




**DMR Hydroengineering & Infrastructures Limited**  
**Corporate Identification Number: L74900HR2009PLC039823**

Our company was incorporated as private limited Company under the name “DMR Hydroengineering & Infrastructures Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 15, 2009 issued Deputy Registrar of Companies, National Capital Territory of Delhi & Haryana. Subsequently, our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on January 10, 2019 and consequently, the name of our Company was changed to DMR Hydroengineering & Infrastructures Limited and a Fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company was issued by the Registrar of Companies, Delhi on January 22, 2019. The Corporate Identification Number of our Company was U74900HR2009PLC039823. Subhash Chander Mittal and Neelam Mittal were the initial subscribers to the Memorandum of Association of our Company. The equity shares of our Company were listed on SME platform of BSE Limited on December 07, 2021. The Scrip symbol ‘DMR’, Scrip code ‘543410’, and ISIN ‘INE07L501010’. The Corporate Identification Number of our Company is L74900HR2009PLC039823.

**Registered Office:-** 473 Sector-30, Faridabad, Haryana, India, 121003.

**Contact Person:** Ravinder Kumar Bhatia, Company Secretary and Compliance Officer; **Contact No.:** +91 1294360445

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<b>PROMOTER OF OUR COMPANY</b>		
<b>MR. SUBHASH CHANDER MITTAL AND MRS. NEELAM MITTAL</b>		
<b>FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF DMR HYDROENGINEERING &amp; INFRASTRUCTURES LIMITED (“COMPANY” OR “ISSUER”) ONLY</b>		
<p><b>ISSUE OF UPTO ₹ [●] EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH (“EQUITY SHARES” OR “RIGHTS EQUITY SHARES) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING UP TO ₹ 400.00 LAKH (“THE ISSUE”) ON A RIGHT BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHT EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS [●] (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 88 OF THIS DRAFT LETTER OF OFFER.</b></p>		
<b>WILFUL DEFAULTER OR A FRAUDULENT BORROWER</b>		
<p>Neither our Company nor the Promoter or any of the Directors are or have been categorized as a Wilful Defaulter or a Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter or a Fraudulent Borrower issued by the Reserve Bank of India.</p>		
<b>GENERAL RISKS</b>		
<p>Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and this issue including the risks involved. The Rights Equity Shares have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of investors is invited to the statement of “<b>Risk factors</b>” given on page number 19 of this Draft Letter of Offer.</p>		
<b>ISSUER’S ABSOLUTE RESPONSIBILITY</b>		
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>		
<b>LISTING</b>		
<p>The existing Equity Shares of our Company are listed and traded on SME platform of BSE Limited (“BSE”). Our Company has received ‘in-principle’ approval from the Stock Exchange for listing the Rights Equity Shares to be issued pursuant to this Issue vide their letters dated [●]. Our Company will also make applications to the Stock Exchange to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.</p>		
<b>REGISTRAR TO THE ISSUE</b>		
	<p><b>KFIN TECHNOLOGIES LIMITED</b>  <b>Address:</b> Selenium Tower-B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032,  <b>Tel:</b> +91-40-6716-2222/+91 1800 309 4001  <b>SEBI REGN NO:</b> INR000000221  <b>Email Id:</b> <a href="mailto:dmrh.rights@kfintech.com">dmrh.rights@kfintech.com</a>;  <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a>  <b>Contact Person:</b> Mr. M Murali Krishna</p>	
<b>ISSUE PROGRAMME</b>		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSURES ON**
[●]	[●]	[●]
<p><i>*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.</i></p> <p><i>**Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time, not exceeding 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.</i></p>		

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## CONTENTS

<b>SECTION I: GENERAL</b> .....	4
<b>DEFINITIONS AND ABBREVIATIONS</b> .....	4
<b>NOTICE TO INVESTORS</b> .....	11
<b>PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION</b> .....	14
<b>FORWARD LOOKING STATEMENTS</b> .....	16
<b>SUMMARY OF LETTER OF OFFER</b> .....	17
<b>SECTION-II RISK FACTORS</b> .....	19
<b>SECTION III: INTRODUCTION</b> .....	28
<b>THE ISSUE</b> .....	28
<b>GENERAL INFORMATION</b> .....	29
<b>CAPITAL STRUCTURE</b> .....	33
<b>OBJECTS OF THE ISSUE</b> .....	35
<b>STATEMENT OF SPECIAL TAX BENEFITS</b> .....	39
<b>ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS</b> .....	41
<b>SECTION IV: ABOUT THE COMPANY</b> .....	42
<b>INDUSTRY OVERVIEW</b> .....	42
<b>OUR BUSINESS</b> .....	58
<b>OUR MANAGEMENT</b> .....	65
<b>SECTION V: FINANCIAL INFORMATION</b> .....	69
<b>FINANCIAL STATEMENTS</b> .....	69
<b>ACCOUNTING RATIOS</b> .....	70
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</b> .....	72
<b>SECTION VI: LEGAL AND OTHER INFORMATION</b> .....	78
<b>OUTSTANDING LITIGATION AND DEFAULTS</b> .....	78
<b>GOVERNMENT AND OTHER APPROVALS</b> .....	82
<b>OTHER REGULATORY AND STATUTORY DISCLOSURES</b> .....	83
<b>SECTION VII: OFFERING INFORMATION</b> .....	88
<b>TERMS OF THE ISSUE</b> .....	88
<b>SECTION VIII – STATUTORY AND OTHER INFORMATION</b> .....	116
<b>DECLARATION</b> .....	

## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### DEFINITIONS

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

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the/our Company’, ‘we’, ‘our’, ‘us’ or similar terms are to DMR Hydroengineering & Infrastructures Limited as the context requires, and references to ‘you’ are to the Eligible Equity Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled “*Industry Overview*”, “*Statement of Tax Benefits*”, “*Financial Information*”, “*Outstanding Litigations, Defaults, and Material Developments*” and “*Terms of the Issue*” on pages 42, 39, 69, 78, and 88 respectively, shall have the meaning given to such terms in such sections.

#### COMPANY RELATED AND GENERAL TERMS

Term	Description
DMR Hydroengineering & Infrastructures Limited / the Company/ our Company	DMR Hydroengineering & Infrastructures Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at 473 Sector-30, Faridabad, Haryana, India, 121003
We/ us/ our	Unless the context otherwise indicates or implies, refers to DMR Hydroengineering & Infrastructures Limited
AoA/ Articles of Association	The Articles of Association of DMR Hydroengineering & Infrastructures Limited, as amended from time to time;
Associate	The Company do not have any Associate Company.
Audit Committee	The committee of the Board of Directors constituted as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013;
Auditors/ Statutory Auditors/ Peer Review Auditor	The current Statutory Auditors of our company being M/s A Y & Company, Chartered Accountants;
Board of Directors/ Board	Board of Directors of our Company;
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Bal Mukund Kumar;
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Mr. Ravinder Kumar Bhatia;
Equity Shares	Equity shares of the Company having face value of ₹10.00 (Rupees Ten only);
Financial Results	The audited financial results for the year ended, including the notes thereto and the report thereon. For details, see “ <i>Financial Statements</i> ” on page 69 of this Draft Letter of Offer;
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 65 of this Draft Letter of Offer;
ISIN	International Securities Identification Number being INE07L501010;
Key Management Personnel /KMP	Key management 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. For details, please refer to section titled “ <i>Our Management</i> ” beginning on page 65 of this Draft Letter of Offer;
Managing Director	The Managing Director of our Company i.e. Mr. Subhash Chander Mittal;
MoA/ Memorandum of Association	The Memorandum of Association of DMR Hydroengineering & Infrastructures Limited, as amended from time to time;
Nomination and Remuneration Committee	The committee of the Board of directors constituted as our Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013;
Non-Executive Director	A Director, not being an Executive Director of our Company;

Promoters	Mr. Subhash Chander Mittal and Mrs. Neelam Mittal;
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with the Stock Exchanges under the SEBI (LODR) Regulations;
Registered Office	473 Sector-30, Faridabad, Haryana, India, 121003
Registrar of Companies/ RoC	Registrar of Companies, Delhi;
Stakeholders Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders Relationship Committee in accordance with Section 178 of the Companies Act, 2013;
Stock Exchange	Stock exchange where the Equity Shares are presently listed, being SME Platform of BSE Limited;

## ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlements;
Allot/Allotment/Allotted	Unless the context requires, the allotment of Rights Equity Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act;
Allotment Date	Date on which the Allotment is made pursuant to the Issue;
Allottees	Persons to whom Rights Equity Shares are issued pursuant to the Issue;
Applicant(s)/ Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to this Issue in terms of the Letter of Offer, being an ASBA Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Equity Shares at the Issue Price;
Application Form	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this issue;
Application Money	Aggregate amount payable at the time of Application ₹ [●] (Rupees [●] Only) in respect of the Rights Equity Shares applied for in this Issue at the Issue Price;
Application Supported by Blocked Amount or ASBA	Application used by ASBA Investors to make an application authorizing a SCSB to block the Application Money in the ASBA Account;
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be;
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for an Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, CIR/CFD/DIL/1/2011 dated April 29, 2011, and SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●];
Bankers to the Issue Agreement	Agreement dated [●] entered into by and amongst our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Investors making an application, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in the Issue, and which is described in the chapter titled "Terms of the Issue" beginning on page 88 of this Draft Letter of Offer;

Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable;
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Designated Stock Exchange	SME platform of BSE Limited;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	This Draft Letter of Offer filed with the BSE Limited;
Eligible Equity Shareholder(s)	Eligible holder(s) of the Equity Shares of DMR Hydroengineering & Infrastructures Limited as on the Record Date;
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●];
Issue/ Rights Issue	Issue of [●] equity shares with a face value of ₹10 each ("rights equity shares") of our company for cash at a price of ₹ [●] each including a share premium of ₹ [●] per rights equity share ("issue price") for an aggregate amount upto ₹ 400.00 Lacs* on a rights basis to the existing equity shareholders of our company in the ratio of [●] Right equity shares for every [●] Fully paid-up equity shares held by the existing equity shareholders on the record date, that is on [●] (the "issue"). The issue price for the rights equity shares is [●] Times the face value of the equity shares. *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.
Issue Closing Date	[●];
Issue Opening Date	[●];
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	₹ [●]/- (Rupees [●] Only) per Rights Equity Share including a premium of ₹ [●]/- (Rupees [●]) per Rights Equity Share);
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount aggregating upto 4,00,00,000/- (Rupees upto Four Crore Only );
Letter of Offer/ LoF	The final letter of offer to be filed with the BSE after incorporating the observations received from the BSE on the Draft Letter of Offer;
Material Subsidiaries	Following company have been identified by our Company based on the materiality threshold adopted by our Board under SEBI Listing Regulations as Material Subsidiaries; Our Company does not have any Material Subsidiaries as of now;
MCA Circulars	General Circular No. 21/2020 dated May 11, 2020 issued by the Ministry of Corporate Affairs, Government of India, read with the circular dated August 3, 2020;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled "Objects of the Issue" beginning on page 35 of this Draft Letter of Offer;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders who intend to renounce their Rights Entitlement in part or full and Renouncees;
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations;
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;

Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circular and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●];
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●];
Registrar to the Issue	KFIN Technologies Limited;
Registrar Agreement	Agreement dated July 19, 2024 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue;
Renouncees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. [●];
Retail Individual Investors/ RIIs	Individual Investors who have applied for Equity Shares for an amount not more than ₹2,00,000/- (Rupees Two Lacs) (including HUFs applying through their Karta);
Rights Entitlement (s)/ Res	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being [●] Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders;
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment;
Self-Certified Syndicate Banks/ SCSB(s)	Banks which are registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offer services of ASBA, and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=3">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=3</a>
SEBI Rights Issue Circular	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;
Wilful Defaulter or a Fraudulent Borrower	A Company or person categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or a fraudulent borrowers issued by the RBI, including any Company whose director or promoter is categorized as such;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Ahmedabad are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays;

## INDUSTRY RELATED TERMS

Terms	Description
ACMA	Auto Component Manufacturers Association
CAGR	Compound Annual Growth Rate
CG	Capital Goods
COVID – 19	A public health emergency of international concern as declared by World Health
DcPP	Development cum Production Partner
DRDO	Defence Research and Development Organisation
DPIIT	Department for Promotion of Industry and Internal Trade
EEPC	Engineering Export Promotion Council
ER&D	Engineering and Research and Development

ESO	Engineering Services Outsourcing
ESPs	Engineering Service Providers
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GVA	Gross Value Added
GW	Giga Watts
IIP	Index of Industrial Production
IMF	International Monetary Fund
IoT	Internet of Things
IP	Intellectual Property
LTTS	L&T Technology Services Limited
NIP	National Infrastructure Pipeline
OEMs	Original Equipment Manufacturers
PLI	Production Linked Insurance
SAE	Second Advance Estimates
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
US	United State
WA	Washington Accord
WEO	World Economic Outlook

## ABBREVIATIONS

Term	Description
ADR	American Depository Receipt;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
BSE	BSE Limited;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder;
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections);
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depositories Act	The Depositories Act, 1996;
DIN	Director Identification Number;
DP	Depository Participant;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortisation expense, as presented in the statement of profit and loss;
EGM	Extraordinary General Meeting;
EEA	European Economic Area;
EPS	Earning per Equity Share;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;



FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	Foreign Portfolio Investors;
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) registered with SEBI;
FY	Period of 12 months ending on March 31 of that particular year, unless otherwise stated;
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GDR	Global Depository Receipt;
GNPA	Gross Net Performing Assets;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles In India;
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto;
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;
INR / ₹ / Rs. / Indian Rupees	Indian Rupee, the official currency of the Republic of India;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
Mn / mn	Million;
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR/ non-resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Non-resident external account;
NRI	Non-resident Indian;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited;
OCB	Overseas Corporate Body;
p.a.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent account number;
PAT	Profit after Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RoNW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;
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 AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Securities Act	United States Securities Act of 1933, as amended;
STT	Securities transaction tax;
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America;
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;

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## NOTICE TO INVESTORS

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

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

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

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

**THE CONTENTS OF THIS DRAFT LETTER OF OFFER, LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

### **NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("United States"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer, Letter of Offer relates is not, and under no

circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer, Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

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

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

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

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

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

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

## **ENFORCEMENT OF CIVIL LIABILITIES**

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the "Civil Procedure Code"). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the

United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction.
- The judgment has not been given on the merits of the case.
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable.
- The proceedings in which the judgment was obtained are opposed to natural justice.
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. 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. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

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## PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

### CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Draft Letter of Offer are to the Republic of India and the “Government” or “GoI” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the “US” or “U.S.” or the “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Draft Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

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

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

### FINANCIAL DATA

Unless stated or the context requires otherwise, our financial data included in this Draft Letter of Offer is derived from the Audited Financial Statements of our Company as of and for the financial year ended March 31, 2024 and March 31, 2023.

