12.2022, and same has been allotted on 10.01.2023, being receipt of upfront 25% application money i.e Rs.173 (balance 75% i.e Rs. 519 shall be payable within 18 months i.e. dated 09.07.2024) . Further on being full paymnet by warrant holders on 08.02.2023 5,10,000 share warrants have been converted in to the equal number of equity shares as approved by the board of 'Securities allotment commitee' wide board meeting dated 08.02.2023.

d.2) As on 31.03.2023, 50,30,000 warrants were pending for conversion in to equity shares and the same will be converted in to the equity share on receipt of full amount. However post split of equity shares, such warrant holder will receive 10 equity shares of Re.1/- each fully paid for each warrant.

e) Rights, preferences and restrictions attached to equity shares

The Company has single class of equity shares having a par value of Rs.1/- each w.e.f. 17.03.2023 (On being split off 1 Share of Re.10/- each in to 10 share of Re.1/- each fully paid) and carry an equal right of dividend. Each shareholder is eligible for one vote per share held & in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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f) Shareholders holding more than 5% share in the company are set out below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Share	% of Share	Number of Share	% of Share
Ajay Kumar Bansal	1,92,39,770	15.05%	17,34,177	14.13%
Parveen Bansal	95,11,070	7.44%	10,10,206	8.23%
Anish Bansal	1,35,44,000	10.60%	12,16,600	9.91%
Vipul Bansal	1,12,55,590	8.81%	9,87,600	8.05%
Shweta Bansal	27,56,000	2.16%	5,51,200	4.49%
Ajay Kumar & Sons (HUF)	46,08,000	3.61%	5,20,800	4.24%
AKS Buildcon Pvt. Ltd.	55,20,000	4.32%	5,52,000	4.50%
Hi- Tech Agrovision Pvt. Ltd.	51,60,000	4.04%	5,16,000	4.21%

g) Shares held by promoters and promoter group at the end of the year:

Name of the promoter	As at 31 March 2023		As at 31 March 2022		
Promoters	**Number of Share**	**% of Share**	**Number of Share**	**% of Share**	**% Change During the Year**
Ajay Kumar Bansal	1,92,39,770	15.05%	17,34,177	14.13%	0.92%
Anish Bansal	1,35,44,000	10.60%	12,16,600	9.91%	0.69%
Total	**3,27,83,770**	**25.65%**	**29,50,777**	**24.04%**	**1.61%**
Promoter's Group					
Parveen Bansal	95,11,070	7.44%	10,10,206	8.23%	-0.79%
Vipul Bansal	1,12,55,590	8.81%	9,87,600	8.05%	0.76%
Shweta Bansal	27,56,000	2.16%	5,51,200	4.49%	-2.33%
Ajay Kumar & Sons (HUF)	46,08,000	3.61%	5,20,800	4.24%	-0.63%
AKS Buildcon Pvt. Ltd.	55,20,000	4.32%	5,52,000	4.50%	-0.18%
Hi- Tech Agrovision Pvt. Ltd.	51,60,000	4.04%	5,16,000	4.21%	-0.17%
Govind Aggarwal HUF	2,900	0.00%	-	0.00%	0.00%
Naresh Aggarwal	10,00,650	0.78%	-	0.00%	0.78%
Mukesh Mittal	6,900	0.01%	-	0.00%	0.01%
Renu Mittal	1,400	0.00%	-	0.00%	0.00%
Krishan Mittal HUF	73,700	0.06%	-	0.00%	0.06%
Naresh Kumar HUF	6,350	0.00%	-	0.00%	0.00%
Mrinaal Mittal	10	0.00%	-	0.00%	0.00%
Richi Bansal	-	0.00%	-	0.00%	0.00%
Krati Bansal	-	0.00%	-	0.00%	0.00%
Kumud Bansal	-	0.00%	-	0.00%	0.00%
Naresh Kumar Bansal	-	0.00%	1,88,800	1.54%	-1.54%
Total	**3,99,02,570**	**31.22%**	**43,26,606**	**35.26%**	**-4.04%**
Grand Total	**7,26,86,340**	**56.87%**	**72,77,383**	**59.30%**	**-2.43%**

h) For the period of five years immediately preceding the date of Balance Sheet,

Aggregate number & class of shares allotted by the company as fully paid up pursuance to contracts without receipt of cash Nil

Aggregate number & class of shares bought back by the company Nil

Aggregate number & class of shares alloted by the company as fully paid up by way of bonus shares Nil

14 Other Equity

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
General reserve	3,145.60	3,145.60
Share Warrants	8,701.90	10.25
Retained earnings	18,623.73	14,905.87
Other reserves:		
Capital Reserve	385.25	375.00
Securities premium account	9,676.27	6,198.07
Total	**40,532.75**	**24,634.79**

(i) Securities premium account

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Indian Companies Act,2013 (" The Companies Act").

(ii) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.There is no policy of regular transfer. General reserves represents the free profits of the Company available for distribution. As per the Companies Act, certain amount was required to be transferred to General Reserve every time Company distribute dividend. General reserve is not an item of OCI, items included in the general reserve will not be reclassified to profit or loss.

(iii) Share Warrant (Fully Convertible in Equity Shares)

The company has issued and allotted 55,40,000 fully convertible warrants to non-promoters, promoter and promoter group on preferential basis @ Rs. 692/- each on subscription amount of Rs.173/- each (being 25% application money), which are convertible into equal number of equity shares Rs.10/- each fully paid, carries pari - passu rank with existing equity shares, The holder of convertible warrants shall convert his holding of convertible warrants within 18 month from the date of allotment of such convertible warrants. During the current Financial Year 5,10,000 warrants has been converted into equal number of Equity shares as per details given herein below.

Date of allotment	Number of warrant converted	Issue Price per Warrant	Total Amount on Waarant	Amount Received for capital	Premium on conversion
February 8,2023	5,10,000	692	35,29,20,000	51,00,000	34,78,20,000
Total	5,10,000	692	35,29,20,000	51,00,000	34,78,20,000

Note:

Remaining 50,30,000 fully convertible warrants are convertible in equity share only after the payment of balance receivable on such fully convertible warrants. However post split of equity shares, such warrant holder will receive 10 equity shares of Re. 1 each fully paid for each warrant.

(iv) Capital Reserve

The Company had allotted 13,70,000 Fully Convertible Warrants at a price of Rs.41 being 25% of issue price of Rs.164/- on January 05, 2021 out of which the allottees had converted their 13,45,000 FCW's into 13,45,000 Equity Shares within the period of 18 Months and 25,000 FCW's were left pending for conversion. Hence, the Company has forfeited the allotment money of Rs.10,25,000 (Rs. Ten lakhs, twenty Five thousands) for 25,000 FCW's and transferred the same on 1st Jan'2023 in the Capital Reserve Account.

(v) Retained earnings

It represents unallocated/ un-distributed profit of the company. The amount that can be distributed as dividend by the company as dividends to its equity shareholders is determined based on the separate financial statements of the company and also considering the requirements of the companies Act,2013.

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15 Borrowings (Non Current)

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Secured- At Amortised cost		
Term Loans:		
From Bank	7,417.66	11,578.91
From Others	1,100.00	-
Vehicle Loans	112.36	79.00
(A)	**8,630.03**	**11,657.91**
Unsecured- At Amortised cost		
From Directors	746.85	2,910.40
From Othes	-	73.80
Intercorporate Borrowings:		-
Loan from Related Parties	-	73.37
Loan from Body Corporate	50.00	-
(B)	**796.85**	**3,057.57**
Unamortised upfront fee on Secured Borrowing (C)	-24.21	-28.15
Total (A) + (B) + ('C')	**9,402.67**	**14,687.33**

(₹ in Lakhs)

Particluars	As at 31.03.2023		As at 31.03.2022	
Summary	**Non current**	**Current**	**Non current**	**Current**
Term Loans:				
From Bank	7,417.66	3,521.98	11,578.91	2,824.69
From Others	1,100.00	219.91	-	-
Vehicle Loans	112.36	93.47	79.00	67.35
Total	**8,630.03**	**3,835.36**	**11,657.91**	**2,892.03**

(₹ in Lakhs)

Particluars	As at 31.03.2023		As at 31.03.2022		
Term Loans from banks are secured as follows:	borrowings	Current borrowings	borrowings	borrowings	Nature of Security
Terms of Repayment and Nature of Security					
The principal amount of Rs. 9 crore shall payable in to 48 equal instalments of Rs.18,75,000 starting after completion of moratorium of 12 months from the date of First disbursement. Installment starts from March'2022 and last installment date is Feb'2026.	431.25	225.00	381.23	-	Second charge on immovable fixed & current assets at plot no. 10 & 16 Sikandrabad Bulandshahr Uttar Pradesh.
Repayable in 48 monthly Installments after complition of moratorium of 24 months. EMI starting from April'2023 and last installment due in March'2027)	187.63	62.37	250.00	-	
Repayable in 48 monthly Installments (principal) of Rs.10,39,583 after moratorium period of 12 months, starting from Feb'2022 and last installment due in Jan'2026)	228.71	124.75	353.46	124.75	
Repayable in 48 monthly Installments (Principal) of Rs.26,04,167 starting from April'2022 after moratorium period of 12 months and last installment due in March'2026)	625.00	312.50	937.50	312.50	
Repayable in 48 monthly Installments (Principal) of Rs.13,02,084 starting from April'2024 after moratorium period of 24 months and last installment is due in March'2028)	598.96	-	-	-	
Repayable in 12 monthly Installments starting from May'2023 and last installment due in April'2024)	2.82	300.00	301.91	-	
Repayable in 48 monthly Installments (principal) of Rs.21,91,667 after moratorium period of 12months, starting from March'2022 and last installment due in Feb'2026)	527.08	275.00	802.08	275.00	
Repayable in 48 monthly Installments (principal) of Rs.20,83,333 ,starting from March'2022 and last installment due in Feb'2026)	479.17	250.00	729.17	250.00	Second charge on movable & immovable fixed assets, current assets of Sanand unit i.e. E-6 GIDC Sanand Ahmedabad.

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Repayment period: 24 months principal Moratorium , 48 monthly Installments after moratorium.(Principal Repayment) Interest to be serviced on monthly basis.	-	-	1,060.00	-	
Repayable in 60 monthly Installments (principal) of Rs.20,38,600 after moratorium period of 15 months, starting from April'2023 and last installment due in March'2028)	989.73	244.63	-	-	Exclusive charge on land building P&M situated at Makhiyav unit, Village Makhiyav, Sanand, Ahmedabad, Gujarat.
Repayable in 60 monthly Installments (EMI) of Rs.15,05,666 starting from May'2019 and last installment is due on March'2024)	0.00	84.78	85.26	200.85	Exclusive charge on P&M being financed at plot No. 10 &16 at Sikandrabad Buland shahar Uttar pradesh.
Repayable in 54 monthly Installments (principal) of Rs.9,26,000 after moratorium period of 6 months, starting from Oct'2021 and last installment due in Feb'2026)	200.79	111.12	309.27	111.12	
Repayable in 60 monthly Installments (principal) of Rs.6,17,000 starting from Sept'2021 and last installment due in March'2026)	147.12	74.04	219.29	74.04	
Repayable in 36 monthly Installments (principal) of Rs.9,26,000 after moratorium period of 6 months, starting from Oct'2022 and last installment due in Sept'2025)	169.98	111.12	129.03	-	
Repayable in 72 monthly Installments (EMI) of Rs.25,77,402 starting from June'2022 and last installment due in May'2028)	1,100.00	219.91	-	-	Exclusive charge on Plot No. 130, located at Sector-44, Gurugram Haryana.
Repayable in 19 quarterly Installments, starting from Jan'2020 and last installment due in Oct'2024)	73.11	88.35	161.46	88.35	a) Exclusive charge on fixed assets of sanand unit. b) First charge on entire movable fixed assets of sanand both present and future. c) Second charge on entire current & future assets and equitable mortgage of property situated at E-2/4, situated at land-2 at jaypee greens, G-Block, Suraj pur kasna road, Greater Noida-201306 d) Personal guarantee of promoter director.
Repayable in 22 quarterly Installments, starting from May'2018 and last installment due in November'2023)	0.00	72.37	72.37	89.34	
Repayable in 26 quarterly Installments, starting from May'2016 and last installment due in November'2022)	-	-	94.24	134.50	
Repayable in 22 quarterly Installments, starting from Feb'2019 and last installment due in August'2024)	60.65	88.68	149.33	88.68	
Repayable in 20 Quarterly Installments (principal) of Rs.50,00,000 starting from June'2018 and last installment due in March'2023) and interest on monthly basis	0.00	-	150.00	100.00	Exclusive charge by way of hypothication of the plant & machinery being financed at Sikandrabad unit and personal guarantee of promoter director.
Repayable in 48 monthly Installments	-	-	1,549.12	2.07	Secured by P&M purchased.
Repayable in 48 monthly Installments	1,335.30	560.63	1,909.19	778.17	1.) Equitable Mortgage of Land and building located at plot No.41 b, 1& 2 Golapuram Village , Anantpur District Andhra Pradesh 2.)Exclusive charge on P&M being financed located at at plot No.41 b, 1& 2 Golapuram Village , Anantpur District Andhra Pradesh.
Repayable in 48 monthly Installments	1,360.37	536.64	1,928.69	210.02	Exclusive charge on P&M being financed located at at Khopoli unit.
Repayable in 36 monthly Installments	112.36	93.47	85.31	52.65	Exclusive charge on vehicle Financed.
Grand Total	**8,630.03**	**3,835.36**	**11,657.91**	**2,892.03**	

16 Other Financial Liabilities Non-Current

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Other Deposits	232.00	80.25
Creditors for capital goods	-	24.39
Total	**232.00**	**104.64**

The Group is having power purchse agreement (of 5 MW) with Amplus RJ Solar Private Limited and the company has received Security deposit of Rs.178.00 lacs against 5MW PPP from Amplus RJ Solar Pvt Ltd.

17 Provisions (Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Leave encashment	3.34	1.23
Provision for Gratuity (refer note-34)	117.89	94.69
Total	**121.24**	**95.92**

18 Income Taxes

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April'1 and ending on March'31.

For each fiscal year, the respective entities' profit or loss is subject to the higher of the regular income tax payable or the minimum alternative tax ("MAT").

(a) Income tax expense / (benefits) (₹ in Lakhs)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Current tax :		
Current tax	927.14	1,122.96
Tax refund / reversal pertaining to earlier years	(66.83)	58.44
	860.31	**1,181.40**
Deferred tax :		
Deferred tax	296.34	230.78
MAT credit entitlement	63.57	87.47
Tax provision/(reversal) for earlier years	-	-
Total deferred tax	**359.91**	**318.25**
Total Tax expense / (benefit)	**1,220.22**	**1,499.64**

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

(₹ in Lakhs)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Profit/loss before tax	4,988.37	5,532.26
Enacted tax rate in India (Weighted Average)	25.66%	25.64%
Expected income tax expense / (benefit) at statutory tax rate	**1,280.01**	**1,418.50**
Tax on Depreciation under Income Tax Act	(653.40)	(546.04)
Tax on Depreciation under Companies Act	351.48	247.57
Net deductions allowed under tax Laws	308.97	321.17
Prior Period Adjustments	(66.83)	58.44
Mat credit entitlement/ utilisation	63.57	87.47
Tax expense for the Current year	**1283.80**	**1587.10**
MAT on Book profit @ 16.692%	(63.57)	(87.47)
Tax expense pertaining to current year	1220.22	1,499.64
Effective income tax rate	**24.46%**	**27.11%**

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Deferred tax assets / (liabilities)

Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follov (₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred tax liabilities (net)	2,195.35	1,835.44
Total	**2,195.35**	**1,835.44**

(₹ in Lakhs)

Deferred tax balance in relation to	As at 31.03.2022	Recognised / reversed through Profit and loss	Recognised in / reclassified from other OCI	As at 31.03.2023
Property, plant and equipment	(1,939.81)	(297.61)	-	(2,237.42)
Mat credit entitlement	139.80	(63.57)		76.23
Provisions for employee benefit / loans, advances and guarantees	(35.43)	1.28	-	(34.15)
Total	**(1,835.44)**	**(359.91)**	-	**(2,195.35)**

(₹ in Lakhs)

Deferred tax balance in relation to	As at 31.03.2021	Recognised / reversed through Profit and loss	Recognised in / reclassified from other OCI	As at 31.03.2022
Property, plant and equipment	(1,729.81)	(210.01)	-	(1,939.82)
Mat credit entitlement	225.07	(85.27)	-	139.80
Provisions for employee benefit / loans, advances and guarantees	(14.66)	(20.77)	-	(35.43)
Total	**(1,519.40)**	**(316.05)**	-	**(1,835.45)**

19 **Borrowings (current)** (₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Working capital loans from banks (secured)	14,108.24	21,762.13
Total	**14,108.24**	**21,762.13**

Working capital loan are secured by :-

Working capital facilities availed are secured by first pari passu charge on entire present and future current assets of the Group. Further, secured by first pari passu charge on Land and Building situated on plot No.10 & 16, Sikandrabad distt. Buland sahar, under the consortium banking. Exclusive charge on E-6, GIDC, Sanand, Ahmedabad with one bank. Additionaly second pari passu on present and future moveable fixed assets of the Group. These credit facitilities are further secured by personel guarantee of promoter-directors of the Company.

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20 Trade Payables (current)

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Trade payables:		
a) Total Outstanding dues of micro and small enterprises	1,503.89	1,118.84
b)Total Outstanding dues of creditors other than micro and small enterprises	15,200.07	6,137.74
Total	**16,703.96**	**7,256.58**
Other than Raw Material	712.41	709.48
Grand Total	**17,416.37**	**7,966.06**

Credit Terms of these Trade Payable varies from 0-90 days.

Ageing of Trade Payables

(i) Undisputed Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Outstanding for following periods from due date of payment	**MSME**	**Others**	**MSME**	**Others**
Less than 1 year	496.28	3,666.52	206.91	1,134.59
1-2 years	-	-	-	12.63
2-3 years	-	-	-	1.60
> 3 years	-	-	-	0.20
Not Due	1,007.61	11,533.55	911.93	4,988.72
Unbilled	-	-	-	-
Total	**1,503.89**	**15,200.07**	**1,118.84**	**6,137.74**

(i) Disputed Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Outstanding for following periods from due date of payment	**MSME**	**Others**	**MSME**	**Others**
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
> 3 years	-	-	-	-
Not Due	-	-	-	-
Unbilled	-	-	-	-
Total	-	-	-	-

21 **Other financial liabilities**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Term Loans		
From Banks	3,521.98	2,824.69
From others	219.91	-
Vehicle Loans	93.47	67.35
Current maturities of long-term borrowing (refer note 15)	**3,835.36**	**2,892.03**
Interest accrued but not due on borrowings	92.86	97.13
Total	**3,928.22**	**2,989.17**

22 **Other Current liabilities**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Advances from customers	379.55	76.26
Statutory liabilities	149.76	78.59
Unclaimed dividends	0.46	0.46
Creditors for fixed assets	288.23	135.38
Other Outstanding Liabilities	61.72	22.01
Total	**879.72**	**312.71**

23 **Provisions (Current)**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Leave encashment	0.19	0.32
Provision for employee benefits	24.48	24.06
Bonus payable	20.32	26.28
Other Provisions	945.12	343.34
Provision for Gratuity	4.30	14.96
Total	**994.41**	**408.95**

23A Current Tax Liability (Net)

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Tax	1,073.33	1,041.39
TDS (Income tax)	(610.03)	(133.62)
Total	**463.30**	**907.77**

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24 **Revenue from operations** (₹ in Lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
Sale of products:			
Domestic turnover		2,31,776.38	1,78,836.56
Export turnover		386.25	4,066.13
	A	**2,32,162.63**	**1,82,902.69**
Other operating revenues			
Rent		198.04	129.50
Job work		-	179.03
Sale of Scrap		6,224.07	4,650.67
Subsidy from Government		-	22.85
	B	**6,422.11**	**4,982.05**
Total	(A+B)	**2,38,584.74**	**1,87,884.73**

25 **Other Income** (₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest income on Bank deposits	139.04	81.52
Interest income on others	-	-
Other Income	82.09	12.16
Profit on Sale of Property plant & equipments	5.07	-
Total	**226.20**	**93.67**

26 **Changes in inventories of finished goods, work-in-progress and stock in trade** (₹ in Lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
Opening Stock :			
Semi finished /finished goods		10,978.49	6,870.62
Rejection & Scraps		691.09	742.41
Work-in-progress		1,408.20	1,607.80
	A	13,077.78	9,220.83
Closing stock :			
Semi finished /finished goods		11,613.10	10,978
Rejection & Scraps		950.98	691
Work-in-progress		2,127.49	1,408
	B	14,691.57	13,077.78
	C (A-B)	**(1,613.79)**	**(3,856.95)**

26.1 **COST OF MATERIALS CONSUMED** (₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Inventories of material as at the beginning of the year	12,862.92	9,626.24
Add: Purchase during the year	2,12,113.23	1,76,770.71
Less: Inventories of material as at the closing of the year	15,984.62	12,862.92
Total	**2,08,991.53**	**1,73,534.03**

26.2 COST OF STOCK IN TRADE (₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
HR Coil/ Skelp	10,054.95	250.51
Total	10,054.95	250.51

27 **Employee benefits expense** (₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Salaries and wages	2,440.79	2,062
Contribution to provident and other funds	61.49	32
Provisions for Employees Benefits	59.45	43
Staff welfare expenses	78.50	62
Total	**2,640.23**	**2,198.57**

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28 **Finance costs**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Interest expenses on term loan	919.41	1,496.01
Interest expenses on working capital borrowings	2,215.39	1,778.85
Other borrowing costs	395.32	372.14
Total	**3,530.11**	**3,647.00**

29 **Depreciation and amortization**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Tangible assets	1,368.40	964.49
Intangible assets	8.86	1.75
Total	**1,377.26**	**966.24**