We have prepared our Audited Financial Statements of our Company as of and for the financial year ended March 31, 2024 and March 31, 2023 in accordance with Indian GAAP, Companies Act, and other applicable statutory and / or regulatory requirements. Our Company publishes its financial statements in Indian Rupees.

For details of the Audited Financial Statements for the financial year ended March 31, 2024 and March 31, 2023, please refer to the section titled “*Financial Statements*” beginning on page 69 of this Draft Letter of Offer.

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

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

### CURRENCY AND UNITS OF PRESENTATION

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$”, “U.S. Dollar”, “USD” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

In this Draft Letter of Offer, our Company has presented certain numerical information. All figures have been expressed in “lakhs”. The amounts derived from financial statements included herein are represented in “lakhs”, as presented in the Consolidated Audited Financial Statements and the Unaudited Financial Results. One lakh represents 1,00,000 and one crore represents 1,00,00,000.

Except as otherwise set out in this Draft Letter of Offer, certain monetary thresholds have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout this Draft Letter of Offer has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although our Company believes that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified.

The industry data used in this Draft Letter of Offer has not been independently verified by our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

The extent to which market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our business is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 19 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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## FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology including anticipate, believe, continue, can, could, estimate, expect, future, forecast, intend, may, objective, plan, potential, project, pursue, shall, should, target, will, would or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Letter of Offer that are not historical facts.

These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- Company’s ability to successfully implement our strategy, our growth and expansion, technological changes;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Audience’s taste and behavior;
- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Inability to successfully obtain registrations in a timely manner or at all;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- Our failure to keep pace with rapid changes in entertainment sector;
- Changes in laws and regulations relating to the industries in which we operate;
- Effect of lack of infrastructure facilities on our business;
- Intensified competition in industries/sector in which we operate;
- Our ability to attract, retain and manage qualified personnel;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our ability to expand our geographical area of operation.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 19, 42 and 72 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Draft Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Draft Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

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



## SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and it is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled “Risk Factors”, “Objects of the Issue”, “Our Business” and “Outstanding Litigations, Defaults and Material Developments” beginning on pages 19, 35, 42 and 78 of this Draft Letter of Offer, respectively.

### SUMMARY OF OUR BUSINESS

Our Company is engaged in the business of providing engineering consultancy services to hydropower, pumped storage projects, renewable energy projects, water resource projects, dams, roads and railway tunnels. The services offered by our Company include entire life cycle of projects covering design & engineering, due diligence & regulatory, bid management & construction engineering/management.

Our company offers Strategic Advisory, Due Diligence Studies, Project Viability Analysis, Cost Benefit Analysis, Risk Analysis, Regulatory Approvals, Monitoring and Evaluation, Geological Studies, Hydrological Studies, Hydraulic Studies, Hydraulic Design of Structures, Geotechnical Design of Surface and Underground Structures, Structural Design and Analysis, Dynamic Analysis, Numerical Analysis, Instrumentation Analysis, Detailed Design and Drawings, Bid level Designs and Drawings, Detailed Project Report, Feasibility Report, Layout Studies and Alternatives Analysis, Design Review, As Built Drawings, Bid documents, Bill of Quantities, Construction Planning and Scheduling, Construction Management and Method Statements, Design and Engineering Support During Construction, Rate Analysis and Cost Estimates, Contract Management, Procurement Management, Project Management, Project Commissioning, Completion Report, QA/QC plans, Quality Assurance at Site, Pre-Dispatch Inspection, Third Party Inspection, Safety Inspection and O & M stage Inspection.

For further details, please refer to the section titled “Our Business” beginning on page 42 beginning of this Draft Letter of Offer.

### OBJECTS OF THE ISSUE

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

(₹ in Lacs)

Sr. No.	Particulars	Amount
1.	To augment the existing and incremental working capital requirement of our company	Upto 400.00
2.	General Corporate Purposes <sup>#</sup>	■
	<b>Total Net Proceeds*</b>	■

<sup>#</sup>Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Issue Proceeds.

\*Assuming full subscription and Allotment of the Rights Equity Shares.

For further details, please refer to the section titled “Objects of the Issue” beginning on page 35 of this Draft Letter of Offer.

### SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters and Promoter Group of our Company through their letter dated July 13, 2024, have confirmed that they intend to subscribe only a portion of its Rights Entitlement in this Issue and will renounce the remaining portion of their Rights Entitlements. In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply.

Any such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

### SUMMARY OF OUTSTANDING LITIGATIONS

<b>Particular</b>	<b>Nature of Cases</b>	<b>No. of Outstanding cases</b>	<b>Penalty Amount Involved (Rs. in lacs)</b>
Litigation against Company	Nil	Nil	Nil
Litigation by Company	Criminal Proceedings	Nil	Nil

For further details, please refer to section titled “*Outstanding Litigations and Defaults*” beginning on page 78 of this Draft Letter of Offer.

#### **RISK FACTORS**

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled “*Risk Factors*” beginning on page 19 of this Draft Letter of Offer.

#### **CONTINGENT LIABILITIES**

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled “*Financial Statements*” beginning on page 69 of this Draft Letter of Offer.

#### **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled “*Financial Statements*” beginning on page 69 of this Draft Letter of Offer.

#### **ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR**

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Draft Letter of Offer.

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## SECTION-II RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

The Offer Document also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Offer Document.

### Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

- Some events may not be material individually but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may be having material impact in the future.

Note:

The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Offer Document, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" and elsewhere in this Offer Document unless otherwise indicated, has been calculated on the basis of the amount disclosed in our financial statements prepared in accordance with Indian GAAP.

### INTERNAL RISK FACTORS:

1. *Our business is dependent on the performance of infrastructure and other related industries. Uncertainty regarding the infrastructure sector, economic conditions and other factors beyond our control could adversely affect demand for our services, our costs of doing business and our financial performance.*

Our products are primarily used in infrastructure and related sectors. Adverse conditions in or uncertainty about these markets, or the economy could adversely impact our end-customers' confidence or financial condition, causing the reduction of demand for our services. The performance of these sectors, and consequently the demand for our services in these sectors, are dependent on economic and other factors such as government policies, regulations and budgetary allocations as well as investments made in these industries and sectors.

2. *Our Company had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.*

We have experienced negative cash flows in the past which have been set out below:

Particulars	March 31, 2024	March 31, 2023
Net cash generated from/(used in) operating activities	92.56	61.15
Net cash generated from/(used in) investing activities	(66.93)	(42.06)
Net cash generated from/ (used in) financing activities	10.25	(28.09)

Cash flows of a company is a key indicator to show the extent of cash generated from the operations of a company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details, see section titled

“Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 69 and 72, respectively of this Draft Letter of Offer.

- 3. The nature of our business exposes us to liability claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.***

Time is often of the essence in our projects. In the event there are delays in our current or future orders and we are unable to receive extensions from our customers, we may be exposed to liquidated damages and termination apart from entailing significant cost and time overruns. Additionally, in some contracts, in case of delay due to deficiency in services or because of defective work done by us, clients may have the right to complete the work at our risk and cost by engaging a third party. We may also be subject to claims resulting from defects arising from services provided by us within the warranty periods extended by us. Failure to effectively cover ourselves against any of these reasons could expose us to substantial costs and potentially lead to material losses. Faults in design and execution might also require repair work, which may not be foreseen. In addition, if there is a customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us.

- 4. Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our promoters remain associated with us.***

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day-to-day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoter is unable or unwilling to continue in his present position, we may not be able to replace them easily or at all. Our Promoters, have over the years-built relations with various customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

- 5. Our success depends on our ability to attract and retain key employees, and our failure to do so could harm our ability to grow our business and execute our business strategies.***

We rely on the skills, expertise and experience of our employees to provide quality services to our customers. Our performance and success substantially depends on the ability to attract and retain our key employees, including our management team and experienced engineers. Although some of the members of our senior management have been with us for a long period of time, there can be no assurance that any member of our senior management or other key employees will not leave us in the future. Our success is also highly dependent on our continuous ability to identify, hire, train, retain and motivate highly qualified management, technical, sales and marketing personnel. In particular, the recruitment of skilled engineers and experienced sales personnel remains critical to our success. Further, if we fail to identify suitable replacements of our departed staff, our business and operation could be adversely affected and our future growth and expansions may be inhibited.

- 6. We depend on skilled personnel and if we are unable to recruit and retain skilled personnel, our ability to operate or grow our business could be affected.***

Our services are skilled and creative manpower intensive and we engage a considerable number of skilled personnel every year to sustain our growth. Further, we spend significant time and resources in training the manpower we hire. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure you that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects.

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

Our Company has entered into certain transactions with our related parties. While we believe that all have been conducted on the arms-length basis, there can be no assurance that we could not have been achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

For details on the transactions entered by us, please refer to “*Related Party Transactions*” beginning on page no. 69 of the DLOF.

**8. *Our pricing structures may not accurately anticipate the cost and complexity of performing our work and if we are unable to manage costs successfully, then certain of our contracts could be or become unprofitable.***

We negotiate pricing terms with our clients utilizing a range of pricing structures and conditions. Depending on the particular contract, we may use time-and-materials pricing, pursuant to which we typically invoice on periodical basis for the services that we provide to our client. In certain instances, we enter into time-and materials pricing arrangements, but with the inclusion of fixed-price elements for certain specified services. Our ability to improve or maintain our profitability is dependent on managing our costs successfully. Our cost management strategies include maintaining appropriate alignment between the demand for our services and our resource capacity, optimizing the costs of service delivery through business process digitalization and deployment of tools, and effectively leveraging our sales and marketing and general and administrative costs. Our contracts could yield lower profit margins than anticipated, if we do not accurately estimate the resources required, costs and timing for completing projects, future rates of wage inflation and currency exchange rates, or if we fail to complete our contractual obligations within the contracted timeframe. In particular, any increased or unexpected costs, or wide fluctuations compared to our original estimates or delays, or unexpected risks we encounter in connection with the performance of this work, including those caused by factors outside of our control, could make these contracts less profitable or unprofitable, which could adversely impact our profit margin. However our contracts usually provides for escalation and delay charges clause to minimise such risks.

**9. *Our top 10 customers contribute majority of our revenues from operations for the year ended March 31, 2024. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top 10 and top 5 customers contributed 80% and 60% of our revenues for the year ended March 31, 2024. Larger contracts from few customers may represent a larger part of our portfolio, increasing the potential volatility of our results and exposure to individual contract risks. Such concentration of our business on a few projects or clients may have an adverse effect on our results of operations and result in a significant reduction in the award of contracts which could also adversely affect our business if we do not achieve our expected margins or suffer losses on one or more of these large contracts, from such clients. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we continue to add new customers in the normal course of business. While we believe that we shall not face challenges in finding new customers in the ordinary course of business, our results of operations and financial condition may be adversely affected if we remain dependent on few customers.

**10. *Orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations. Further any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on cash flows, results of operations and financial condition.***

We may encounter problems in executing the orders in relation to our services, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such services or cause its cancellation. Due to the possibility of cancellations or changes in scope and schedule of delivery of such services, resulting from our customers discretion or problems we encounter in the delivery of such services or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such services can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the customers may default or otherwise fail to pay amounts owed.

In the ordinary course of business, we extend credit to our customers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. As at March 31, 2024 our trade receivables was Rs. 352.03 lakhs. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

**11. *We are subject to quality standard requirements and other terms and condition of projects which may lead to cancellation of orders, loss of pre-qualification status for bidding for future projects.***

We are engaged into the services of business of providing engineering consultancy and due diligence services to hydropower, dams, roads and railway tunnels. It may be possible that we may not be able to meet quality standards, completion of projects within scheduled time period etc., for any of the reasons which will affect our financial loss, business loss, receiving of warning letters, imposing of fines or penalties, which could harm our business. Also, failure to comply with quality requirements may lead to disqualification for bidding for future projects or could lead to cancellation of contracts which may have a material adverse effect on our business and revenue.

**12. *Our Company does not own the land on which our Registered office is situated.***

Our Company does not own the land on which our Registered office is located. We have taken the same on rent from our director. If we are unable to renew the rent agreement or if the agreement is not renewed on favourable conditions, it may affect our operations adversely. Also if we do not comply with certain conditions of the rent agreement, it may lead to termination of the agreement. In the event of non-renewal or termination of the agreement, we may have to vacate our current premises and shift to new premises. There can be no assurance that we shall be able to find a suitable location, or one at present terms and conditions. Any additional burden due to shifting of premises, or increased capital expenditure, may adversely affect our business operations and financial conditions. For details on properties taken on lease by our Company please refer to the heading titled “Land & Property” in chapter titled “Our Business” beginning on page 58 of this Draft Letter of Offer.

**13. *We have unsecured loans from Subsidiary Company, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations.***

As per our Audited financial statements, as on March 31, 2024, we have unsecured loan of Rs. 0.71 Lakhs from Subsidiary Company which are repayable in equated monthly installment. Any demand from lenders for repayment of such unsecured loans, may adversely affect our liquidity and business operations. For further details of these unsecured loans, please refer to Auditors Report beginning on page 69 of the DLOF.

**14. *We rely on the softwares which we are using, for our operations and its reliability and functionality is critical to our business success.***

We are engaged into the services of providing design engineering and we are using the various softwares and applications to make our projects successful. It may be possible to make changes in softwares and applications after a period due to technological advancements, data security which may cause increment in cost for adequate changes in softwares and applications.

**15. *Our results of operations and cash flows could be adversely affected, if we are unable to collect our dues and receivables from, or invoice our unbilled services to, our clients.***

Our business depends on our ability to successfully obtain payment from our clients of the amounts they owe us for work performed. We evaluate the financial condition of our clients and usually bill and collect on relatively short cycles. There is no guarantee that we will accurately assess the creditworthiness of our clients. Such conditions could cause clients to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of fees for client services also depends on our ability to complete our contractual commitments and subsequently bill for and collect our contractual service fees. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. Our results of operations and cash flows could be adversely affected, if we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our client balances. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected.

**16. *We have not identified any alternate source of raising the funds required for our “Objects of the Issue”. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company.

**17. *Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.***

Our business is working capital intensive. Summary of our working capital position as per our Financial Information (On a consolidation basis) is given below:-

(Rs. In Lakhs)

Particulars	March 31, 2024 (Audited)	March 31, 2025 (Projected)
<b>Current Assets</b>		
Inventories	-	
Trade Receivables	352.03	550.89
Cash and Cash Equivalents	46.09	83.25
Short-term loans and advances	0.75	0.80
Other Current Assets	85.61	119.85
<b>Total Current Assets (1)</b>	<b>484.48</b>	<b>754.79</b>
<b>Current Liabilities</b>		
Short Term Borrowings	19.87	14.86
Trade Payables	9.08	12.01
Other Current Liabilities	62.69	76.23
Short Term Provision	57.25	74.43
<b>Total Current Liabilities (2)</b>	<b>148.89</b>	<b>177.53</b>
<b>Working Capital (1-2)</b>	<b>335.59</b>	<b>577.26</b>

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of our current assets. Our requirement to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “Objects of the Issue” beginning on page 35 of this Draft Letter of Offer.

**18. There is no monitoring agency appointed by Our Company and the deployments of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.**

As the issue size shall be less than ₹10,000 lacs, under Regulation 262 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilization of funds raised through this Issue.

Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013.

Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled “Objects of the Issue” on page 35 of this DLOF.

**19. We have a substantial level of sundry debtors.**

As of March 31, 2024 the aggregate amount owed to us by our debtors was Rs. 352.03 lakhs, respectively. Of the above trade receivables, Rs. 287.74 lakhs has been outstanding for more than 6 months for the year ended March 31, 2024. Customer concentration coupled with high debt increase the credit risk of our business. General economic conditions may adversely affect the financial conditions of our debtors, and may result in defaults by some of these debtors. In the event of defaults by our debtors we may suffer a liquidity shortfall and incur additional costs, including legal expenses, in recovering the sums due and payable to us. Further, we may be subject to working capital shortages due to delays or defaults in payments by customers. If buyers default in their payments on an assignment for which we have devoted significant resources or if an order or assignment in which we have invested significant resources is delayed, cancelled or curtailed, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**20. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

***21. Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

***22. Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.***

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel (“KMP”). They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for KMP in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

***23. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Our Directors and Key Managerial Personnel (“KMP”) are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and KMP may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “*Capital Structure*” and “*Our Management*” on pages 33 and 65, respectively, of this Draft Letter of Offer.

***24. We have taken guarantees from Promoters and members of Promoter Group in relation to debt facilities provided to us.***

We have taken guarantees from Promoters and members of Promoter Group in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition.

***25. We operate in a competitive environment and face fair competition in our business from organized and unorganized players, which may adversely affect our business operations and financial condition.***

The industry in which the Company operates is fairly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins, lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. The domestic segment which we cater to is fragmented and fairly competitive. We compete primarily on the basis of quality of our services, customer satisfaction and marketing. Thus, some of our competitors may have certain other advantages over us, including established track record, superior service offerings, larger portfolio of services, technology and greater market penetration, which may allow our competitors to better respond to market trends. They may also have the ability to spend more aggressively on marketing initiatives and may have more flexibility to respond to changing business and economic conditions than we do. We believe that in order to compete effectively, we must continue to maintain our reputation, be flexible and prompt in responding to rapidly changing market demands and customer preferences, and offer customer quality services at competitive prices. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

***26. We generally do business with our customers on purchase order basis and do not enter into long term contracts with most of them.***



Our business is dependent on our continuing relationships with our customers. Our Company has not entered into any long-term contract with any of customers. Any change in the consumption pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

**27. *Changes in latest technology or requirement of machinery based on business opportunity may adversely affect Our Company's results of operations and its financial condition.***

Modernization and technology upgradation is essential to reduce costs and increase the output. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Presently we are using softwares for designing, mapping etc. with the latest technological standards however in future we may be required to implement new technology or upgrade the software and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the software may be significant which could substantially affect our finances and operations. Also, the cost of implementing new process as well as R & D would require substantial new capital expenditures and could adversely affect our business, prospects, results of operations and financial condition.

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

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

**29. *Our insurance coverage may not be adequate.***

Our Company has not obtained any insurance coverage in respect of certain risks. Hence, there can be no assurance that we will be able to adequately cover the losses in respect of which the insurance has not been availed. If we suffer a significant uninsured loss our business, financial condition and results of operations may be materially and adversely affected. For further details, please refer chapter titled "Our Business" beginning on page 58 of this DLOF.

## **EXTERNAL RISK FACTORS**

**1. *The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.***

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the real estate industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of the second wave of the virus and the likelihood of a third wave, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

Further if in case due to any third or consequent wave of Coronavirus or surge in new and deadly variants of the Virus, if another lockdown is imposed in the country and further restrictions are imposed by the government, we may face huge losses and our business operations could be severely impacted. Any such restrictions could cause delays in the completion of our Projects and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

**2. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework,

inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**3. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**4. *Our 100% Revenue is not derived from business in India and a decrease in economic growth in India could cause our business to suffer.***

We do not derive 100% of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**5. *We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.***

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

**6. *Foreign investors are subject to foreign investment restrictions under Indian law.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions, then the prior approval of the RBI will be 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 will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

**7. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

**8. *The ability of Indian companies to raise foreign capital may be constrained by Indian law.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

**9. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other

matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

***10. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance of our business. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence and spending. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

***11. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy; disrupt the transportation of goods and supplies, and costs of doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

***12. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

***13. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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## SECTION III: INTRODUCTION

### THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on July 01, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement and Issue Price, have been approved by the Board of Directors in their meeting held on [●]. The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “Terms of the Issue” beginning on page 88.

<b>Equity Shares outstanding prior to the Issue</b>	37,93,700 Equity Shares
<b>Rights Equity Shares offered in the Issue</b>	[●] Rights Equity Shares
<b>Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	[●] Equity Shares
<b>Rights Entitlement</b>	[●] Equity Shares for every [●] Equity Shares held on the Record Date
<b>Record Date</b>	[●]
<b>Face Value per Equity Share</b>	₹10.00/- (Rupees Ten Only) each
<b>Issue Price per Equity Share</b>	₹ [●]/- (Rupees [●] Only) including a premium of ₹ [●]/- (Rupees [●] Only) per Rights Equity Share
<b>Issue Size</b>	Upto 4,00,00,000 ( <i>Rupees Four Crore Only</i> )
<b>Terms of the Issue</b>	Please refer to the section titled “ <i>Terms of the Issue</i> ” beginning on page 88 of this Draft Letter of Offer
<b>Use of Issue Proceeds</b>	Please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 35 of this Draft Letter of Offer
<b>Security Code/ Scrip Details<sup>#</sup></b>	<b>ISIN:</b> INE07L501010 <b>BSE Scrip Code:</b> 543410 <b>ISIN for Rights Entitlements:</b> [●]

<sup>#</sup>Our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, as may be required under applicable law.

For details in relation fractional entitlements, see “*Terms of the Issue - Fractional Entitlements*” on page 88.

#### Terms of payment

The full amount of the Issue Price being ₹ [●] (including the Premium of [●]) will be payable on application.

<b>Due Date</b>	<b>Amount payable per Rights Equity Share (including premium)</b>
On the Issue application (i.e. along with the Application Form)	₹ [●]/-

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## GENERAL INFORMATION

Our company was incorporated as private limited Company under the name “DMR Hydroengineering & Infrastructures Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 15, 2009 issued Deputy Registrar of Companies, National Capital Territory of Delhi & Haryana. Subsequently, our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on January 10, 2019 and consequently, the name of our Company was changed to DMR Hydroengineering & Infrastructures Limited and a Fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company was issued by the Registrar of Companies, Delhi on January 22, 2019. The Corporate Identification Number of our Company was U74900HR2009PLC039823. Subhash Chander Mittal and Neelam Mittal were the initial subscribers to the Memorandum of Association of our Company. The equity shares of our Company were listed on SME platform of BSE Limited on December 07, 2021. The Scrip symbol ‘DMR’, Scrip code ‘543410’, and ISIN ‘INE07L501010’. The Corporate Identification Number of our Company is L74900HR2009PLC039823.

### REGISTERED OFFICE OF OUR COMPANY

#### **DMR Hydroengineering & Infrastructures Limited**

473 Sector-30, Faridabad, Haryana, India, 121003

**Tel:** +91 129 4360445

**Email:** [dmr@dmrengineering.net](mailto:dmr@dmrengineering.net)

**Website:** [www.dmrengineering.net](http://www.dmrengineering.net)

**CIN:** L74900HR2009PLC039823

**Registration Number:** 543410

#### **Details of Changes in the Registered Office:**

The Registered Office of the Company is situated 473 Sector-30 Faridabad, Haryana, India 121003. There has been no change in the Registered Office of our Company since the date of our incorporation.

### ADDRESS OF THE REGISTRAR OF COMPANIES

#### **REGISTRAR OF COMPANIES, DELHI**

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

**Tel:** 011-26235703

**Email:** [roc.delhi@mca.gov.in](mailto:roc.delhi@mca.gov.in)

**Website:** [www.mca.gov.in](http://www.mca.gov.in)

### COMPANY SECRETARY AND COMPLIANCE OFFICER

#### **Mr. Ravinder Kumar Bhatia**

473 Sector-30, Faridabad, Haryana, India, 121003

**Tel:** +91 129 4360445

**Email:** [cs@dmrengineering.net](mailto:cs@dmrengineering.net)

**Website:** [www.dmrengineering.net](http://www.dmrengineering.net)

### STATUTORY AUDITORS OF OUR COMPANY

#### **A Y & Company,**

Chartered Accountants

505, Fifth Floor, ARG Corporate Park

Gopal Bari, Ajmer Road, Jaipur Rajasthan – 302006

**Tel No:** +91 9649687300

**Email:** [info@aycompany.co.in](mailto:info@aycompany.co.in)

**Contact Person:** CA Arpit Gupta

**Membership No.:** 421544

**Firm Registration No.:** 020829C

**Peer Review No.:** 013225

### REGISTRAR TO THE ISSUE

#### **KFIN TECHNOLOGIES LIMITED**

Selenium Tower-B, Plot No. 31-32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032.  
**Tele No.:** +91-40-6716-2222/+91 1800 309 4001  
**Fax No.:** +91-40-6716-1563  
**SEBI REGN NO:** INR000000221  
**Email Id:** [dmrh.rights@kfintech.com](mailto:dmrh.rights@kfintech.com) ;  
**Website:** [www.kfintech.com](http://www.kfintech.com)  
**Contact Person:** M Murali Krishna  
**SEBI Registration No:** INR000000221

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) ). For details on the ASBA process, see section titled “*Terms of the Issue*” beginning on page 88 of this Draft Letter of Offer.