30 **Other expenses**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Power and fuel	3,091.31	2,476.62
Rent	38.07	64.16
Repairs and maintenance	-	-
Plant and equipment	235.41	82.13
Buildings	95.26	134.14
Others	48.62	78.13
Sales Promotion	343.97	388.20
Fee & Subscription	61.44	60.54
Insurance	101.55	86.19
Carriage and freight	2,865.76	1,274.06
Commission on sales	125.41	77.60
Travelling and Conveyance	248.48	175.64
Legal or Professional Consultation Charges	241.85	116.89
Vehicle Running and Maintenance	172.12	194.29
CSR Exp.	85.29	63.23
Security Services	90.65	77.83
Miscellaneous expenses	345.61	357.10
Total	8,190.77	5,706.75

Note :

Auditors remuneration (excluding service tax | GST) included in other expenses :

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Audit fees(including limited review)	38.20	22.00
Tax audit fees	2.00	2.00
Total	**40.20**	**24.00**

31 **Earnings per share (EPS)**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Profit/(Loss) attributable to Equity shareholders (A)	3,779.22	4,032.62
Weighted average number of Equity shares for basic EPS (B)	1,234.38	1,193.16
Effect of Dilution :		
Equity share outstanding	1,234.38	1,193.16
Weighted average number of Treasury shares held through Convertible Warrant	503.00	0.25
Weighted average number of Equity shares adjusted for the effect of dilution (C)	1,737.38	1,193.41
Basic EPS (Amount in Rs.) (A/B)	3.06	3.38
Diluted EPS (Amount in Rs.) (A/C)	2.18	3.38
Face value per Share	Rs.1/-	Rs.1/-

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Note No.: 32 **Consolidated Financial Ratios**

S. No.	Particulars	Numerator	Denominator	Ratios For the year ended 31st March, 2023	Ratios For the year ended 31st March, 2022	Variance (%)	Reason if variance more than 25%
1	Current Ratio (in times)	Current Assets	Current Liabilities	1.46	1.43	2.02%	-
2	Debt-Equity Ratio (in times)	Total Borrowings (i.e. Non-current borrowings + Current borrowings)	Total Equity	0.66	1.42	-53.78%	Due to repayment of Debt and increase in equity.
3	Debt Service Coverage Ratio (in times)	Profit before tax + Depreciation and amortisation expenses + interest	Interest + Scheduled principal repayments of term loans	1.33	1.56	-14.95%	-
4	Return on Equity Ratio (%)	Net profit after tax	Average Networth	11.17%	17.40%	-35.81%	Due to Increase in networth because of share warrant conversion in to equity and earning for the year
5	Inventory Turnover (no. of days)	Closing Inventory	Revenue from operations per day	47	50	-6.14%	-
6	Debtors Turnover (no. of days)	Trade Receivables * No of days in the reporting year	Revenue from operations	28	33	-13.99%	-
7	Payables Turnover (no. of days)	Trade payables * No of days in the reporting year	Revenue from operations	27	15	77.63%	Due to increase in purchase, the vendors also get increased
8	Net Capital Turnover (in times)	Revenue from operations	Working capital	13.76	15.44	-10.90%	
9	Net Profit Margin (%)	Net profit for the year	Total Income	1.58%	2.15%	-26.39%	Due to increase in total income
10	Return on Capital Employed (%)	Profit before tax plus Interest	Net worth + Total borrowings + Deferred Tax	11.92%	16.30%	-26.85%	Due to Increase in networth because of share warrant conversion in to equity and earning for the year
11	Return on Investment (%)	Profit generated on sale of investment	Cost of investment	-	-	0.00%	-

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33 **Segment reporting**

In accordanace with the provisions of Ind AS 108 -Operating Segment, the operations of the Group falls under manufacturing of Steel Tubes & Pipes and which is also considered to be the reportable segment by management.

34 **Employee benefits**

Defined benefit plans

(₹ in Lakhs)

Particulars	As at March 31,2023		
	Current	Non-current	Total
Gratuity			
Present value obligation	4.30	117.89	122.19
Total Employee benefit obligation	**4.30**	**117.89**	**122.19**

(₹ in Lakhs)

Particulars	As at March 31,2022		
	Current	Non-current	Total
Gratuity			
Present value obligation	14.96	94.69	109.65
Total Employee benefit obligation	**14.96**	**94.69**	**109.65**

(a) Gratuity

The gratuity scheme provides for lump sum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof inexcess of 6 months subject to a limit of Rs. 20.00 Lacs (Previous Year Rs. 20.00 Lacs). Vesting occurs upon completion of 5 years of service.

(b) Defined contribution plans

The Group makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs.61.49 Lacs (Year ended March 31, 2022 Rs.32.41 lacs) for Provident Fund contributions in the statement of profit and loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(c) Movement of defined benefit obligation:

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows.

(₹ in Lakhs)

Particulars	Gratuity
Opening Balance as at April 1,2021 (A)	**95.01**
Current Service cost	14.64
Interest expenses/(income)	-
Expected return on plan assets	-
Total amount recognised in profit and loss (B)	**14.64**
Remeasurements:	
effect of change in financial assumptions	-
effect of change in demographic assumptions	-
effect of experience adjustments	-
changes in asset ceiling	-
Total amount recognised in other comprehensive income (C)	-
Employer contributions: Benefit payments **(D)**	-
Balance as at March 31,2022 (A+B+C+D)	**109.65**
Balance as at March 31,2022 (A)	**109.65**
Current service cost	20.08
Interest expense/(Income)	8.22
Expected return on plan assets	-
Total amount recognised in profit & loss (B)	**28.29**
Remeasurements:	
effect of change in financial assumptions	-
effect of change in demographic assumptions	-
experience variance (i.e. Actual experiencevs assumptions)	(15.75)
changes in asset ceiling	-
Total amount recognised in other comprehensive income (C)	**(15.75)**
Employer contributions: Benefit payments **(D)**	-
Balance as at March 31,2023 (A+B+C+D)	**122.19**

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d) Movement of Plan Assets (₹ in Lakhs)

Particulars	Year ended March31,2023	Year ended March31,2022
Opening Balance	-	-
Contribution by the employer	-	-
Expected return on the plan assets	-	-
Acturiel gain or (loss)	-	-
Benefits paid	-	-
Closing Balance	-	-

e) Net asset/(liability) recognised in the balance sheet (₹ in Lakhs)

Particulars	Year ended March31,2023	Year ended March31,2022
Present value of the defined benefit obligation	122.19	109.65
Less: Fair Value of Plan assets	-	-
Funded status- Surplus/(Deficit)	(122.19)	(109.65)
Unrecognised past service costs	-	-
Net Liability recognised in the Balance Sheet	(122.19)	(109.65)

f) **Category of assets**	Year ended March31,2023	Year ended March31,2022
Funds managed by insurer	0.00%	0.00%

g) Post-Employment benefits

The significant acturial assumptions were as follows: (₹ in Lakhs)

Particulars	Year ended March31,2023	Year ended March31,2022
Discount Rate	7.50%	7.50%
Salary growth rate	3.00%	3.00%
Expected return on assets	0.00%	0.00%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Attrition rate		
18 to 30 years	0.50%	0.50%
30 to 45 years	0.50%	0.50%
above 45 years	0.50%	0.50%

Notes:

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other
relevant factors such as supply and demand in the employment market.

h) The Group expects to make a contribution of Rs.0.00 crores (March 31, 2022: Rs.0.00 crores) to the defined benefit plans during the next financial year.

i) Sensitivity analysis

Significant actuarial assumptions for the detemination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

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(₹ in Lakhs)

Particulars	31/03/2023	31/03/2022
Defined Benefit Obligation (Base)	122.19	109.65

(₹ in Lakhs)

Particulars	31/03/2023		31/03/2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	137.97	108.94	123.80	97.76
(% change compared to base due to sensitivity)	12.91%	-10.85%	12.91%	-10.85%
Salary Growth Rate (-/+1%)	108.28	138.54	97.16	124.32
(% change compared to base due to sensitivity)	-11.39%	13.38%	-11.39%	13.38%
Attrition Rate (-/+1%)	120.39	123.93	108.03	111.21
(% change compared to base due to sensitivity)	-1.48%	13.02%	-1.48%	1.42%
Mortality Rate (-/+1%)	121.97	122.42	109.45	109.85
(% change compared to base due to sensitivity)	-0.18%	0.18%	-0.18%	0.18%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

J) Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availabilty of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's libailty.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

Note: The above is a standard list of risk exposures in providing the gratuity benefit. The Group is advised to carefully examine the above list and make suitable amendments (including adding more risks, if relevant) to the same before disclosing the above in its financial statements.

k) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 11 years.(March31, 2022:11 years)
The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lakhs)

Particulars	March31,2023	March31,2022
Less than a year	4.30	3.86
Between 2-5 years	19.84	17.80
Between 6-10 years	71.87	64.49
More than 10 years	273.61	245.52
Total	**369.61**	**331.67**

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35 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which were specified in schedule VII of the Companies Act, 2013.

(₹ in Lakhs)

	Particulars	March31,2023	endedMarch31,2022
(i)	Amount required to be spent as per section 135 of Companies Act, 2013	85.29	63.23
(ii)	Amount of expenditure in the books of accounts	85.29	63.30
(iii)	Actual expenditure	85.29	63.30
(iv)	Provision made for liability	-	-
(v)	Shortfall at the end of the year	-	-
(vi)	Total of the previous years shortfall	-	-
(vii)	Reason for shortfall	See note below	See note below
(viii)	Amount of expenditure incurred on		
	(i) Construction /acquisition of any asset	-	-
	(ii) On purposes other (i) above	85.29	63.30
(ix)	Nature of CSR activity	Education and skill enhancement, healthcare, rural development	Education and skill enhancement, healthcare, rural development
(x)	Details of related party transactions	None	None

Consequent to the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 (the rules), the Group has subsequent to balance sheet date has deposited amount of Rs.Nil (March 31, 2022 : Rs.Nil) to a separate bank account because all the amount spend during the period.

Notes:

Based on legal opinion, the Group is of the view that the past unspent obligation till March 31,2020 not carried forward will be treated as lapsed and accordingly does not be spent/ transferred to a separate bank account.

36 Financial instruments

a) Capital Risk Management

The Group's capital requirements are mainly to fund its expansion, working capital and strategic acquisition. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by short term borrowings from bank . The Group is not subject to any externaly imposed capital requirements.

Ther Group regularly consider other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisition, to capture market opportunities at minimum risk.

The Group monitors its capital gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowing less cash and cash equivalents, bank balances other cash and cash equivalents.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Long term borrowings	9,402.67	14,687.33
Current maturities of long term debts	3,835.36	2,892.03
Short term bottowings	14,108.24	21,762.13
Less: Cash and Cash equivalents	-188.89	-90.33
Less: Bank balances other than cash and cash equivalents	-1,927.76	-1,617.08
Net Debt	25,229.62	37,634.09
Total Equity	41,810.86	25,861.90
Gearing Ratio	0.60	1.46

i) Equity includes all capital and reserves of the Group that are managed as capital.

ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 15 and 19.

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b) Financial risk management objectives
The Group's activities expose it to market risk including foreign currency risk, interest rate risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk : The Group's risk management is carried out by a treasury department under policies approved by the managment. Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board and managment provides principles for overall risk management, as well as policies covering specific areas, such as hedging of foreign currency transactions foreign exchange risk.