#### **REGISTRAR TO THE COMPANY**

**Skyline Financial Services Pvt Ltd**  
**D-153A, First Floor Okhla Industrial Area Phase, Delhi**  
**Email:** [compliances@skylinerta.com](mailto:compliances@skylinerta.com), [grievances@skylinerta.com](mailto:grievances@skylinerta.com)  
**Website:** [www.skylinerta.com](http://www.skylinerta.com)

#### **BANKERS TO THE ISSUE / REFUND BANK**

[•]

#### **BANKERS TO THE COMPANY**

HDFC Bank Limited  
SCO 57 Sector 31, Faridabad, Haryana 121003

Punjab National Bank  
SCO 61 Sector 31, Faridabad, Haryana 121003

YES Bank Limited  
SCO 4, Sector 16, Faridabad, Haryana 121002

#### **ADVISOR TO THE ISSUE**

**GYR Capital Advisors Private Limited**  
428, Gala Empire, Near JB Tower, Drive in Road, Thaltej,  
Ahemdabad - 380 054, Gujarat, India.  
**Telephone:** +91 8777564648  
**E-mail id:** [info@gyrcapitaladvisors.com](mailto:info@gyrcapitaladvisors.com)  
**Website:** [www.gyrcapitaladvisors.com](http://www.gyrcapitaladvisors.com)  
**Investor Grievance e-mail ID:** [investors@gyrcapitaladvisors.com](mailto:investors@gyrcapitaladvisors.com)  
**Contact Person:** Mohit Baid  
**SEBI Registration Number:** INM000012810  
**CIN:** U67200GJ2017PTC096908

#### **INTER-SE ALLOCATION OF RESPONSIBILITIES BETWEEN MERCHANT BANKERS**

The Company has not appointed any Merchant Banker as the Issue size is less than ₹5,000 Lakh and hence there is no inter-se allocation of responsibilities.

#### **EXPERT**

Except for the reports of the Auditor of our Company on the audited Financial Statements and Statement of Tax Benefits, included in this Draft Letter of Offer, our Company has not obtained any expert opinions.

### SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> . Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

### ISSUE SCHEDULE

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

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

Note:

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

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

**Please note that if Eligible Equity Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., [●].**

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled “*Terms of the Issue*” beginning on page 88 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar to the Issue at [www.kfintech.com](http://www.kfintech.com) after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see “*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” under the section titled “*Terms of the Issue*” beginning on page 88 of this Draft Letter of Offer.

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

### CREDIT RATING

As this proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

## **DEBENTURE TRUSTEE**

As this proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

## **MONITORING AGENCY**

Since the Issue size does not exceed ₹ 100 crore, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations.

## **APPRAISING ENTITY**

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

## **UNDERWRITING**

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

## **FILING**

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores.

As per requirements of SEBI ICDR Regulations as the issue size of this rights issue is below ₹5,000 Lakh, therefore this Letter of Offer has been filed with the BSE. On receipt of the in-principle approval from BSE, the final Letter of Offer will be filed with Stock Exchange and will be submitted to SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

## **MINIMUM SUBSCRIPTION**

The Promoters and Promoter Group of our Company through their letter dated July 13, 2024, have confirmed that they intend to subscribe only a portion of its Rights Entitlement in this Issue and will renounce the remaining portion of their Rights Entitlements. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with Stock Exchange. In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply.

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under “*Terms of the Issue*” on page 88 of this Draft Letter of Offer.

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## CAPITAL STRUCTURE

The capital structure of our company and related information as on date of this Draft Letter of offer, prior to and after the proposed Issue, is set forth below:

*(In ₹ lakhs, except share data)*

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
<b>Authorized Equity Share capital</b>		
1,10,00,000 (One Crore Ten Lacs Only) Equity Shares of Rs. 10 each	1,100.00	-
<b>Issued, subscribed and paid-up Equity Share capital before this Issue</b>		
37,93,700 (Thirty Seven Lacs Ninety Three thousand and Seven Hundred Only) Equity Shares of Rs.10 each	379.37	-
<b>Present Issue in terms of this Draft Letter of Offer <sup>(1) (2) (3)</sup></b>		
[●] ([●] Thousand) Issue of Equity Shares, each at a premium of ₹ [●]/- (Rupees [●] Only) per Equity Share, at an Issue Price of ₹ [●]/- (Rupees [●]) per Equity Share	[●]	[●]
<b>Issued, subscribed and paid-up Equity Share capital after the Issue</b>		
[●] ([●]) Equity Shares of Rs.10 each.		[●]
<b>Subscribed and paid-up Equity Share capital</b>		
[●] ([●]) fully paid-up Equity Shares		[●]
<b>Securities premium account</b>		
Before the Issue (as on March 31, 2024)		89.51
After the Issue		[●]

**Notes: -**

1. This Issue has been authorized by a resolution of our Board passed at its meeting held on July 01, 2024 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.
2. The terms and conditions of the Issue including the Rights Entitlement and Issue Price, have been approved by the Board of Directors in their meeting held on [●].
3. The Directors in their meeting held on [●] and [●] have approved the Record Date and the Issue Schedule, respectively.
4. Assuming full subscription for and Allotment of the Rights Equity Shares.
5. Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.

### NOTES TO CAPITAL STRUCTURE

#### 1. Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

As on the date of this Draft Letter of Offer, except as mentioned below our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

Our company has granted 6,500 stock options convertible into 6,500 equity shares of the Company having face value of Rs. 10/- each to its eligible employees under the DMR Hydroengineering & Infrastructures Limited Employee Stock Option Plan 2023 (“DMR ESOP Plan 2023”).

#### 2. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares.

With the reference of letter dated July 13, 2024, Promoters, members of Promoter Group, and other Persons Acting in Concert (“PACs”) holding shares in the Company, have not made any encumbrance, directly or indirectly, on the shares of the Company.

Details of Promoters, Promoter Group and other PACs holding shares in the Company is a provided below:

Sr. No.	Name	Category	No. of shares held	% of shares held
1	Mr. Subhash Chander Mittal	Promoter	1108000	29.21
2	Ms. Neelam Mittal	Promoter	1294000	34.11
3	Mr. Divay Mittal	Promoters Group	167000	4.40
4	Ms. Deepika Mittal	Promoters Group	167000	4.40

Further, it is informed that the details of the Equity Shares held by our Promoters and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/dmr-hydroengineering--infrastructures-ltd/dmr/543410/shareholding-pattern/>

**3. Details of Equity Shares acquired by the promoters and promoter group in the last one year prior to the filing of this Draft Letter of Offer**

Our promoters and promoter group does not acquire Equity Shares in the last one year prior to the filing of this Draft Letter of Offer.

**4. Intention and participation by the promoter and promoter group**

The Promoters and Promoter Group of our Company through their letter dated, July 13, 2024, have confirmed that they intend to subscribe only a portion of its Rights Entitlement in this Issue and will renounce the remaining portion of their Rights Entitlements. In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number d7 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

- 5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI SAST Regulations is ₹ [●]/-.
- 6. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up. For details on the terms of this Issue, see “Terms of the Issue” on page 88.
- 7. At any given time, there shall be only one denomination of the Equity Shares.

**8. Shareholding Pattern of our company**

The details of the shareholding pattern of our Company as on June 08, 2024 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/dmr-hydroengineering--infrastructures-ltd/dmr/543410/shareholding-pattern/>

The details of shareholders of our Company holding 1% or more of the paid-up capital as on June 08, 2024 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/dmr-hydroengineering--infrastructures-ltd/dmr/543410/shareholding-pattern/>

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## OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. To augment the existing and incremental working capital requirement of our company; and
2. General Corporate Purposes

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

### ISSUE PROCEEDS

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

(₹ in Lakhs)

Particulars	Amount
Gross Proceeds from the Issue <sup>#</sup>	Upto 400.00
Less: Estimated Issue related Expenses	[●]
<b>Net Proceeds from the Issue*</b>	[●]

<sup>#</sup> Assuming full subscription and Allotment;

\*The Issue size will not exceed ₹ 400.00 Lakh. If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

### REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount
1.	To augment the existing and incremental working capital requirement of our company	[●]
2.	General Corporate Purposes <sup>#</sup>	[●]
	<b>Total Net Proceeds*</b>	[●]

<sup>#</sup>The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds;

\*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the BSE.

### UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION

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

(₹ in Lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2025
1.	To augment the existing and incremental working capital requirement of our company	Upto 400	Upto 400
2.	General Corporate Purposes <sup>#</sup>	[●]	[●]
	<b>Total Net Proceeds*</b>	[●]	[●]

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilized in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. For further details, please see the section titled "Risk Factors" beginning on page 19 of this Draft Letter of Offer.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

## MEANS OF FINANCE

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution, or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of numerous factors beyond our control, such as market conditions, competitive environment, costs of commodities or interest rate fluctuations. We intend to finance the abovementioned objects from the Net Proceeds. Accordingly, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals in terms of the provisions of Regulation 62(1)(c) of the SEBI ICDR Regulations.

## DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

### 1. To augment the existing and incremental working capital requirement of our company

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

The details of estimation of Working Capital Requirement (on a consolidated basis), is as under:

Particulars	(₹ in Lakhs)	
	March 31, 2024 (Audited)	March 31, 2025 (Projected)
<b>Current Assets</b>		
Inventories	-	
Trade Receivables	352.03	550.89
Cash and Cash Equivalents	46.09	83.25
Short-term loans and advances	0.75	0.80
Other Current Assets	85.61	119.85
<b>Total Current Assets (1)</b>	<b>484.48</b>	<b>754.79</b>
<b>Current Liabilities</b>		
Short Term Borrowings	19.87	14.86
Trade Payables	9.08	12.01
Other Current Liabilities	62.69	76.23
Short Term Provision	57.25	74.43
<b>Total Current Liabilities (2)</b>	<b>148.89</b>	<b>177.53</b>
<b>Working Capital (1-2)</b>	<b>335.59</b>	<b>577.26</b>
<b>Source of Working Capital</b>		
Internal Accruals	288.22	384.22
Issue Proceeds (Preferential and Rights Issue)	47.37	193.04

Details of Basis of Estimation for holding period levels are as following:

Particulars	March 31, 2023	March 31, 2024	March 31, 2025
No. of Days for Trade Payables	20 days to 30 days	20 days to 30 days	30 days to 40 days
No. of Days for Trade Receivables	150 days to 180 days	150 days to 180 days	150 days to 180 days

**Justification for holding period levels**

On the basis on the internal estimates, existing working capital requirements and the projected working capital requirements and key assumptions with respect to the determination of the same; the Issuer Company would require total working capital to the extent of Rs. 577.26 Lakhs for the March 31, 2025.

The estimated and projected working capital requirements and the assumption underlying the justification for periods of holding levels for March 31, 2025 are as set out in the table below:

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

<b>Current Assets as on March 31, 2025</b>	
Inventories	-
Trade receivables	In Fiscal Year 2024, efficient collection and robust credit policies resulted in trade receivables in the range between 150 days to 180 days. The management is making earnest efforts in following up with customers regarding pending payments to reduce company's account receivables.
Cash and Bank Balance	The management is expecting an increase in cash and bank balance due to an increase in the revenue as well as proceeds from rights issue.
Short Term Loans and advances	The management is expecting stable or decline in Short Term Loans and Advances.
<b>Current Liabilities as on March 31, 2025</b>	
Trade Payables	In Fiscal Year 2024, the trade payable holding range between 20 to 30 days. The projected trade payable holding range between for Fiscal Year 2025 is estimated to be similar to FY24. Company makes an effort to optimize payable cycles while maintaining strong relationship with service provider.
Other Current Liabilities & Short-Term Provision	In Fiscal year 2025, the management is expecting a healthy cash flow due to an increase in payments realized from higher revenue, and raising funds through Right Issue. In Fiscal Year 2024, the Company had a reasonable amount of liquid funds.

Proceeds of the rights issue will be utilized by the Issuer Company to fund its working capital as well as for general corporate purposes.

## 2. General Corporate Purpose

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited to funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

## EXPENSES FOR THE ISSUE

The Issue related expenses consist of fees payable to the Legal Advisor to the issue, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately ₹ [●]/- towards these expenses, a break-up of the same is as follows:

<i>(₹ in Lakhs)</i>			
Activity	Estimated Expense	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fee to professional service providers and statutory fee and Registrar to the Issue	[●]	[●]	[●]
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	[●]	[●]	[●]
Statutory Advertising, Marketing, Printing and Distribution	[●]	[●]	[●]

Other expenses (including miscellaneous expenses and stamp duty)	[•]	[•]	[•]
<b>Total estimated Issue expenses*</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

\* Subject to finalization of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

#### **APPRAISAL OF THE OBJECTS**

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

#### **STRATEGIC AND/ OR FINANCIAL PARTNERS**

There are no strategic and financial partners to the objects of the issue.