The Group has an Audit Committee established by its Board of Directors for the Risk Management Framework and developing and monitoring the Group's risk management policy. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks. The Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

a) Market risk
   (i) Foreign currency risk
   (ii) Interest rate Risk
b) Credit risk; and
c) Liquidity risk

a) Market risk
Market risk is the risk of any loss in upcomimg earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as result of changes in interest rates, commodity prices ,foreign currency exchange rates, liquidity and other market changes. Future based market movements can not be normally forecasted with accuracy.

(i) Foreign currency risk
The Group's functional currency is Indian Rupees (INR). The Group undertakes no transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations are not arises. The Group is not exposed to any exchange rate risk under its trade and debt portfolio.

ii) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group is in rupees with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in lending rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term borrowings. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and further by keeping a close eye view on the market variables and time to time negotiations with the Bankers for reduction of rate of interest.

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Variable Rate Borrowings	14,108.24	21,762.13
Fixed rate Borrowings	12,465.40	14,549.94
Total Borrowing	**26,573.63**	**36,312.07**

Sensitivity **(₹ in Lakhs)**

Profit or loss (after tax) is sensitive to higher/lower interest expense from borrowings as a resu		
Particulars	**As at 31-03-2023**	**As at 31-03-2022**
Interest rates- increases by 50 basis points (50 bps)	132.87	181.56
Interest rates- decreases by 50 basis points (50 bps)	(132.87)	(181.56)

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b) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Group's credit risk arises principally from the trade receivables and advances.

Group's trade receivables are generally categories into following categories:

1. Export customers
2. Institutional customers
3. Dealers

In case of export sales, in order to mitigate credit risk, generally sales are made on advance payment terms. Where export sales are not made on advance payment terms, the same are secured through letter of credit or bank guarantee, etc.

In case of sale to institutional customers, in order to mitigate credit risk, majority of the sales are secured by letter of credit, bank guarantee, post dated cheques, etc. however , certain credit period is allowed to some reputed institution in contry like Reliance,

In case of sale to dealers certain credit period is allowed with vintage of 3-5 years atleast. In order to mitigate credit risk, majority of the sales made to dealers are secured by way of post dated cheques (PDC), conducting reference check also within the market.

Further, Group has an ongoing credit evaluation process in respect of customers who are allowed credit period. Customer credit risk is managed centrally by the group and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation,vintage, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

c) Liquidity risk management

Liquidity risk refers to the risk of financial distress extra ordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for working capital needs as well as for capex purposes. The Group generates sufficient cashflow for operations, which together with the available cash and cash equivalents and short term borrowings provide liquidity. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continues monitoring of actual cash flows, and by matching the maturity profiles of financial assests and liabilities.

The Group has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

(i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows :

(₹ in Lakhs)

Particulars	**As at 31-03-2023**	**As at 31-03-2022**
Nature of facility	Working Capital	Working Capital
Floating rate borrowings	16,291.76	8,637.87

(ii) Maturities of financial liabilities

The table below analyses the Group's all non-derivative financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

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Contractual maturities of financial liabilities :-

(₹ in Lakhs)

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
As at March 31, 2023				
Borrowings (interest bearing)	17,943.60	8,630.03	-	26,573.63
Interest accrued but due on borrowings	92.86	-	-	92.86
Trade payables	17,416.37	-	-	17,416.37
Security deposits payable	232.00	-	-	232.00
Deferred payment (interest bearing)	-	-	-	-
Others	-	-	-	-
Total non-derivative liabilities	**35,684.83**	**8,630.03**	-	**44,314.86**

(₹ in Lakhs)

Particulars	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
As at March 31, 2022				
Borrowings (interest bearing)	24,654.16	11,657.91	-	36,312.07
Interest accrued but due on borrowings	97.13	-	-	97.13
Trade payables	7,966.06	-	-	7,966.06
Security deposits payable	80.25	-	-	80.25
Deferred payment (interest bearing)	-	-	-	-
Others	-	-	-	-
Total non-derivative liabilities	**32,797.61**	**11,657.91**	-	**44,455.52**

c) Commodity price risk:

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its products. Market forces generally determine prices for the steel products sold by the Group. These prices may be affected by supply and demand, production costs (including the cost of raw material inputs) global ,regional economic conditions, growth and so on. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sale of its products.

The Group purchases the steel and other building products in the open market from third parties in prevailing market price. The Group is therefore subject to fluctuations in the prices of HR Coils, Zinc etc.

The Group sells the products at prevailing market prices. Similarly the Group procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs moves in the same direction.

37 Operating Lease

a) As Lessor:

The Group has entered into leasing arrangements for renting of a building admesuring approximately 1262 Square meter at the rate of Rs. 870/- per SM monthly For the period of 12 months, which is renewable.

Disclosure in respect of assets (building) given on operating lease: (₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Gross carrying amount of assets	3,71,80,995	3,71,80,995
Accumulated Depreciation	84,43,216	79,89,807
Depreciation for the year	4,53,409	4,53,409

b) As Leassee:

Various building have been taken on operating lease with lease term for 11 months for office primises, storage space & employee residence which are renewable on a periodic basis by mutual consent of both parties. All the operating lease are cancelable by either parties for any reason by giving a prior notice. There is no restriction imposed by lease aggrements, such as those concerning dividens, additional debts.

Lease payments recognised under rent expenses is as follows: (₹ in Lakhs)

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Minimum lease payment made on operating lease	38.07	64.16

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38 **Related party disclosures**

A **Name of Related Parties and nature of relationship:**

1	**Associate enterprise over which key management personnels and their relative exercise significant influence**	1 Hitech Agro Vision Pvt Ltd 2 AKS Buildcon Pvt Ltd 3 Hi-tech Saw Ltd
2	**Subsidiaries**	1. HTL Metal Pvt. Ltd. (Wholly Owned Subsidiary) 2. HTL Ispat Pvt Ltd. (Wholly Owned Subsidiary) 2. Hitech Metalex Pvt. Ltd. (Wholly Owned Subsidiary)
3	**Key Management Personnel (KMP)**	1. Sh. Ajay Kumar Bansal as Managing Director 2. Sh. Anish Bansal as Whole time Director 3. Sh. Arvind Bansal CFO (Has resigned from the post of CFO-KMP w.e.f. 21/06/2022) 4. Sh. Roop Narain Maloo CFO (Has resigned from the post of CFO-KMP w.e.f. 20/09/2022) 3. Sh. Arun Sharma, CS & Compliance Officer
4	**Relatives of Key Management Personnel**	1. Vipul Bansal is as Relatives of Managing Director 2. Ajay Kumar & Sons Relatives of Mananging Director 2. Parveen Bansal is as Relatives of Managing Director

B **Transactions with related parties & Outstanding balance** **(₹ in Lakhs)**

	Particulars		**Value of Transaction**	
			FY 2022-23	**FY 2021-22**
1	Remuneration paid to Key Management Personnel		243.64	180.00
2	Sale of Goods to Subsidiaries		1679.94	1,724.82
3	Purchase of Goods from Subsidiaries		59.09	80.94
4	Outstanding balance of Key Management Personnel	**Cr Bal**	-	2,910.40
5	Outstanding balance of Relatives of Key Management Personnel	**Cr Bal**	-	57.82
6	Rent paid to Key Management personnel		-	3.60
7	Outstanding balance of Wholly owned subsidiary		247.53	985.39

In respect of above parties there is no provision for doubtful debt as on March 31st, 2023 and no amount is written off or written back during the year in respect of debt/loans and advances due from/to them.

Credit facilities of the Group is further is collaterally secured by the personal gaurantee of the Promoter Directors as declared in note 15 & 19

39 **Contingent liabilities and commitments (to the extent not provided for)**

a) Contingent liabilities (for pending litigations) **(₹ in Lakhs)**

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Corporate Guarantee given for Subsidiaries		
Disputed UP Valud Added Tax Demand	43.27	43.27
Performance Bank Guarantee	717.87	347.32
Total	**761.14**	**390.59**

Note :

The Group has issued Financial bank guarantee for procurement of raw material against which liability has been expected under trade payables.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially effect on its financial statements.

b) Commitments

1) The Group has other commitments, for purchase orders which are issued after considering requirements per operating cycle for purchase of services, employee's benefits. The Group does not have any other long term commitments or material non-cancellable contractual commitments /contracts, including derivative contracts for which there were any material foreseeable

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40 **Events after the Reporting Period** Nil

41 **The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable**

42 **Approval of Financial Statements**

The Financial Statements were approved for issue by the Board of Directors on May 27, 2023.

43 **Additional Information** (₹ in Lakhs)

	Particulars	As at 31 March 2023	As at 31 March 2022
a	CIF Value of Imports	45.76	2.51
b	FOB Value of Export	386.25	4,030.52
c	Foreign Currency Earnings	-	-
d	Foreign Currency Expenditure	25.62	13.39

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NOTES TO THE HITECH PIPES LTD CONSOLIDATED FINANCIAL STATEMENTS

Background

Hi-Tech Pipes Limited ("the Company" or "the Holding Company") is a Public company limited by shares, incorporated and domiciled in India. Its registered office is located at 505, Pearl Towers, New Delhi – 110034, India and principal place of business is located at 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi - 110034, India.

The Company is listed on NSE and BSE. The Company is in the business of manufacturing of ERW Steel Round & Section Pipes, cold Rolled Strips, coils, GP coils and colour coated sheet & Engineering Products and distribution of the same across India. The company has three wholly owned subsidiaries in India. The group has five manufacturing unit.

Note: 1 Material Accounting Policy Information

This Note provides a list of the Material Accounting Policies adopted by the Group in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation:

i) **Compliance with Ind AS:**

The Financial Statements have been prepared, covered and complied all materiality with respects to Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended thereof and other relevant provisions of the Act.

These Financial Statements have been prepared under applicable Ind AS-Rules and Provisions of Companies Act 2013

ii) The consolidated financial statements have been prepared on accrual basis and historical cost basis except

a. certain financial assets and liabilities and contingent considerations measured at fair value.

b. Assets held for Sale measured at lower of fair value or cost.

c. Share based payment measured at fair value

Fair value is the price that would be receivable to sell an asset or consideration to transfer a liability in an orderly transaction between market participants at the measurement date, irrespective of that price is directly available or estimated using another valuation technique. The Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in this financial statements has determined on such a basis that may have some similarities to fair value but actually not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

iii) Principles of consolidation

The Group consolidates all entities which are controlled by it. The Group establishes control when; it 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 the entity's returns by using its power over relevant activities of the entity.

The consolidated financial statements pertains to Hi-Tech Pipes Limited, the holding Company and its subsidiary companies (hereinafter collectively referred as the Group). The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2023.

b. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like line items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.

c. The excess of cost to the Group of its investments in the subsidiary companies over its share of equity and its premium of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. On the other hand, where the share of equity and its premium of the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' or 'Capital Reserve" is determined for each subsidiary Company separately and such amount are not set off between different entities.

d. Non-controlling interests, if any in the net assets of consolidated subsidiaries are identified separately from the Group's equity.

e. Goodwill on consolidation is not amortised however, tested for impairment.

f. Following subsidiaries have been considered in the preparation of consolidated financial statements: - HTL METAL Private Limited (a wholly owned subsidiary)

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- HTL ISPAT Private Limited (a wholly owned subsidiary)
- HITECH METALEX Private Limited (a wholly owned subsidiary)

iii) Accrual basis of accounting

iii) Historical cost and conventional:

b. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period

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adjustments. The measurement period does not exceed one year from the acquisition date.

C. Use of estimates and critical accounting judgements

In preparation of the financial statements, the Group makes estimates, judgements, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on past experience and situation that are considered to be relevant. Actual results may vary from these estimates or assumptions

The estimates and the underlying assumptions are reviewed certain frequent basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Following are some important judgements, apart from those involving estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Deferred income tax assets and liabilities

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the probability of transaction and event for future taxable profits.

The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

Income Taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that temporary differences of deductions can be realized. The Group estimates deferred tax assets and liabilities based on temporary differences.

Deferred tax assets are recognised to extent that it is probable that taxable profit will be available against which deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilized.

Provision for tax liabilities require judgements on the interpretation of tax legislation, judgements in case law and the potential outcomes of tax audits.

Therefore, the actual results may differ from estimates and same shall be adjusted to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Useful lives of Property, plant and equipment ('PPE')

The Group reviews the estimated useful lives and residual value of PPE at the end of each reporting period. The factors such as changes in the expected level of usage, product life-cycle, may impact the economic useful lives and the residual values of these assets. Subsequently, the depreciation charge could be revised and this would have an impact on the profits of the future years.

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation ('DBO') are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of derivative and other financial instruments

The fair value of financial instruments, is determined by using valuation techniques. This involves significant judgements in selection of a method in making assumptions that are mainly based on market precedents exists at the Balance Sheet date.

b) <u>Foreign currency transactions</u>:

i) Functional and presentation currency:

Items included in the Consolidated Financial Statements of are measured using the currency of the primary economic environment in which the Group operates ('functional currency'). The Financial Statements of the Group are presented in Indian currency (Rs), which is also the functional and presentation currency of the Group.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain/ (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss except that they are deferred in equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain/(loss) are presented in the Statement of Profit and Loss on a net basis within other income/ (expense).

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Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain/ (loss).

c) **Revenue recognition:**

Measurement of revenue and recognition:

The Group recognises revenues from sale of products measured at the amount of transaction price (net of variable consideration), when it satisfies its performance obligation at a point in time which is when products are delivered to a customer or to a carrier for export sales, which is when control including risks and rewards and title of ownership pass to the customer, and when there are no longer any unfulfilled obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue from services is recognised in the accounting period in which the services are rendered.

Eligible export incentives are recognised in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability.

Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

d) **Income taxes:**

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit/ (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

e) **Government grants:**

i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

f) **Leases:**

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the

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Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

As a lessor:

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

g) Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value: Depreciation is provided on the Straight Line Method to allocate the cost of assets, net of their residual values, over their estimated useful lives:

Asset category	Estimated useful life
Buildings	30 to 60years
Plant and equipment	10 to 30 years
Vehicle	8 to 10 years
Office equipment and furniture	8 to15 years
Furniture & Fittings	10 years
Computers	3 to 6 years

Land accounted under finance lease is amortized on a straight-line basis over the period of lease.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

h) Intangible assets:

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration services. Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product/ patent. Computer software cost is amortised over a period of 5 years using Straight Line Method.

i) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs.

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j) Impairment of assets:

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/ external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

k) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

l) Inventories:

Raw materials, packing materials, purchased finished goods, work-in-progress; manufactured finished goods, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

m) Investments and other financial assets:

Classification:

The Company classifies its financial assets in the following measurement categories:

Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)

Those measured at amortised cost

The classification depends the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable selection at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement of Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

After initial recognition, financial assets are measured at:

i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,

ii) Amortised cost

Debt instruments:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and

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interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture Company at fair value. The Management of the Company has selected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiary companies, associate company and joint venture company:

Investments in subsidiary companies, associate company and Joint Venture Company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and Joint Venture Company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. **Note 36** details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company 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.

Expected credit loss are measured through a loss allowance at an amount equal to the following:
(a) the 12-months expected credit losses (expected credit losses that result from default events on financial instrument that are possible within 12 months after reporting date); or
(b) Full lifetime expected credit losses (expected credit losses that result from those default events on the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable 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.
Individual receivables which are known to be uncollectible are written off by reducing the carrying -amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.
Subsequent recoveries of amounts previously written off are credited to other income.

De-recognition:

A financial asset is de-recognised only when the Company

i) has transferred the rights to receive cash flows from the financial asset or

ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

n) **Financial liabilities:**

i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) **Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) **De-recognition**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

o) **Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

p) **Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

Borrowings are classified as current liabilities if the loan is payable on demand or within 12 months after the reporting period and in all other cases its classified as Non-current liabilities.

q) **Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for

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capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

r) **Provisions:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

s) **Contingent Liabilities:**

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 within the control of the Company 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 the obligation or a reliable estimate of the amount cannot be made.

t) **Employee benefits:**

Short-term employee benefits:

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined contribution plan:

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plan:

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are

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HI-TECH PIPES LTD

included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

u) Research and Development expenditure:

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

v) Earnings per share:

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

w) Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation of useful life of tangible assets

ii) Estimation of defined benefit obligation

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

Note 27.18 Regrouped/ Recast/Reclassified

Figures of earlier year have been reclassified to conform to Ind AS presentation requirement.

Note 27.19 Rounding off.

Figures less than 50000 have been rounded off.

Note 27.20 Authorisation for issue of the Financial statement

The Consolidated Financial Statements were authorised for issue by the Board of Directors on May 27th, 2023.

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HI-TECH PIPES LTD.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HI-TECH PIPES LIMITED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of HI-TECH PIPES LIMITED (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"),which includes Group's share of profit/ loss, comprising the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statement, and details of subsidiaries as follows:-

a) HTL Metal Private Limited,
b) HTL Ispat Private Limited,
c) Hitech Metalex Private Limited

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit including other comprehensive income, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit 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 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 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 on 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.

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Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Parent company's annual report, but does not include the consolidated financial statements and our auditors' 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 during the course of our 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 MANAGMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for matters stated in section 134(5) of the Act with regards to the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 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 Directors of the Parent, as aforesaid.

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 Management either intends to liquidate 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 is also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES 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.

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- 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 Parent Company and its subsidiaries, which are companies incorporated in India, have 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 management'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 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 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 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 the financial statements of such entities included in the consolidated financial statements; we remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements

We believe that audit evidence obtained by us are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 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, returns and the reports of the other auditors.

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(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 Cash Flow Statement 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 the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2022 taken on record by the Board of Directors of the Parent, none of the directors of the Group companies, incorporated in India is disqualified as on 31st 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 over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the parent company to its directors during the year is in accordance with the provisions of Section 197 of the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements of the company have disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements.

ii. The Group did not have any long term contracts include derivative contracts. Hence the question of any foreseeable losses does no arise.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

iv. (a) The respective Managements of the Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, 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 Parent or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in any other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The respective Managements of the Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of 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.

c. Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us nothing has come to our or other auditor's notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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v. The board of directors of Hi-Tech Pipes Ltd has proposed final dividend for the year which is subject to the approval of the members at the annual general meeting. The amount of dividend declared is in accordance with the section 123 of the Act to the extent it applies to declaration of dividend.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For A. N.GARG & COMPANY
Chartered Accountants
(FRN- 004616N)

A. N. GARG
(FCA, Partner)
(M.No.-083687)
Place: New Delhi
Date: 14th May, 2022
(UDIN: **22083687AIZMUB5901)**

Annexure- A

To the Independent Auditor's Report

(Referred to in paragraph 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")

To the Members of Hi-Tech Pipes Limited

In conjunction with our audit of the consolidated financial statements of the Hi-Tech Pipes Limited ("Company" or "Parent Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of the Parent Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("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 its 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 Companies Act, 2013

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls with reference to financial statements of Parent Company and its subsidiary companies, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control 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

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purposes in accordance with generally accepted accounting principles. A Group's internal financial control with reference to financial statements 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 Group; (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 Group are being made only in accordance with authorizations of management and directors of respective companies in the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Parent Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For A. N.GARG & COMPANY
Chartered Accountants
(FRN- 004616N)

N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

A. N. GARG
(FCA, Partner)
(M.No.-083687)
Place: New Delhi
Date: 14th May, 2022
UDIN: **22083687AIZMUB5901**

HI-TECH PIPES LIMITED
CIN NO. L27202DL1985PLC019750

CONSOLIDATED BALANCE SHEET
As at March 31, 2022

(Rs in Lacs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
I **ASSETS**			
Non-Current Assets			
(a) Property, Plant & Equipments	2	23,895.42	20248.95
(b) Capital Work-in-Progress	3	2,896.64	2988.16
(c) Other Intangible assets	4	2.00	1.25
(d) Financial Assets			
(i) Investments	5	0.03	0.03
(ii) Other Financial Asset	6	437.77	417.53
(e) Other non-current assets	7	663.01	523.92
Total Non-Current Asset		**27,894.87**	**24179.84**
Current Assets			
(a) Inventories	8	25,940.70	18847.07
(b) Financial Assets			
(i) Trade receivables	9	16,741.14	12060.58
(ii) Cash and cash equivalents	10	90.33	63.40
(iii) Bank balances	11	1,617.08	1629.25
(c) Other current assets	12	4,647.88	3148.23
Total Current Assets		**49,037.13**	**35748.53**
Total Assets		**76,932.00**	**59928.36**
II **EQUITY AND LIABILITIES:**			
Equity			
(a) Equity Share Capital	13	1,227.11	1120.61
(b) Other Equity	14	24,634.79	19398.72
Total Equity		**25,861.90**	**20519.33**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	14,687.33	11617.26
(ii) Other financial liabilities	16	104.64	79.80
(b) Provisions	17	95.92	89.72
(c) Deferred tax liabilities (Net)	18	1,835.44	1519.40
Total Non-Current Liabilities		**16,723.33**	**13306.18**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	21,762.13	17892.54
(ii) Trade payables	20	7,966.06	4922.97
(iii) Other financial liabilities	21	2,989.17	2269.24
(b) Other current liabilities	22	312.71	317.85
(c) Provisions	23	408.95	418.28
(d) Current Tax Liabilities (Net)	18	907.77	281.98
Total Current Liabilities		**34,346.79**	**26102.85**
Total Liabilities		**51,070.12**	**39409.03**
Total Equity & Liabilities		**76,932.00**	**59928.36**

The accompanying notes are an integral part of the financial statements

As per our report of even date
For A.N. GARG & COMPANY
Chartered Accountants
FRN - 004616N

A.N. GARG
(FCA,Partner)
M.No. 083687
Place: New Delhi
Date: May 14th , 2022

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Director
DIN : 00670250

Arvind Bansal
Chief Financial Officer

Arun Sharma
Company Secretary

HI-TECH PIPES LIMITED
CIN NO. L27202DL1985PLC019750

CONSOLIDATED STATEMENT OF PROFIT & LOSS
For the Year ended 31 March, 2022

(Rs in Lacs)