#### **INTERIM USE OF FUNDS**

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

#### **KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE**

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

#### **OTHER CONFIRMATIONS**

Except as disclosed above, there are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration our directors, or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

## STATEMENT OF SPECIAL TAX BENEFITS

To,  
The Board of Directors  
**DMR Hydroengineering & Infrastructures Limited**  
473, Sector 30  
Faridabad 121003  
Haryana

Dear Sir(s),

**Sub:** Statement of possible special tax benefits available to DMR Hydroengineering & Infrastructures Limited (“theCompany”) and its shareholders under direct and indirect tax laws

We refer to the proposed issue of equity shares of **DMR Hydroengineering & Infrastructures Limited** (“the Company”).

We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2024, i.e., applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India for inclusion in the Draft Letter Of Offer (“LOO”) for the proposed Right Issue of equity shares (Fully paid up), as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the Right Issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DP for the proposed Right Issue of equity shares which the Company intends to submit to the Securities and Exchange Board of India and National Stock Exchange of India Limited provided that the below statement of limitation is included in the offer document.

### LIMITATIONS

*Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.*

*This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue).*

Your sincerely,

**FOR A Y & Company [Firm Registration No. 020829C  
Chartered Accountants**

Sd/-

**CA Arpit Gupta**

**Partner**

**Mem. No. 421544**

**UDIN: 24421544BKFPLR5102**

**Place: Jaipur**

**Date: 13.07.2024**

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**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

**Direct Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2024 i.e., applicable for Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India

**A. SPECIAL TAX BENEFITS TO THE COMPANY**

There are no Special Tax Benefit Available to the Company under Income Tax law.

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS**

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

**Indirect Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020("FTP") (collectively referred as "Indirect Tax").

**A. SPECIAL TAX BENEFITS TO THE COMPANY**

There are no special tax benefits available to the Company under GST law.

**B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS**

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

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## SECTION IV: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

#### INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information, our company does not take report form any agency about industry overview hence no such report are available in material Documents.

#### GLOBAL OUTLOOK

The global economy is stabilizing, following several years of overlapping negative shocks. Despite elevated financing costs and heightened geopolitical tensions, global activity firmed in early 2024. Global growth is envisaged to reach a slightly faster pace this year than previously expected, due mainly to the continued solid expansion of the U.S. economy. However, the extent of expected declines in global interest rates has moderated amid lingering inflation pressures in key economies. By historical standards, the global outlook remains subdued: both advanced economies and emerging market and developing economies (EMDEs) are set to grow at a slower pace over 2024-26 than in the decade preceding the pandemic (figure 1.1.A).

Domestic demand is projected to improve in many EMDEs this year, in line with a moderate cyclical recovery from the effects of high inflation, tight financial conditions, and anemic industrial activity. Aggregate EMDE growth is nonetheless poised to decelerate slightly mainly because of idiosyncratic factors in some large economies. Moreover, significant challenges persist in vulnerable economies—including in low-income countries (LICs) and those facing elevated levels of conflict and violence—where growth prospects have deteriorated markedly since January.

Global trade growth is recovering, supported by a pickup in goods trade. Services-trade growth is expected to provide less of a tailwind this year, given that tourism has nearly recovered to prepandemic levels. However, the trade outlook remains lackluster compared to recent decades, partly reflecting a proliferation of trade-restrictive measures and elevated trade policy uncertainty.

Aggregate commodity prices have increased since late last year. Amid fluctuations, average oil prices are expected to be slightly higher in 2024 than in 2023, underpinned by a tight demand-supply balance in a context of continued geopolitical tensions. Nonetheless, average energy prices are projected to be marginally lower this year than last reflecting notable declines in prices for natural gas and coal—while remaining well above pre-pandemic levels. Metals prices are expected to be little changed over the forecast horizon, as demand related to metals-intensive clean energy investments and a broader pickup in global industrial activity attenuate the impact on commodity demand of declining real estate activity in China. Well-supplied markets for grains and other agricultural commodities should see edible food crop prices decline modestly.

**TABLE 1.1 Real GDP<sup>1</sup>**

(Percent change from previous year unless indicated otherwise)

							Percentage point differences from January 2024 projections	
	2021	2022	2023e	2024f	2025f	2026f	2024f	2025f
<b>World</b>	<b>6.3</b>	<b>3.0</b>	<b>2.6</b>	<b>2.6</b>	<b>2.7</b>	<b>2.7</b>	<b>0.2</b>	<b>0.0</b>
<b>Advanced economies</b>	<b>5.5</b>	<b>2.6</b>	<b>1.5</b>	<b>1.5</b>	<b>1.7</b>	<b>1.8</b>	<b>0.3</b>	<b>0.1</b>
United States	5.8	1.9	2.5	2.5	1.8	1.8	0.9	0.1
Euro area	5.9	3.4	0.5	0.7	1.4	1.3	0.0	-0.2
Japan	2.6	1.0	1.9	0.7	1.0	0.9	-0.2	0.2
<b>Emerging market and developing economies</b>	<b>7.3</b>	<b>3.7</b>	<b>4.2</b>	<b>4.0</b>	<b>4.0</b>	<b>3.9</b>	<b>0.1</b>	<b>0.0</b>
East Asia and Pacific	7.6	3.4	5.1	4.8	4.2	4.1	0.3	-0.2
China	8.4	3.0	5.2	4.8	4.1	4.0	0.3	-0.2
Indonesia	3.7	5.3	5.0	5.0	5.1	5.1	0.1	0.2
Thailand	1.6	2.5	1.9	2.4	2.8	2.9	-0.8	-0.3
Europe and Central Asia	7.2	1.6	3.2	3.0	2.9	2.8	0.6	0.2
Russian Federation	5.9	-1.2	3.6	2.9	1.4	1.1	1.6	0.5
Türkiye	11.4	5.5	4.5	3.0	3.6	4.3	-0.1	-0.3
Poland	6.9	5.6	0.2	3.0	3.4	3.2	0.4	0.0
Latin America and the Caribbean	7.2	3.9	2.2	1.8	2.7	2.6	-0.5	0.2
Brazil	4.8	3.0	2.9	2.0	2.2	2.0	0.5	0.0
Mexico	6.0	3.7	3.2	2.3	2.1	2.0	-0.3	0.0
Argentina	10.7	5.0	-1.6	-3.5	5.0	4.5	-6.2	1.8
Middle East and North Africa	6.2	5.9	1.5	2.8	4.2	3.6	-0.7	0.7
Saudi Arabia	4.3	8.7	-0.9	2.5	5.9	3.2	-1.6	1.7
Iran, Islamic Rep. <sup>2</sup>	4.7	3.8	5.0	3.2	2.7	2.4	-0.5	-0.5
Egypt, Arab Rep. <sup>2</sup>	3.3	6.6	3.8	2.8	4.2	4.6	-0.7	0.3
South Asia	8.6	5.8	6.6	6.2	6.2	6.2	0.6	0.3
India <sup>2</sup>	9.7	7.0	8.2	6.6	6.7	6.8	0.2	0.2
Bangladesh <sup>2</sup>	6.9	7.1	5.8	5.6	5.7	5.9	0.0	-0.1
Pakistan <sup>2</sup>	5.8	6.2	-0.2	1.8	2.3	2.7	0.1	-0.1
Sub-Saharan Africa	4.4	3.8	3.0	3.5	3.9	4.0	-0.3	-0.2
Nigeria	3.6	3.3	2.9	3.3	3.5	3.7	0.0	-0.2
South Africa	4.7	1.9	0.6	1.2	1.3	1.5	-0.1	-0.2
Angola	1.2	3.0	0.9	2.9	2.6	2.4	0.1	-0.5
<b>Memorandum items:</b>								
<b>Real GDP<sup>1</sup></b>								
High-income countries	5.5	2.8	1.5	1.6	1.9	1.9	0.3	0.1
Middle-income countries	7.5	3.5	4.5	4.1	4.0	4.0	0.1	0.0
Low-income countries	4.1	5.0	3.8	5.0	5.3	5.5	-0.5	-0.3
EMDEs excluding China	6.5	4.3	3.4	3.5	4.0	3.9	0.0	0.2
Commodity-exporting EMDEs	5.8	3.4	2.6	2.8	3.4	3.2	-0.1	0.3
Commodity-importing EMDEs	8.0	3.9	4.9	4.7	4.3	4.3	0.3	-0.1
Commodity-importing EMDEs excluding China	7.3	5.3	4.5	4.4	4.6	4.7	0.2	0.1
EM7	7.8	3.3	5.1	4.5	4.0	4.0	0.4	-0.1
World (PPP weights) <sup>3</sup>	6.6	3.3	3.1	3.1	3.2	3.2	0.2	0.1
<b>World trade volume<sup>4</sup></b>	<b>11.2</b>	<b>5.6</b>	<b>0.1</b>	<b>2.5</b>	<b>3.4</b>	<b>3.4</b>	<b>0.2</b>	<b>0.3</b>
<b>Commodity prices<sup>5</sup></b>								
WBG commodity price index	100.9	142.5	108.0	106.0	102.1	101.5	1.1	-0.1
Energy index	95.4	152.6	106.9	104.0	100.0	99.0	0.6	0.0
Oil (US\$ per barrel)	70.4	99.8	82.6	84.0	79.0	78.1	3.0	1.0
Non-energy index	112.1	122.1	110.2	110.1	106.4	106.6	2.4	-0.2

Source: World Bank.

Note: e = estimate (actual data for commodity prices); f = forecast. EM7 = Brazil, China, India, Indonesia, Mexico, the Russian Federation, and Türkiye. WBG = World Bank Group. World Bank forecasts are frequently updated based on new information. Consequently, projections presented here may differ from those contained in other World Bank documents, even if basic assessments of countries' prospects do not differ at any given date. For the definition of EMDEs, developing countries, commodity exporters, and commodity importers, please refer to table 1.2. The World Bank is currently not publishing economic output, income, or growth data for Turkmenistan and República Bolivariana de Venezuela owing to lack of reliable data of adequate quality. Turkmenistan and República Bolivariana de Venezuela are excluded from cross-country macroeconomic aggregates.

1. Headline aggregate growth rates are calculated using GDP weights at average 2010-19 prices and market exchange rates.

2. GDP growth rates are on a fiscal year (FY) basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. For India and the Islamic Republic of Iran, the column for 2022 refers to FY2022/23. For Bangladesh, the Arab Republic of Egypt, and Pakistan, the column for 2022 refers to FY2021/22. Pakistan's growth rates are based on GDP at factor cost.

3. World growth rates are calculated using average 2010-19 purchasing power parity (PPP) weights, which attribute a greater share of global GDP to emerging market and developing economies (EMDEs) than market exchange rates.

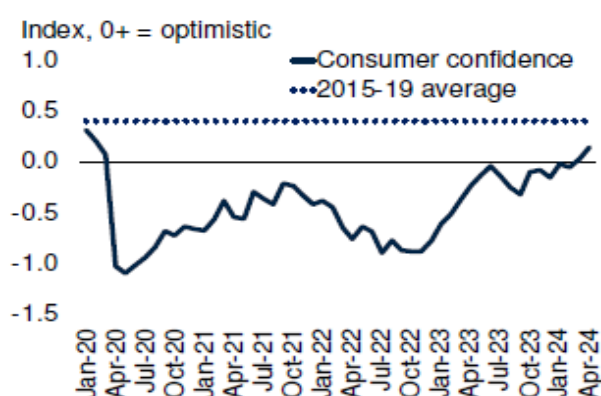
4. World trade volume of goods and nonfactor services.

5. Indexes are expressed in nominal U.S. dollars (2010 = 100). Oil refers to the Brent crude oil benchmark. For weights and composition of indexes, see <https://worldbank.org/commodities>.

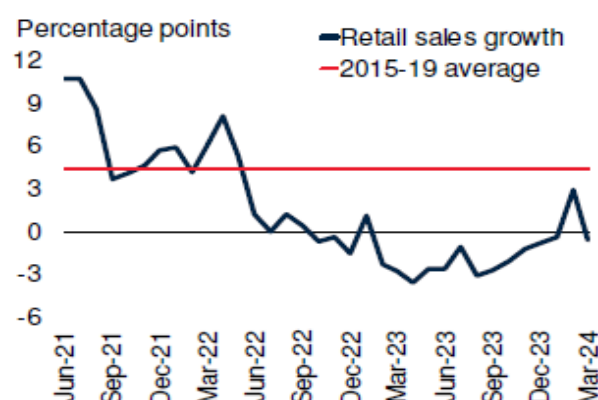
## FIGURE 1.8 Recent developments in emerging market and developing economies

Activity in EMDEs generally stabilized in early 2024, with consumer confidence and retail sales firming somewhat. Measures of headline manufacturing and services activity firmed across EMDEs, and leading indicators of new export orders pushed into expansionary territory, in line with an anticipated rebound in global trade.