Particulars	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
REVENUES			
I Revenue from operations	24	1,87,884.73	1,34,063.35
II Other income	25	93.67	79.71
III **Total income (I + II)**		**1,87,978.41**	**1,34,143.06**
IV **Expenses:**			
Cost of materials consumed	26	1,73,534.03	1,20,048.59
Purchases of stock-in-trade		250.51	1,565.00
Changes in inventories of finished goods, wip and stock-in-trade	26	(3,856.95)	(593.83)
Employee benefits expense	27	2,198.57	1,877.78
Finance costs	28	3,647.00	3,228.68
Depreciation and Amortization Expenses	29	966.24	832.27
Other expenses	30	5,706.75	4,085.46
Total expenses		**1,82,446.15**	**1,31,043.96**
V **Profit before exceptional items and tax (III-IV)**		**5,532.26**	**3,099.11**
VI **Exceptional items (refer note 46)**			
VII **Profit/(loss) before tax (V-VI)**		**5,532.26**	**3,099.11**
VIII **Tax expense/(benefit):**			
Current tax	18	1,122.96	479.91
Deferred tax	18	230.77	269.59
Previous Year Adjustments		58.44	-
MAT Credit Entitlement		87.47	69.31
Total Tax Expense		**1,499.64**	**818.82**
IX **Profit/(loss) for the years (VII-VIII)**		**4,032.62**	**2,280.29**
X **Other comprehensive income**			
A i) Items that will not be reclassified to profit or loss viz Remasurement of the Defined Benefits Plan to Employees		-	-
ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total (A)		-	-
B i) Items that will be reclassified to profit or loss			
(a) The effective portion of gains and loss on hedging instruments			
(b) Changes in Foreign Currency Monetary Item translation difference			
ii) Income tax relating to items that will be reclassified to profit or loss			
Total (B)		-	-
Total Other comprehensive income / (loss) (A+B)		-	-
XI **Total comprehensive income / (loss) (IX + X)**		**4,032.62**	**2,280.29**
XII Earnings per equity share of Re. 10 each (refer note 34)			
Basic		33.77	20.85
Diluted		33.70	18.96

The accompanying notes are an integral part of the financial statements

As per our report of even date
For A.N. GARG & COMPANY
Chartered Accountants
FRN - 004616N

A.N. GARG
(FCA,Partner)
M.No. 083687
Place: New Delhi
Date: May 14th , 2022

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Director
DIN : 00670250

Arvind Bansal
Chief Financial Officer

Arun Sharma
Company Secretary

HI-TECH PIPES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March, 2022

A. Equity Share Capital

(Rs in Lacs)

As at 01.04.2021	Movement during the period	As at 31.03.2022
1,120.61	106.50	1,227.11

B. Other Equity

(Rs in Lacs)

Particulars	Reserves & Surplus					Total
	Security Premium Reserve	Retained Earnings	General Reserve	Money Received Against Share Warrant	Capital Reserve	
Balance as at 31 March, 2021	**4,620.17**	**10,811.05**	**3,145.60**	**446.90**	**375.00**	**19,398.72**
Money received against Share Warrants	-	-	-	1,309.95	-	**1,309.95**
Share premium on conversion of Share Warrants Into Equity share	1,640.10	-	-	-	-	**1,640.10**
Conversion of Share Warrents into Equity	-	-	-	(1,746.60)	-	**(1,746.60)**
Profit for the year	-	4,032.62	-	-	-	**4,032.62**
Balance as at 31 March, 2022	**6,260.27**	**14,843.67**	**3,145.60**	**10.25**	**375.00**	**24,634.79**

The accompanying notes are an integral part of the financial statements

As per our report of even date
For A.N. GARG & COMPANY
Chartered Accountants
FRN - 004616N

A.N. GARG
(FCA,Partner)
Membership No. 083687

Place: New Delhi
Date: May 14th , 2022

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Director
DIN : 00670250

Arvind Bansal
Chief Financial Officer

Arun Sharma
Company Secretary

Nitin

CH PIPES LIMITED
IN U27202DL1985PLC019750

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED Mar 31, 2022

(Rs. in Lacs)

PARTICULARS	For the year ended 31.03.2022		For the year ended 31.03.2021	
A. CASH FLOW FROM THE OPERATING ACTIVITIES				
Net Profit Before Tax and Extra Ordinary Activity				
Add/(Less) Adjustments for:		5532.26		3099.10
Depreciation and amortization expenses				
Interest Received	966.24		832.27	
Finance Costs	(81.52)		(78.19)	
	3647.00		3228.68	
Operating Profit Before Working Capital Changes		4531.72		3982.76
Adjustments for:-		**10063.98**		**7081.86**
Increase / (Decrease) Trade Paybles				
Increase / (Decrease) Current Liabilities	3043.10		(684.04)	
Increase / (Decrease) Other Current Liabilities	570.67		219.19	
(Increase) / Decrease Loan & Advances	(66.58)		205.79	
(Increase) / Decrease Trade Receivable	(1514.08)		(628.09)	
(Increase) / Decrease Inventories	(4680.56)		1667.06	
	(7093.63)		(969.93)	
		(9741.07)		**(190.01)**
Cash Generated from Operations				
Direct Taxes Paid		**322.91**		**6891.85**
A. NET CASH FLOW FROM THE OPERATING ACTIVITIES		429.33		479.91
		(106.42)		**6411.94**
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
Addition to /Advance for Capital Assets				
Bank deposits considered other than Cash and cash equivalents		(145.32)		(261.57)
Increase/ (Decrease) in Non Current Financial assests		12.17		175.38
Purchase of Fixed Assest		46.26		(47.88)
Share issue in Subsidiary		(4521.94)		(3828.98)
Other Loans and Deposits		-		-
Interest Received		-		-
Net Cash Flow From Investing Activities		-		-
		(4608.82)		**(3963.05)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net Proceeds on conversion of Share Warrants				
Proceeds from Shares issue		1309.95		906.10
Dividend Paid (Including taxes)		-		0.00
Increase/ (Decrease) in Long Term Borrowings		-		(27.32)
Increase/ (Decrease) in Short Term Borrowings		3070.58		2421.21
Increase/ (Decrease) in Other Long Term Liabilities		3927.23		(2758.57)
Increase/ (Decrease) in Other Non-current Assets		0.00		0.00
Interest Received		(0.09)		151.09
Finance Costs		81.52		78.19
Net Cash Flow Used In Financing Activities		(3647.00)		(3228.68)
Net Increase/ (Decrease) Changes in Cash & Cash Equivalent (A+B+C)		**4742.19**		**(2457.97)**
Cash and Cash Equivalent at the Beginning of the Year*		**26.94**		**(9.08)**
Cash and Cash Equivalent at the Closing of the Year		63.40		**72.50**
		90.33		**63.40**

See the accompanying notes to the standalone financial statements
As per our report of even date

As per our report of even date
For A.N. GARG & COMPANY
Chartered Accountants
FRN - 004616N

A.N. GARG
(FCA,Partner)
Membership No.083687

Place: New Delhi
Date: May 14th , 2022

For and on behalf of Board of Directors

Ajay Kumar Bansal
Managing Director
DIN : 01070123

Anish Bansal
Director
DIN :00670250

Arvind Bansal
Chief Financial Officer

Arun Sharma
Company Secretary

A.N. GARG & CO. CHARTERED ACCOUNTANTS N. Delhi

HI-TECH PIPES LTD.

Background

Hi-Tech Pipes Limited is a Public company limited by shares, incorporated and domiciled in India. Its registered office is located at 505, Pearl Towers, New Delhi – 110005, India and principal place of business is located at 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, New Delhi - 110034, India.

The Company is in the business of manufacturing of ERW Steel Round & Section Pipes, cold Rolled Strips & Engineering Products and distribution of the same across india

Note 1 Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) **Basis of preparation**:

i) **Compliance with Ind AS :**

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial Statements up to the year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013.

These Financial Statements have been prepared under applicable Ind AS-Rules and Provisions of Companies Act 2013

ii) **Accrual basis of accounting**

iii) **Historical cost convention:**

The Financial Statements have been prepared on a historical cost basis except for certain financial assets and liabilities that are measured at fair value

b) **Foreign currency transactions**:

i) Functional and presentation currency:

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (Rs), which is also the functional and presentation currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss except that they are deferred in equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain | (loss) are presented in the Statement of Profit and Loss on a net basis within other income | (expense). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss).

c) **Revenue recognition:**

i) **Timing of recognition :**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Company.

This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Revenue from services is recognised in the accounting period in which the services are rendered.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

ii) **Measurement of revenue:**

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, GST (Goods & Service Tax) etc.

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not.

HI-TECH PIPES LTD.

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Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

d) Income taxes:

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

e) Government grants:

i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

f) Leases:

<u>As a lessee:</u>

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

<u>As a lessor:</u>

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

g) **Property, plant and equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value: Depreciation is provided on the Straight Line Method to allocate the cost of assets, net of their residual values, over their estimated useful lives :

Asset category	Estimated useful life
Factory Buildings	30 years
Plant and equipment	15 to 30 years
Vehicle	8 to 10 years
Office equipment and furniture	5 years
Furniture & Fittings	10 years
Computers	3 to 6 years

Land accounted under finance lease is amortized on a straight-line basis over the period of lease.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured under IGAAP as the deemed cost of the property, plant and equipment.

h) **Intangible assets:**

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration services. Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent. Computer software cost is amortised over a period of 5 years using Straight Line Method.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as at April 01, 2016 measured under IGAAP as the deemed cost of intangible assets.

i) **Investment properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs.

j) **Impairment of assets:**

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

k) **Cash and cash equivalents:**

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

l) **Trade receivables:**

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method, less provision for impairment.

m) **Trade and other payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

n) **Inventories:**

Raw materials, packing materials, purchased finished goods, work-in-progress, manufactured finished goods, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

o) **Investments and other financial assets:**

Classification:

The Company classifies its financial assets in the following measurement categories:

Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)

Those measured at amortised cost

The classification depends the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement:
After initial recognition, financial assets are measured at:

i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,

ii) Amortised cost

Debt instruments:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

<u>Measured at amortised cost:</u>

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

<u>Measured at fair value through Other Comprehensive Income (OCI):</u>

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

<u>Measured at fair value through profit or loss:</u>

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

<u>Equity instruments:</u>

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiary companies, associate company and joint venture company:

Investments in subsidiary companies, associate company and joint venture company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and joint venture company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and lease receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

De-recognition:

A financial asset is de-recognised only when the Company

i) has transferred the rights to receive cash flows from the financial asset or

ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Financial liabilities:

i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) **Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) **De-recognition**

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A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

p) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

q) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

r) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

s) Provisions and contingent liabilities:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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 within the control of the Company 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 the obligation or a reliable estimate of the amount cannot be made.

Employee benefits:

Short-term employee benefits:

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined contribution plan:

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plan:

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

t) Research and Development expenditure:

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

u) Earnings per share:

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

v) Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation of useful life of tangible assets

ii) Estimation of defined benefit obligation

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

Note 27.18 Regrouped/ Recast/Reclassified

Figures of earlier year have been reclassified to conform to ind AS presentation requirement.

Note 27.19 Rounding off.