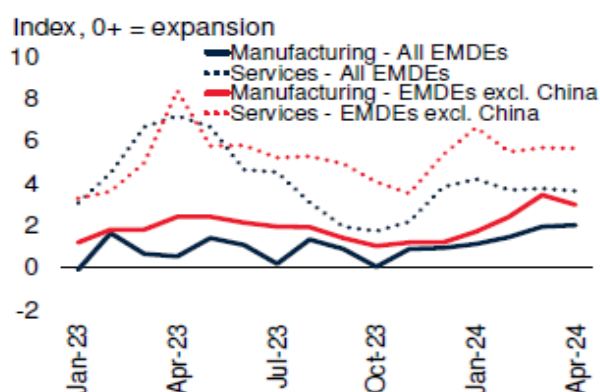
### A. Consumer confidence



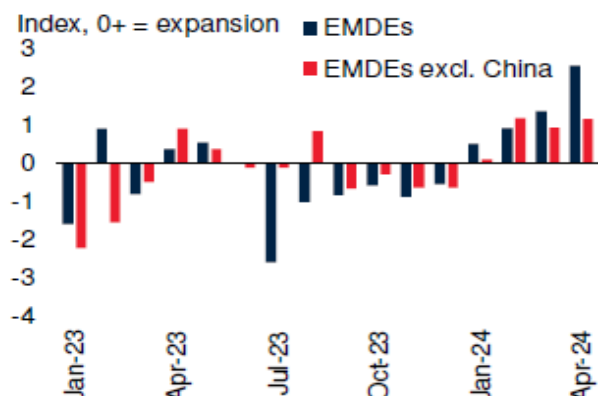
### B. Nominal retail sales growth



### C. Headline PMIs: Manufacturing and services



### D. New export orders PMIs: Manufacturing



Sources: Haver Analytics; World Bank.

After softening in the second half of 2023, activity in EMDEs generally stabilized in early 2024, with indicators of domestic demand, including retail sales and consumer confidence, firming somewhat (figures 1.8.A and 1.8.B). In early 2024, headline manufacturing and services sector PMIs broadly moved up, with a still greater improvement in headline manufacturing PMIs for EMDEs excluding China (figure 1.8.C). Economic conditions have nonetheless continued to diverge, with ongoing weakness among vulnerable EMDEs. Growth in countries with stronger credit ratings has so far outpaced growth in weaker-rated countries, including many grappling with high debt and financing costs, and in those facing acute challenges, such as elevated levels of domestic conflict and violence.

EMDE goods trade growth has shown signs of improvement, with the manufacturing component of new export orders PMIs returning to expansionary territory in early 2024, for the first time since mid-2023 (figure 1.8.D). In contrast, services exports decelerated in

most EMDEs, reflecting an increasingly mature tourism recovery following the pandemic. However, countries that lifted pandemic-related restrictions later, mostly in East Asia and Pacific (EAP), continue to see a rebound in tourist flows.

Activity in commodity exporters has continued to face headwinds in early 2024, amid sluggish global industrial production. In oil exporters, this has been somewhat offset by robust foreign direct investment (FDI) in the extractives sector. Still, activity, fiscal revenue, and export earnings in oil exporters have been dampened by subdued global demand—giving rise to OPEC+ oil production cuts—as well as by infrastructure constraints related to aging oil fields in some cases.

Activity in commodity importers excluding China has been robust. This mostly reflects resilience in some large economies, notably India, owing to continued strength in domestic demand. Growth has been more muted in other commodity importers so far this year. After goods export volumes contracted in 2023, the rebound seen in early 2024 has been somewhat limited, especially in economies with large export-oriented manufacturing sectors, partly owing to lukewarm external demand from major trading partners. Furthermore, elevated prices for food and energy remain a constraint on disposable incomes, dampening consumption growth.

Growth in LICs decelerated by 1.2 percentage points to 3.8 percent in 2023 from a year earlier, mainly reflecting violent conflict in some countries. Pervasive violence and political instability exacerbated challenging economic and humanitarian situations, particularly in the Sahel region of Africa and its adjacent countries. At the same time, activity in some major LICs continued to expand at a solid pace—such as in the Democratic Republic of Congo, on account of strong mining activity, and in Ethiopia, reflecting good harvests and steady services sector growth.

Consumer price inflation in LICs has, on average, continued to decline in early 2024, providing some respite for consumption growth. Notably, food price inflation has slowed in many LICs. Food insecurity nonetheless remains elevated, with an estimated 127 million people in LICs suffering from food crisis or worse conditions in 2024 (FSIN and GNAFC 2024).

*(Source: <https://www.worldbank.org/en/publication/global-economic-prospects>)*

## **INDIAN ECONOMIC OUTLOOK**

### **INTRODUCTION**

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

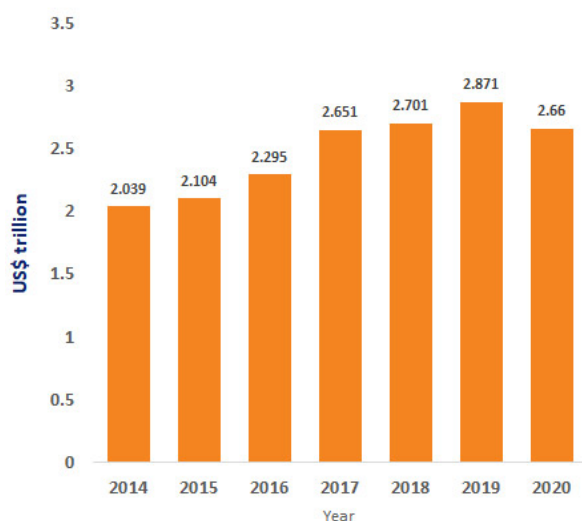
Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

### **Market Size**

### India's Gross Domestic Production



Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current

account deficit (CAD) narrowed to 1.2% of GDP in the October-December quarter. The CAD stood at US\$ 10.5 billion for the third quarter of 2023-24 compared to US\$ 11.4 billion or 1.3% of GDP in the preceding quarter. This was largely due to higher service exports.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

### RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs.1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crore (US\$ 4.14 billion), SGST is Rs. 43,746 crore (US\$ 5.25 billion).
- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.

- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

## GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific

communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.

- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase



by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).

- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also,

India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.

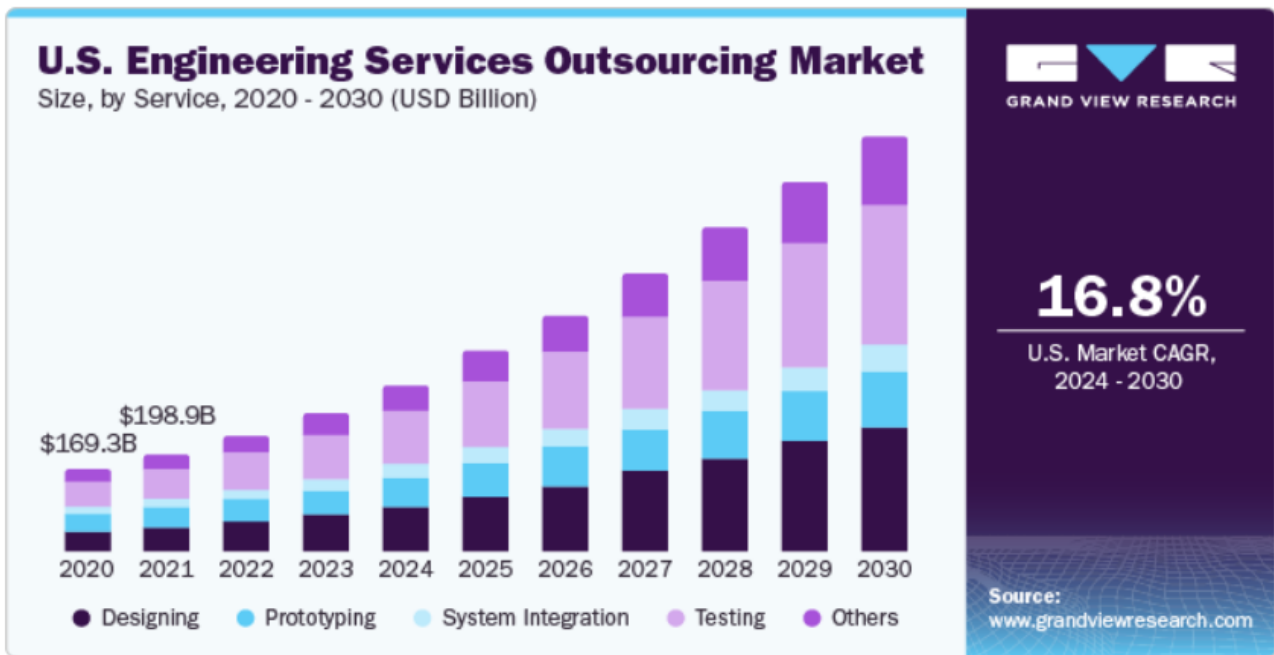
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025

## GLOBAL ENGINEERING INDUSTRY

Enterprises in the Global Engineering Services industry apply engineering principles in the design, development and use of machines, materials, instruments, structures, processes and systems. Operators may also perform feasibility studies, advise on engineering issues, prepare plans and designs and provide inspection and technical services. Service areas may include construction and infrastructure, environmental projects, industrial processes and equipment, product engineering, project planning and economic assessments, environmental impact assessments, quality management assessments and accreditation services.

### Market Size & Trends

The global **engineering services outsourcing market size was valued at USD 2,039.60 billion in 2023** and is expected to grow at a compound annual growth rate (CAGR) of 24.4% from 2023 to 2030. The growing alliance between Engineering Service Providers (ESP) and Original Equipment Manufacturers (OEM) is predicted to be one of the direct factors propelled by the increase in the acceptance of engineering services outsourcing (ESO). The global R&D developments, the rising demand for incorporating the most delinquent technologies in the product offerings, and the increasing need to trim the product lifecycles, and trim costs are also anticipated to contribute to the market growth. The engineering services outsourcing market has constantly been growing in line with the substantial passion for the customers to outsource different services as part of the measures to cut costs.



The engineering services outsourcing model has also been developed subsequently to deliver smart solutions to customers. The ESO industry has noticed a paradigm transformation from core engineering services to embedded engineering solutions, combining automation, analytics, and the Internet of Things (IoT), among others. Furthermore, technological advancements have opened the way for Platform-as-a-Service (PaaS) plans with combined IT solutions.

Global R&D activities have made the major engineering services outsourcing industry players include global systems of delivery in their business strategies. The market has witnessed a remarkable shift in engineering service requirements from mechanical and non-core needs to center competencies in place markets. The change in approach toward product lifecycle development focuses on the position of ESPs in the OEMs' supply chains.

As the ESO delivers and continues to evolve, ESPs are making service delivery standards, which combine much more comprehensive engagement portfolios and a licensing framework that encourages innovation and accelerates both bottom-line and top-line growth. Furthermore, the rapid digitalization among various industries to increase their productivity is also impacting the market growth significantly.

The execution of Industry 4.0 is enabling intelligent manufacturing and propelling the demand for the most delinquent industrial solutions based on robotics, artificial intelligence (AI), and machine learning (ML), thereby extending possibilities for IT combining with the service offerings of ESPs. End application enterprises and industry verticals, specifically automotive and aerospace industries, among others, which need reliable hardware manufacturing qualifications, appear as possible clients for providing digital conversion services.

Also, the increasing need for automation tools in the available system architecture is anticipated to open tremendous opportunities for ESPs. On the other hand, new players may find it contesting to establish a foothold in the ESO market concerning a lack of project expertise, technology expertise, and business operations. Nevertheless, global digitization also shows cybersecurity issues.

The binding of various end application enterprises and industry verticals trade large magnitudes of information, containing data connected with observing, freight management, and grade assurance with assistance providers, OEMs, and customers. Also, service providers, OEMs, and suppliers often trade personal data on technology, implementation, and points of services or equipment to improve collaboration on design, development, and support.

Consequently, manufacturers are embarking on preventive measures, such as setting the network operations, saving important information with key codes, and including the original arrangements of the design or the original code, as part of the efforts to save the Intellectual Property (IP). As the result of the eruption of the COVID-19 pandemic and the following lockdowns in different nations across the globe, the market changed, relying on the end application enterprises and industry verticals.

**Market Concentration & Characteristics**

The engineering services outsourcing market is expected to exhibit a high degree of innovation. As industries increasingly leverage engineering outsourcing for cost-centric solutions and specialized expertise, service providers are compelled to stay at the forefront of technological advancements. The nature of engineering services, encompassing fields such as product design, research and development, and technology integration, demands continuous innovation. Companies within the ESO market are expected to invest in advanced technologies such as artificial intelligence, digital twin simulations, and automation to enhance their service offerings.



The market is anticipated to experience a moderate to high level of merger and acquisition (M&A) activities. As companies seek to expand their service portfolios, global presence, and technological capabilities, strategic partnerships and acquisitions become viable pathways for growth. Larger engineering service providers may engage in acquisitions to broaden their industry expertise or enter new geographical markets, while smaller firms could pursue M&A to enhance their technological capabilities or achieve economies of scale.

The impact of regulations on competition within the engineering services outsourcing market is expected to be moderate to high. ESO involves handling sensitive data, intellectual property, and compliance with industry standards, making it subject to various regulatory frameworks. Regulations related to data security, intellectual property protection, and compliance with quality and safety standards can significantly influence the competitive landscape. Compliance requirements may add complexity to operations and create barriers to entry, affecting the competitive dynamics within the market.