Figures less than 50000 have been shown at actual in brackets

Note 27.20 Authorisation for issue of the Financial statement

The Financial Statements were authorised for issue by the Board of Directors on May 14th ,2022

2 **Property, Plant and Equipment**

(Rs in lakhs)

Particulars	Land	Office Building	Factory Shed & Building	Plant & Machinery	Office Equipment	Computer	Furniture & Fixtures	Vehicle	Tangibles Total
Gross Carring Amount as on 31 march 2021	2715.44	3101.15	2329.52	14103.31	93.92	43.30	284.70	634.52	23305.86
Addition	532.02	0.00	67.40	3937.22	2.94	15.26	6.71	135.00	4696.55
Disposal	-	-	-	71.57	-	-		17.39	88.96
Gross Carring Amount as on 31 march 2022	3247.46	3101.15	2396.92	17968.96	96.86	58.56	291.41	752.13	27913.44
Accumulated depreciation/amortisation and impairment									
Balance as at 31.03.2021	0.00	190.20	343.64	2165.67	40.11	26.99	98.83	191.47	3056.91
Depreciation for the year		36.46	96.85	736.97	6.00	4.32	23.30	60.98	964.88
Depriciation on Disposals		-	-	0.39	-		-	3.37	3.76
Balance as at 31.03.2022	0.00	226.65	440.49	2902.64	46.11	31.31	122.13	249.08	4018.03
Carrying Value									
As at 31.03.2022	3247.46	2874.50	1956.43	15066.31	50.75	27.25	169.28	503.05	23895.42
As at 31.03.2021	2715.44	2910.95	1985.88	11937.63	53.81	16.31	185.88	443.05	20248.95
Useful life of Assets (Years)	NA	60	30	10-30	8-15	3-6	10.00	10.00	
Method of Depriciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	

Capital Work-in-Progress

(Rs in lakhs)

3 Particulars	Total
As at 31.03.2021	2,988.16
As at 31.03.2022	2,896.64

4 **Intangible Assets**

(Rs in lakhs)

Intangibles Assets	Computer Software	Intangibles Total
Gross Carrying amount as at 31.03.2021	21.84	21.84
Additions	2.50	2.50
Disposals	-	-
Gross Carrying amount as at 31.03.2022	24.34	24.34
Accumulated Amortisation and impairment		
Balance as at 31.03.2021	20.59	20.59
Amortisation for the year	1.75	1.75
Amortisation on Disposals	-	-
Balance as at 31.03.2022	22.34	22.34
Net Carrying Value		
As at 31.03.2022	2.00	2.00
As at 31.03.2021	1.25	1.25
Useful life of Assets (Years)	3-5	
Method of Depriciation	SLM	

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5 **Investments (Non -Current)**

Particulars	As at 31.03.2022 (Rs in lakhs)	As at 31.03.2021 (Rs in lakhs)
A. Investment in equity instruments		
Unquoted		
Investment In SVC Co Op Bank Ltd	0.03	0.03
Total	**0.03**	**0.03**
Unquoted		
Aggregate carrying value	0.03	0.03
Investment at Cost	**0.03**	**0.03**

6 **Loans -Non Curent**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured & Considered Good		
Security deposit	437.77	417.53
Total	**437.77**	**417.53**

7 **Other Assets - Non Current**

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured & Considered Good		
Capital Advances	663.01	523.92
Total	**663.01**	**523.92**

8 **Inventories**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Inventories (at lower of cost and net realisable value)		
Raw materials	11,663.13	8,665.89
Semi-finished / finished goods	13,077.78	9,239.77
Production consumables and stores and spares	1,199.79	941.41
Total	**25,940.70**	**18,847.07**

Notes:

Inventories have been pledged as security against certain bank borrowings of the company (Refer note 19)

9 **Trade Receivables**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good	16,741.14	12,060.58
Less: Allowance for doubtful debts	-	-
Total	**16,741.14**	**12,060.58**

Notes

a) The credit period on sale of goods ranges from 30 to 60 days without securities. No interest is charged on trade receivables.

b) Before accepting any new customer, the company evaluates the financial position, past performance, business opportunities, credit references etc. of the new customers and define credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

c) The company does not generally hold any collateral or other credit enhancements over the balances.

d) Trade receivables have been given as colleteral toward borrowings (refer security note below Note 19)

10 **Cash and cash equivalents**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance with banks:		
In current accounts	13.21	15.77
Cash on hand	77.12	47.64
Total	**90.33**	**63.40**

11 **Bank Balance other than cash and cash equivalents**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Earmarked balances		
In current accounts	0.46	0.46
In margin money	1,616.62	1,628.79
Total	**1,617.08**	**1,629.25**

Notes

11.1 Earmarked bank balance are restricted in use and it relates to unclaimed dividend and balances with banks held as margin money for security against the guarantees & LC issued by Banks

12 Other Current Assets (Unsecured)

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Advances to suppliers & others	2,652.16	2,740.00
Balance with Statutory/ Government authorities	1,912.83	358.55
Prepayment & others	82.90	49.68
Total	**4,647.88**	**3,148.23**

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13 **Equity share capital**

Particulars	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
	Number of Share		Amount (Rs In lakhs)	
Share Capital				
(a) **Authorised :**				
Equity shares of the par value of Rs.10/- each	140.00	140.00	1,400.00	1,400.00
(b) **Issued and subscribed: (A)**				
Outstanding at the beginning of the year	112.06	109.26	1,120.61	1,092.61
(c) **Fresh Issue during the year through prefrential allotment**	-	-	-	-
(d) **Outstanding at the end of the year**				
(d) **Conversion of Share Warrants into Equity share.**	10.65	2.80	106.50	28.00
Total (A+B+C)	122.71	112.06	**1,227.11**	**1,120.61**

a) The Movement of Share Capital in Subscribed and Paid up Share Capital is set out as below

Particulars	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
	Number of Share		Amount (Rs In lakhs)	
Equity shares of Rs.10/- each fully paid up as on 1 April	112.06	109.26	1,120.61	1,092.61
Add: Share Warrant converted into Equity Shares	10.65	2.80	106.50	28.00
Equity shares - closing as on 31 March	**122.71**	**112.06**	**1,227.11**	**1,120.61**

b) Conversion of Equity Share Warrant into Equity Share of face value Rs 10 each , at Rs.164/- Per Share

Date of Allottment	Number of Share	Share Capital	Security Premium	Total
March 12, 2021	1,50,000	15,00,000	2,31,00,000	2,46,00,000
March 31, 2021	1,30,000	13,00,000	2,00,20,000	2,13,20,000
F. Y 21-22 *	10,65,000	1,06,50,000	16,40,10,000	17,46,60,000
	13,45,000	**1,34,50,000**	**20,71,30,000**	**22,05,80,000**

*** Note: As on 31st March 2022, only 25000 warrants are Penidng for Conversion in to Equity Shares.**

c) **Rights, preferences and restrictions attached to equity shares

The Company has single class of equity shares and carry a right of dividend. Each shareholder is eligible for one vote per share held & in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d) Shareholders holding more than 5% share in the company are set out below:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of Share	% of Share	Number of Share	% of Share
Ajay Kumar Bansal	17,34,177	14.13%	16,80,677	15.00%
Parveen Bansal	10,10,206	8.23%	10,40,206	9.28%
Anish Bansal	12,16,600	9.91%	10,66,600	9.52%
Vipul Bansal	9,87,600	8.05%	8,37,600	7.47%
AKS Buildcon Pvt. Ltd.	5,52,000	4.50%	5,52,000	4.93%
Ajay Kumar & Sons (HUF)	5,20,800	4.24%	5,20,800	4.65%
Hi- Tech Agrovision Pvt. Ltd.	5,16,000	4.21%	5,16,000	4.60%
Shweta Bansal	5,51,200	4.92%	5,51,200	4.92%

e) For the period of five years immediately preceding the date of Balance Sheet,

Aggregate number & class of shares allotted by the company as fully paid up pursuance to contracts without receipt of cash NIL

Aggregate number & class of shares bought back by the company NIL

Aggregate number & class of shares alloted by the company as fully paid up by way of bonus shares

Particulars	2015-16
Fully paid up Equity shares by way of Bonus Shares (Face Value of Rs.10/- each)	37,85,550

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14 **Other Equity**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
General reserve	3,145.60	3,145.60
Share Warrants	10.25	446.90
Retained earnings	14,905.87	10,873.25
Other reserves:		
Capital Reserve	375.00	375.00
Securities premium account	6,198.07	4,557.97
Total	**24,634.79**	**19,398.72**

(i) Securities premium account

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

(ii) General reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

15 **Borrowings (Non Current)**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Term Loans:		
From Bank	11,578.91	9,153.77
Vehicle Loans	79.00	113.58
(A)	**11,657.91**	**9,267.35**
Unsecured		
From Directors	2,910.40	2,234.20
From Othes	73.80	73.80
Intercorporate Borrowings:	-	-
Loan from Related Parties	73.37	72.24
(B)	**3,057.57**	**2,380.24**
Unamortised upfront fee on Secured Borrowing (C)	-28.15	-30.33
Total (A) + (B) + ('C')	**14,687.33**	**11,617.26**

16 **Other Financial Liabilities Non-Current**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Security Deposits from Agents/Dealers		
Other Deposits	80.25	33.99
Creditors for capital Goods	24.39	45.80
Total	**104.64**	**79.79**

17 **Provisions (Non-Current)**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Leave encashment	1.23	4.64
Provision for Gratuity (refer note-33)	94.69	85.08
Total	**95.92**	**89.72**

19 **Borrowings (current)**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Working capital loans from banks (secured)		
From Banks	21,762.13	17,892.54
Total	**21,762.13**	**17,892.54**

Working capital loan are secured by :-

Working capital facilities availed are secured by first pari passu charge on entire current assets of the company and second pari passu on moveable fixed assets of the company. These credit facitilities are further secured by personel guarantee of promoter-directors of the company.

20 **Trade Payables**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Raw Material	7,256.58	4,650.42
Other than Raw Material	709.48	272.54
Total	**7,966.06**	**4,922.97**

Credit Terms of these Trade Payable varies from 0-90 days.