The competition from service substitutes in the engineering services outsourcing market is expected to be moderate to low. ESO involves highly specialized engineering services such as product design, research and development, and technical expertise, making direct substitutes less prevalent. While some companies may choose to handle engineering tasks in-house, the intricate nature of engineering services often necessitates specialized knowledge and resources. However, advancements in technology such as [digital twin](#), 5G, and the emergence of alternative solutions, such as software tools for specific engineering tasks, could present indirect substitutes.

The end-user concentration in the engineering services outsourcing market is expected to be moderate to high. ESO caters to a diverse range of industries, including automotive, aerospace, electronics, and manufacturing, leading to a varied end-user base. However, within specific sectors with intricate engineering solution needs, concentration may be higher, as companies within those industries seek specialized engineering services. Large enterprises with complex projects may dominate certain segments, influencing competition dynamics.

(Source: <https://www.grandviewresearch.com/industry-analysis/engineering-services-outsourcing-market>)

## INDIAN ENGINEERING INDUSTRY

### Introduction

India's Capital Goods manufacturing industry serves as a strong base for its engagement across sectors such as Engineering, Construction, Infrastructure and Consumer goods, amongst others.

The engineering sector is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. Demand for engineering sector services is being driven by capacity expansion in industries like infrastructure, electricity, mining, oil and gas, refinery, steel, automobiles, and consumer durables. India has a competitive advantage in terms of manufacturing costs, market knowledge, technology, and innovation in various engineering sub-sectors. India's engineering sector has witnessed remarkable growth over the last few years, driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of huge strategic importance to India's economy.

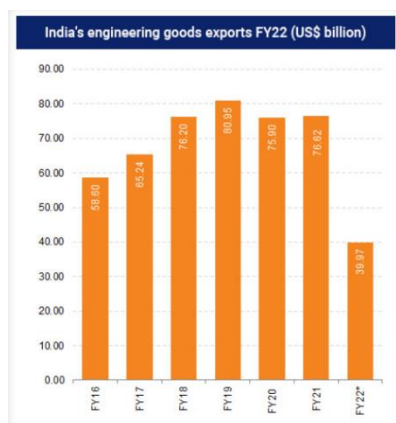
The development of the engineering sector of the economy is also significantly aided by the policies and initiatives of the Indian government.

The engineering industry has been de-licensed and allows 100% foreign direct investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports.

India became a permanent member of the Washington Accord (WA) in June 2014. It is now part of an exclusive group of 17 countries that are permanent signatories of the WA, an elite international agreement on engineering studies and the mobility of engineers.

### MARKET SIZE

The Capital Goods sector contributes to 12% of India's manufacturing output and 1.8% of GDP. Market valuation of the capital goods industry was US\$ 43.2 billion in FY22.



Imports of Electrical Machinery in India increased to US\$ 12.30 billion in FY24. The Indian electrical equipment industry comprises of two broad segments, Generation equipment (boilers, turbines, generators) and Transmission & Distribution (T&D) and allied equipment like transformers, cables, transmission lines, etc. The sector contributes about 8% to the manufacturing sector in terms of value, and 1.5% to overall GDP. Incentives for capacity addition in power generation will further increase the demand for electrical machinery.

The quick estimates of Index of Industrial Production (IIP) for FY24 came at 156.2, improving from 146.7 in FY23.

The electrical equipment market share in India is expected to increase from US\$ 52.98 billion in 2022 to US\$ 125 billion by 2027, implying a robust CAGR of 11.68%. The domestic electrical equipment market is expected to grow at an annual rate of 12% to reach US\$ 72 billion by 2025. In FY23, India's heavy electrical equipment production stood at Rs. 2,44,300

crore (US\$ 29.38 billion). The electrical machinery segment grew nearly 13% with shipments jumping to US\$ 10.19 billion in the April-December 2023 from US\$ 9.06 billion in the year-ago period. The Indian textile machinery industry was expected to touch the US\$ 6 billion mark by 2022. India's textile machinery exports declined by 5.09% to US\$ 1003.55 million in 2023 compared to the previous year.

The market size of the Plastic machinery sector stood at US\$ 0.5 billion.

Indian Process Plant and Machinery (PPM) industry has estimated capacity of US\$ 6.00 Billion per annum

Earthmoving equipment sales grew by 23% YoY in second quarter of FY 2024, as the total equipment numbers sold increased to 22,334.

Foundry industry has a turnover of approx. US\$ 20 billion with exports of approx. US\$ 3.54 billion.

There are 750–800 domestic Medical Devices manufacturers in India, with an average investment of US\$ 2.3–2.7 million and an average turnover of US\$ 6.2-6.9 million.

The Indian industrial fasteners market was valued at US\$ 9,064 million in 2022 and is projected to reach US\$ 17,868 million by 2030, registering a CAGR of 7.9% during the forecast period (2023-2030).

India steam boiler systems market size is expected to reach nearly US\$ 22.56 billion by 2027 with the CAGR of 4.63% during the forecast period.

The India generator sets market is expected to grow at a CAGR of more than 5% over the period of 2020-2025.

The India power transformer market is expected to rise at a CAGR of more than 3% during the forecast period of 2020-25.

India switchgear market size was estimated at US\$ 9.75 million in 2022 and is expected to grow at CAGR of 7.12% reaching a value of US\$ 18.23 million by 2029.

India's automotive industry is worth more than US\$ 222 billion, contributes 8% of the country's total export, accounts for 7.1% of India's GDP and is set to become the 3rd largest in the world by 2030.

Indian auto components industry, which accounts for 2.3% of India's GDP currently, is set to become the 3rd largest globally by 2025. According to the Automotive Component Manufacturers Association of India, the auto-components industry of India is expected to grow by 10-15% in FY24, which would be driven by both domestic and export market demand.

The Indian agricultural equipment market has reached a value US\$ 10.25 billion in 2023 and is anticipated to grow at a CAGR of 5.24% through 2029.

The Indian machine tool market size reached US\$ 1.5 billion in 2023 and is expected to reach US\$ 3.2 billion by 2032, exhibiting a growth rate (CAGR) of 8.2% during 2024-32.

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

In FY23, India's heavy electrical equipment production stood at Rs. 2,44,300 crore (US\$ 29.38 billion).

The boiler market in India is expected to grow from Rs. 5,859 crore (US\$ 704.6 million) in FY19 to Rs. 8,831 crore (US\$ 1.1 billion) in FY30 with an expected CAGR of 3.8%.

In FY24, exports of engineering goods stood at US\$ 109.32 billion, reflecting a marginal growth of 2.1% of YoY growth. In April 2024, exports of engineering goods reached at US\$ 8.67 billion.

In FY24, exports of engineering goods stood at US\$ 109.32 billion, reflecting a marginal growth of 2.1% of YoY growth. India exports engineering goods mostly to the US and Europe.

## **GOVERNMENT INITIATIVES**

The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been de-licensed and enjoys 100% FDI. With the aim to boost the manufacturing sector, the government has relaxed the excise duties on factory gate tax, capital goods, consumer durables and vehicles.

- MHI is implementing the Scheme for 'Enhancement of Competitiveness in the Indian Capital Goods Sector Phase 2' in order to facilitate adoption of Industry 4.0 and to promote investments in manufacturing sector, indigenization of technologies and creation / augmentation of common service infrastructure / Testing facilities. Rs. 250 crores have been allocated under this Scheme for Financial Year 2023-24.
- The Ministry of Heavy Industries (MHI) launched two Production Linked Incentive (PLI) Schemes, namely PLI Scheme for Automobile and Auto Component Industry, and PLI Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage. The PLI Scheme for the automobile and auto components industry has been launched with a total budgetary outlay of Rs. 25,938 crore (US\$ 3.17 billion) for a period of five years (FY23 to FY27).
- To increase the employability of engineering graduates in the country, AICTE (All India council of technical education) leadership is taking a lot of efforts and recommends model curriculum for engineering programs like AI, IoT, Robotics, Block chain, Machine learning, Data Science and Cyber security.

In 2021, the government is pursuing strategic sale in 22 PSU firms of which 17 are ongoing transactions including BPCL, Shipping Corporation of India, Concor and BEML.

- In October 2022, NSIC Signs MoU with Phillips Machine Tools India Pvt. Ltd. for Skill Development Training in Additive Technologies which is the future of manufacturing.
- In June 2022: Ministry of Heavy Industries (MHI) and Ministry of Skill Development and Entrepreneurship (MSDE) sign MoU to facilitate training in engineering trades to boost capital goods sector. In May 2022, MHI signs an MoU with National Research Development Corporation to facilitate various activities for smooth implementation of the Scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector.
- In budget 2023-24, Ministry of Railways received its highest-ever allocation of Rs. 2.55 lakh crore (US\$ 30.6 billion), approximately ten times the allocation in 2013-14.
- In budget 2024-25, Ministry of Road Transport and Highways received an allocation of about Rs. 2.78 lakh crore (US\$ 33.4 billion).
- The government launched the National Infrastructure Pipeline (NIP) with a forward-looking approach and with a projected infrastructure investment of around Rs. 111 lakh crore (US\$ 1.3 trillion), during FY20-25 to provide high quality infrastructure across the country. The NIP currently has 9637 projects with a total cost of more than US\$ 2 trillion under different stages of implementation. Increase in the construction of National Highways (NHs)/roads over time, with 10,331 km of roads constructed in FY23 as compared to 6,061 km in FY16.

- India's national highway network grew by nearly 49% from 97,830 km in 2014-15 to 146,145 km at the end of January 2024. The pace increased from 12.1 km a day in 2014-15 to 28.3 km per day in FY23.
- Total budgetary support for investment in the sector has been increasing rapidly in the last four years and stood at around Rs. 1.4 lakh crore (US\$ 16.8 billion) during FY23 (as of 31 October 2022).
- In line with the vision of monetization of public sector assets, National Highways Authority of India (NHAI) launched its InvIT in FY22. NHAI InvIT has raised more than Rs. 26,125 crore (US\$ 3.1 billion) from high quality foreign and Indian institutional investors (up to January 2024).
- In Budget 2023, customs duty exemption is being provided to import of specified capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles and mobile handsets.
- The electrical machinery industry has been de-licensed, along with 100% FDI allowed in this sector. This has facilitated the entry of major global players into the electrical machinery industry in India.
- In Interim Budget 2024-25, Government has committed an outlay of Rs. 11.11 lakh crore (US\$ 133.6 billion) during 2024-25 towards infrastructure capital expenditure compared to Rs. 10 lakh crore (US\$ 120 billion) (BE) during 2023-24.
- Under Interim union budget 2023-24, the defence sector was allocated a budget of Rs. 6.21 lakh crore (US\$ 74.74 billion).
- In February 2022, the Prime Minister inaugurated Asia's largest bio-CNG plant set up under the Indore Smart City Project.
- In November 2022, Engineering Export Promotion Council of India (EETPC) stated that the government's decision to withdraw the 15% export duty imposed on iron ore and steel products would boost engineering goods exports from the country.
- The All-India Council for Technical Education (AICTE) has launched educational books for diploma and under-graduate engineering courses in Marathi language so that students can learn better in their native language.
- The AICTE has entered into collaborations with the MSME ministry, NHAI and DM offices in 150 districts to facilitate engineering internships for students.
- In the Union Budget 2022-23, the government has given a massive push to the infrastructure sector by allocating Rs. 199,107 crore (US\$ 26.52 billion) to enhance the transport infrastructure.
- Prime Minister Mr. Narendra Modi, on the country's 75th Independence Day, announced plans to invest Rs. 100 trillion (US\$ 1.35 trillion) in infrastructure to stimulate economic development and generate employment.
- In October 2021, the Department of Telecommunications (DoT) approved 31 proposals totalling an investment of US\$ 447 million over the next 4.5 years, as part of the PLI scheme for telecom and networking products manufactured in India.
- In October 2021, the Ministry of Textiles allowed pilot projects for application of geo-textiles in infrastructure projects.
- In September 2021, the government announced its PLI scheme of Rs. 10,683 crore (US\$ 1.4 billion) for textiles, specifically aimed at boosting production of man-made fibre (MMF) fabric, MMF apparel and technical textiles.
- In September 2021, the Indian government announced a PLI scheme for automobiles and auto components worth Rs. 25,938 crore (US\$ 3.49 billion). This scheme is expected to bring investments of Rs. 42,500 crore (US\$ 5.74 billion) by 2026.
- In August 2021, Prime Minister Mr. Narendra Modi launched the Voluntary Vehicle-Fleet Modernisation Program (VVMP), also known as the Vehicle Scrapping Policy. The policy will bring in investments worth Rs. 10,000 crore (US\$ 1.35 billion) to set up 450-500 Automated Testing Stations (ATS) and 60-70 Registered Vehicle Scrapping Facilities (RVSF) across the country. A single window clearance portal is being developed where applications for ATS and RVSF will be catered through a single portal within 60 days.
- The government is taking several steps to boost domestic defence manufacturing. In line with this, between FY17-22 (until June 2021), the Indian government signed 264 contracts for defence equipment procurement, with 159 contracts for armed forces equipment procurement.
- In April 2021, Under the Development cum Production Partner (DcPP) programme, Defence Research and Development Organisation (DRDO) allowed private sector firms to develop and produce missile systems, such as vertical launched surface and air missile system programmes, to promote the domestic defence industry.
- The Indian telecom equipment market is likely to increase owing to the government's Rs. 12,195 crore (US\$ 1.6 billion) PLI scheme approved for telecom gear manufacturing in February 2021.
- MHI is implementing the Scheme for 'Enhancement of Competitiveness in the Indian Capital Goods Sector Phase 2' in order to facilitate adoption of Industry 4.0 and to promote investments in manufacturing sector, indigenization of technologies and creation / augmentation of common service infrastructure / Testing facilities. Rs. 250 crores have been allocated under this Scheme for Financial Year 2023-24.
- The Ministry of Heavy Industries (MHI) launched two Production Linked Incentive (PLI) Schemes, namely PLI Scheme for Automobile and Auto Component Industry, and PLI Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage. The PLI Scheme for the automobile and auto components industry has been launched with a total budgetary outlay of Rs. 25,938 crore (US\$ 3.17 billion) for a period of five years (FY23 to FY27).