21 **Other financial liabilities**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Current maturities of long-term borrowing	2,877.34	2,189.19
Interest accrued but not due on borrowings	111.83	80.05
Total	**2,989.17**	**2,269.24**

22 **Other Current liabilities**

Particulars	As at 31.03.2022	As at 31.03.2021
Advances from customers	76.26	48.23
Statutory liabilities	78.59	31.33
Unclaimed dividends	0.46	0.46
Creditors for fixed assets	135.38	165.21
Other Outstanding Liabilities	22.01	72.62
Total	**312.71**	**317.85**

23 **Provisions (Current)**

(Rs in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Leave encashment	0.32	0.15
Provision for employee benefits	24.06	19.36
Bonus payable	26.28	34.40
Other Provisions	343.34	354.44
Provision for Gratuity	14.96	9.93
Total	**408.95**	**418.28**

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24 Revenue from operations

(Rs in Lacs)

Particulars		As at 31.03.2022	As at 31.03.2021
Sale of products:			
Domestic turnover		1,83,487.22	1,33,424.43
Export turnover		4,066.13	239.83
	A	**1,87,553.35**	**1,33,664.26**
Other operating revenues			
Rent		129.50	109.38
Job work		179.03	218.57
Subsidy from Government		22.85	71.13
	B	**331.38**	**399.08**
Total	(A+B)	**1,87,884.73**	**1,34,063.35**

25 Other Income

(Rs in Lacs)

Particulars	As at 31.03.2022	As at 31.03.2021
Interest Income earned on financial assets		
Bank deposits	81.52	78.19
Other Income	12.16	1.52
Total	**93.67**	**79.71**

26 Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars		As at 31.03.2022	As at 31.03.2021
Opening Stock :			
Semi finished /finished goods		6,870.62	6,438.00
Rejection & Scraps		742.41	585.00
Work-in-progress		1,607.80	1,604.00
	A	9,220.83	8,627.00
Closing stock :			
Semi finished /finished goods		10,978.49	6,870.62
Rejection & Scraps		691.09	742.41
Work-in-progress		1,408.20	1,607.80
	B	13,077.78	9,220.83
	C (A-B)	**(3,856.95)**	**(593.83)**

26.1 COST OF MATERIALS CONSUMED

(Rs in Lacs)

Particulars	As at 31.03.2022	As at 31.03.2021
Indigenous Raw Material & Stores	1,73,534.03	1,20,048.59
Total	**1,73,534.03**	**1,20,048.59**

27 Employee benefits expense

(Rs in Lacs)

Particulars	As at 31.03.2022	As at 31.03.2021
Salaries and wages	2,061.53	1,734.27
Contribution to provident and other funds	32.41	29.65
Provisions for Employees Benefits	43.08	47.20
Staff welfare expenses	61.55	66.67
Total	**2,198.57**	**1,877.79**

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28 **Finance costs**

(Rs in Lacs)

Particulars	As at 31.03.2022	As at 31.03.2021
Interest expenses on borrowings	3,281.77	2,825.07
Other borrowing costs	365.23	403.61
Total	**3,647.00**	**3,228.68**

29 **Depreciation and amortization**

(Rs in Lacs)

Particulars	As at 31.03.2022	As at 31.03.2021
Tangible assets	964.49	828.77
Intangible assets	1.75	3.50
Total	**966.24**	**832.27**

30 **Other expenses**

(Rs in Lacs)

Particulars	As at 31.03.2022	As at 31.03.2021
Power and fuel	2,476.62	1,667.57
Rent	64.16	27.00
Repairs and maintenance	-	
Plant and equipment	82.13	67.77
Buildings	134.14	39.86
Others	78.13	25.86
Sales Promotion	388.20	94.35
Fee & Subscription	60.54	21.74
Insurance	86.19	82.71
Carriage and freight	1,274.06	1,125.46
Commission on sales	77.60	104.68
Travelling and Conveyance	175.64	123.38
Legal or Professional Consultation Charges	116.89	109.87
Vehicle Running and Maintenance	194.29	124.07
CSR Exp.	63.23	63.76
Security Services	77.83	59.59
Miscellaneous expenses	357.10	347.76
Total	**5,706.75**	**4,085.46**

Note :

Auditors remuneration (excluding service tax | GST) included in other expenses :

(Rs in Lacs)

Particulars	As at 31.03.2022	As at 31.03.2021
As Audit fees(including limited review)	22.00	20.00
For Tax audit fees	2.00	2.00
Total	24.00	22.00

31 **Earnings per share (EPS)**

(Rs in Lacs)

Particulars	As at 31.03.2022	As at 31.03.2021
Profit/(Loss) attributable to Equity shareholders (` in crores) (A)	4,032.62	2,280.29
Weighted average number of Equity shares for basic EPS (B)	119.43	109.35
Effect of Dilution :		
Equity share outstanding as on March 31, 2022	119.43	109.35
Weighted average number of Treasury shares held through Convertible Warrant	0.25	10.90
Weighted average number of Equity shares adjusted for the effect of dilution (C)	119.68	120.25
Basic EPS (Amount in `) (A/B)	33.77	20.85
Diluted EPS (Amount in `) (A/C)	33.70	18.96
Face value per Share	Rs.10/-	Rs.10/-

32 **Segment reporting**

In accordanace with the provisions of Ind AS 108 -Operating Segment, the operations of the company falls under manufacturing of Steel Tubes & Pipes and which is also considered to be the reportable segment by management.

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 Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. The 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.

Sr. No.	Name of the proposed allottees*	Percentage of the post-Issue share capital held (%)^
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

^ *Based on beneficiary position as on [●].*

**The details of the proposed Allottees have been intentionally left blank and will be filled in before issuing of the Placement Document to such proposed Allottees.*

The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

DECLARATION

The 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 Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF BOARD OF DIRECTORS

____

Name: Ajay Kumar Bansal

Designation: Chairman and Managing Director

Date: October 7, 2024

Place: New Delhi

DECLARATION

We, the Board of Directors of the Company certify that:

I. the Company has complied with the provisions of the Companies Act and the rules made thereunder;

II. the compliance with the Companies Act 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 Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF BOARD OF DIRECTORS

Name: Ajay Kumar Bansal

Designation: Chairman and Managing Director

Date: October 7, 2024

Place: New Delhi

I am authorized by the Fund Raising Committee of the Board of Directors of our Company, through resolution dated October 7, 2024 to sign this form and declare that all the requirements of Companies Act 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 ON BEHALF OF BOARD OF DIRECTORS

Name: Ajay Kumar Bansal

Designation: Chairman and Managing Director

Date: October 7, 2024

Place: New Delhi

HI-TECH PIPES LIMITED
Registered Office 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, North Delhi, New Delhi – 110034, India **Telephone:** + (91) 11-48440050 **Website**: https://hitechpipes.in. **Contact Person:** Arun Kumar, Company Secretary and Compliance Officer **Telephone:** (+91) 11-48440050 **E-mail:** info@hitechpipes.in
BOOK RUNNING LEAD MANAGER
Pantomath Capital Advisors Private Limited Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai - 400072 Maharashtra, India
LEGAL COUNSEL TO OUR ISSUER
Dentons Link Legal Aiwan-e-Ghalib Complex, Mata Sundri Lane, New Delhi 110 002, India
STATUTORY AUDITORS OF OUR COMPANY
A. N. Garg, Chartered Accountants 309-310, Aggarwal Millenium Tower 1, Netaji Subhash Place, Pitampura New Delhi – 110034, India

SAMPLE APPLICATION FORM

HI-TECH PIPES LIMITED

APPLICATION FORM
Form No.: ___________
Date: [●]

*Our Company was incorporated as "Ram Lal Harbans Lal Limited" under the provision of Companies Act, 1956, pursuant to the certificate of incorporation dated January 02, 1985, issued by Registrar of Companies, Delhi and Haryana, located at New Delhi (the "**RoC**"). Consequently, certificate for commencement of business dated January 23, 1985, was issued by RoC. Subsequently, the name of our Company was changed to "Hi-Tech Pipes Limited" and a fresh certificate of incorporation consequent upon the change of name was granted on October 15, 1986 by the RoC.*

Registered Office: 505, Pearls Omaxe Tower, Netaji Subhash Place, Pitampura, North Delhi, New Delhi – 110034, India
Telephone: + (91) 11-48440050
Website: https://hitechpipes.in. | **Email:** info@hitechpipes.in; | **CIN:** L27202DL1985PLC019750
LEI: 335800IXSK7M9QU4J539

Name of the Bidder: ____

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 1 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [●] MILLIONS UNDER 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 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 HI-TECH PIPES LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 194.98 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO [●]% 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 (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable) ("Eligible QIBs"); 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 residents 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 Rules"), the SEBI FPI Regulations and any other applicable law (other than individuals, corporate bodies and family offices).

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 any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in, and in compliance with Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" in the accompanying preliminary placement document dated October 7, 2024 (the "PPD").

ELIGIBLE NON-RESIDENT QIBS CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH FEMA RULES. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER THE RELEVANT SCHEDULE OF FEMA RULES, IN THIS ISSUE, 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. ALLOTMENTS MADE TO ALTERNATIVE INVETSMENT FUNDS ("AIFs") AND VENTURE CAPITAL FUNDS ("VCFs") IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO THE CONSOLIDATED FOREIGN DIRECT INEVSTMENT ("FDI") POLICY READ ALONG 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 RULE 6 OF THE FEMA RULES, IN RESPECT OF INVESTMENTS BY AN ENTITY FROM 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, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES.

To,
The Board of Directors
HI-TECH PIPES LIMITED
Registered Office: 505, PEARLS OMAXE Tower, Netaji Subhash Place, Pitampura, North Delhi, New Delhi, Delhi, India, 110034

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)
**Foreign portfolio investors as defined under the Securities and Exchange Board*			

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.

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.*
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 PPD.

We confirm that we are an Eligible QIB in terms of 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. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt 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 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 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 Preliminary Placement Document and this Application Form. 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 Application 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 confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Board of Directors of the Company, or any duly authorized committee thereof, is entitled, in consultation with Pantomath Capital Advisors Private Limited (the "**BRLM**"), 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 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 Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application 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 Bid/Issue Closing Date and such Application 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 BRLM; 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 Application 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 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 Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application 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 acknowledge and agree that (i) our names, address, contact details, 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 BRLM; 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 (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 the National Stock Exchange of India Limited and BSE Limited (together, 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 RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" sections of the PPD and 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 BRLM, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and 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 "*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 BRLMs or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document, this Application Form, the confirmation of allocation note ("**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 Bid/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 Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Application 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 BRLMs; (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 BRLMs; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. 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; 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.

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 and submitting this Application Form, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and are acquiring the Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S.

By signing and 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 Application 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 Bid/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 Application Amount to the Escrow Account, on behalf of the Eligible QIB.

We confirm that we are eligible to invest and hold the Equity Shares of the Company 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, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
PERMANENT ACCOUNT NUMBER "PAN"			
CITY AND PIN 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.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		

BIDDER DETAILS (In Block Letters)	
FOR SI-NBFC	RBI REGISTRATION DETAILS
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS
Name should exactly match with the name in which the beneficiary account is held. Application 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 BRLM.* * 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.*	

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLM has relied on the information provided by the RoC for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

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)

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER			
BY 3.00 P.M. (IST), AS ON CLOSING DATE			
ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Hi-Tech Pipes Limited	**Account Type**	Current Account
Name of Bank	The Federal Bank Limited	**Address of the Branch of the Bank**	Karol Bagh (New Delhi)
Account No.	13820200072284	**IFSC**	FDRL0001382
Contact Person	Monika Mittal	**Tel. No. & Email**	0484-2752251 asba@federalbank.co.in, dhanyad@federalbank.co.in
LEI No.	335800IXSK7M9QU4J539		

The Application Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, in favour "Hi-Tech Pipes Limited – QIP Escrow Account". Payment of the entire Application Amount should be made along with this Application Form on or before the closure of the Issue Period i.e. prior to or on the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares to be 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 this Application Form.**

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)																
The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. **However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.**																									

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank 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 IRDA registration certificate
- ☐ Copy of notification as a public financial institution
- ☐ 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.*

***It is to be specifically noted that the Bidder should not submit the GIR number or any other identification number instead of the PAN, as the applications are liable to be rejected on this ground, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) This 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.

(3) This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the BRLM.

(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLM either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.