- To increase the employability of engineering graduates in the country, AICTE (All India council of technical education) leadership is taking a lot of efforts and recommends model curriculum for engineering programs like AI, IoT, Robotics, Block chain, Machine learning, Data Science and Cyber security.

In 2021, the government is pursuing strategic sale in 22 PSU firms of which 17 are ongoing transactions including BPCL, Shipping Corporation of India, Concor and BEML.

- In October 2022, NSIC Signs MoU with Phillips Machine Tools India Pvt. Ltd. for Skill Development Training in Additive Technologies which is the future of manufacturing.
- In June 2022: Ministry of Heavy Industries (MHI) and Ministry of Skill Development and Entrepreneurship (MSDE) sign MoU to facilitate training in engineering trades to boost capital goods sector. In May 2022, MHI signs an MoU with National Research Development Corporation to facilitate various activities for smooth implementation of the Scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector.
- In budget 2023-24, Ministry of Railways received its highest-ever allocation of Rs. 2.55 lakh crore (US\$ 30.6 billion), approximately ten times the allocation in 2013-14.
- In budget 2024-25, Ministry of Road Transport and Highways received an allocation of about Rs. 2.78 lakh crore (US\$ 33.4 billion).
- The government launched the National Infrastructure Pipeline (NIP) with a forward-looking approach and with a projected infrastructure investment of around Rs. 111 lakh crore (US\$ 1.3 trillion), during FY20-25 to provide high quality infrastructure across the country. The NIP currently has 9637 projects with a total cost of more than US\$ 2 trillion under different stages of implementation. Increase in the construction of National Highways (NHs)/roads over time, with 10,331 km of roads constructed in FY23 as compared to 6,061 km in FY16.
- India's national highway network grew by nearly 49% from 97,830 km in 2014-15 to 146,145 km at the end of January 2024. The pace increased from 12.1 km a day in 2014-15 to 28.3 km per day in FY23.
- Total budgetary support for investment in the sector has been increasing rapidly in the last four years and stood at around Rs. 1.4 lakh crore (US\$ 16.8 billion) during FY23 (as of 31 October 2022).
- In line with the vision of monetization of public sector assets, National Highways Authority of India (NHAI) launched its InvIT in FY22. NHAI InvIT has raised more than Rs. 26,125 crore (US\$ 3.1 billion) from high quality foreign and Indian institutional investors (up to January 2024).
- In Budget 2023, customs duty exemption is being provided to import of specified capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles and mobile handsets.
- The electrical machinery industry has been de-licensed, along with 100% FDI allowed in this sector. This has facilitated the entry of major global players into the electrical machinery industry in India.
- In Interim Budget 2024-25, Government has committed an outlay of Rs. 11.11 lakh crore (US\$ 133.6 billion) during 2024-25 towards infrastructure capital expenditure compared to Rs. 10 lakh crore (US\$ 120 billion) (BE) during 2023-24.
- In FY24, India's defence and aerospace sector achieved exports soaring to a record Rs. 21,083 crore (US\$ 2.53 billion). This represents a significant increase of 32.5% YoY.
- Under Interim union budget 2023-24, the defence sector was allocated a budget of Rs. 6.21 lakh crore (US\$ 74.74 billion).
- In February 2022, the Prime Minister inaugurated Asia's largest bio-CNG plant set up under the Indore Smart City Project.
- In November 2022, Engineering Export Promotion Council of India (EEPC) stated that the government's decision to withdraw the 15% export duty imposed on iron ore and steel products would boost engineering goods exports from the country.
- The All-India Council for Technical Education (AICTE) has launched educational books for diploma and under-graduate engineering courses in Marathi language so that students can learn better in their native language.
- The AICTE has entered into collaborations with the MSME ministry, NHAI and DM offices in 150 districts to facilitate engineering internships for students.
- In the Union Budget 2022-23, the government has given a massive push to the infrastructure sector by allocating Rs. 199,107 crore (US\$ 26.52 billion) to enhance the transport infrastructure.
- Prime Minister Mr. Narendra Modi, on the country's 75th Independence Day, announced plans to invest Rs. 100 trillion (US\$ 1.35 trillion) in infrastructure to stimulate economic development and generate employment.
- In October 2021, the Department of Telecommunications (DoT) approved 31 proposals totalling an investment of US\$ 447 million over the next 4.5 years, as part of the PLI scheme for telecom and networking products manufactured in India.
- In October 2021, the Ministry of Textiles allowed pilot projects for application of geo-textiles in infrastructure projects.
- In September 2021, the government announced its PLI scheme of Rs. 10,683 crore (US\$ 1.4 billion) for textiles, specifically aimed at boosting production of man-made fibre (MMF) fabric, MMF apparel and technical textiles.



- In September 2021, the Indian government announced a PLI scheme for automobiles and auto components worth Rs. 25,938 crore (US\$ 3.49 billion). This scheme is expected to bring investments of Rs. 42,500 crore (US\$ 5.74 billion) by 2026.
- In August 2021, Prime Minister Mr. Narendra Modi launched the Voluntary Vehicle-Fleet Modernisation Program (VVMP), also known as the Vehicle Scrapping Policy. The policy will bring in investments worth Rs. 10,000 crore (US\$ 1.35 billion) to set up 450-500 Automated Testing Stations (ATS) and 60-70 Registered Vehicle Scrapping Facilities (RVSF) across the country. A single window clearance portal is being developed where applications for ATS and RVSF will be catered through a single portal within 60 days.
- The government is taking several steps to boost domestic defence manufacturing. In line with this, between FY17-22 (until June 2021), the Indian government signed 264 contracts for defence equipment procurement, with 159 contracts for armed forces equipment procurement.
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The Indian telecom equipment market is likely to increase owing to the government's Rs. 12,195 crore (US\$ 1.6 billion) PLI scheme approved for telecom gear manufacturing in February 2021.

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 16 of this Draft Letter of Offer, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Letter of Offer, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 19 and 69, respectively.*

### OVERVIEW OF THE BUSINESS:

Our Company is engaged in the business of providing engineering consultancy and due diligence services to hydropower, dams, Pump-storage, roads and railway tunnels. The services offered by our Company include entire life cycle of projects covering design & engineering, due diligence & regulatory, bid management & construction engineering and quality & inspection. Our company offers Hydro Engineering and Infrastructure services viz., Strategic Advisory, Due Diligence Studies, Project Viability Analysis, Cost Benefit Analysis, Risk Analysis, Regulatory Approvals, Monitoring and Evaluation, Geological Studies, Hydrological Studies, Hydraulic Studies, Hydraulic Design of Structures, Geotechnical Design of Surface and Underground Structures, Structural Design and Analysis, Dynamic Analysis, Numerical Analysis, Instrumentation Analysis, Detailed Design and Drawings, Bid level Designs and Drawings, Detailed Project Report, Feasibility Report, Layout Studies and Alternatives Analysis, Design Review, As Built Drawings, Bid documents, Bill of Quantities, Construction Planning and Scheduling, Construction Management and Method Statements, Design and Engineering Support During Construction, Rate Analysis and Cost Estimates, Contract Management, Procurement Management, Project Management, Project Commissioning, Completion Report, QA/QC plans, Quality Assurance at Site, Pre-Dispatch Inspection, Third Party Inspection, Safety Inspection and O & M stage Inspection.

Our Company deals in Business to Business (B2B) category and caters to both domestic and international markets. Domestically, we have Strong presence across many 15+ states in India with multiple projects in J&K, Uttaranchal, Himachal Pradesh, Rajasthan, Arunachal Pradesh, Maharashtra, Odisha, Jharkhand, Madhya Pradesh, Chhattisgarh etc. Internationally, our business operation in Lao PDR, Bhutan, Nepal, Cambodia, Nigeria.

Year wise contribution from domestic and international operations are as below:

	<b>(Amount Rupees in Lakhs)</b>	
<b>YEARS</b>	<b>Domestic</b>	<b>International</b>
2020-21	170.18	70.55
2021-22	251.60	101.85
2022-23	318.85	118.88
2023-24	677.2	24.94

Our Company is promoted by Subhash Chander Mittal and Neelam Mittal. Our Promoters manage and control the affairs of our business operations with their considerable experience in our Industry. The promoters of our Company are well qualified and possess relevant industry experience of over 20 years. For more details, please see the chapter titled, “Our Management” and “Our Promoter and Promoter Group” on page 106 and 118 of This DLOF.

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The financial performance of the Company over the past some years is provided below:

(Amount Rupees in Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
<b>Revenue from operations</b>	736.35	437.73	353.45	240.73
<b>EBITDA</b>	235.41	127.17	103.10	89.62
<b>Profit after tax</b>	153.3	77.01	68.65	60.78

For the Financial year 2023-24, the Company witnessed a growth of 60.40% in its revenue from operations i.e., from Rs. 437.73 Lakhs in the previous year to Rs. 702.14 Lakhs in the current year. Further, the net profit of the Company grew by 100.19% i.e., from Rs. 77.01 Lakhs in the previous year to Rs. 154.17 Lakhs in the current year. The overall performance of the Company during financial year 2023-24, reinforces the effectiveness of the initiatives undertaken by the Company's Management leveraging better business opportunities.

## Our Strengths

### 1. Geographical presence in both domestic and international markets

Our Company deals in Business to Business (B2B) category and caters to both domestic and international markets. Domestically, we have Strong presence across many 15+ states in India with multiple projects in J&K, Uttaranchal, Himachal Pradesh, Rajasthan, Arunachal Pradesh, Maharashtra, Odisha, Jharkhand, Madhya Pradesh, Chhattisgarh etc. Internationally, our business operation in Lao PDR, Bhutan, Nepal, Cambodia, Nigeria. For the financial year ending 2024 and 2023 our revenue from exports contributed 24.94 lakhs and 118.88 lakhs respectively of our revenue from operations.

### 2. Wide service portfolio

Our Company is engaged in the business of providing engineering consultancy and due diligence services to hydropower, dams, roads and railway tunnels. The services offered by our Company include entire life cycle of projects covering design & engineering, due diligence & regulatory, bid management & construction engineering and quality & inspection. Given below is the list of services offered by our Company.

Design & Engineering	Bid Management & Construction Engineering	Quality and Inspection	Due Diligence and Regulatory
<ul style="list-style-type: none"> <li>• Topographical Surveys</li> <li>• Geotechnical Investigations</li> <li>• Geological Mapping</li> <li>• Feasibility Report</li> <li>• Detailed Project Report</li> <li>• Hydrological Studies</li> <li>• Hydraulic Design of Structures</li> <li>• Hydraulic Model</li> <li>• Studies Geotechnical</li> <li>• Design of Surface &amp; Underground Structures</li> <li>• Structural Design and Analysis</li> <li>• Concrete Technology &amp; Grouting Technology</li> <li>• Numerical Analysis</li> <li>• Instrumentation Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Tender documents and BOQ</li> <li>• Construction Planning &amp; Scheduling</li> <li>• Construction Management &amp; Method Statements</li> <li>• Design &amp; Engineering Support During Construction</li> <li>• Billing, Rate Analysis and Cost Estimates</li> <li>• Contract Management &amp; Claims Management</li> <li>• Procurement Management</li> <li>• Project Management</li> <li>• Project Commissioning</li> </ul>	<ul style="list-style-type: none"> <li>• QA/QC plans</li> <li>• Lab Testing</li> <li>• Quality Assurance at Site</li> <li>• Pre-dispatch Inspection</li> <li>• Third Party Inspection</li> <li>• Compliance Audit</li> <li>• Dam Safety &amp; Inspections</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Advisory</li> <li>• Due Diligence Studies</li> <li>• Project Development Services</li> <li>• Impact Assessment, Monitoring &amp; Evaluation</li> <li>• Regulatory Support and Assessment</li> <li>• Environment Studies</li> <li>• Health &amp; Safety</li> </ul>

• Detailed Design and Drawings	• Time Studies		
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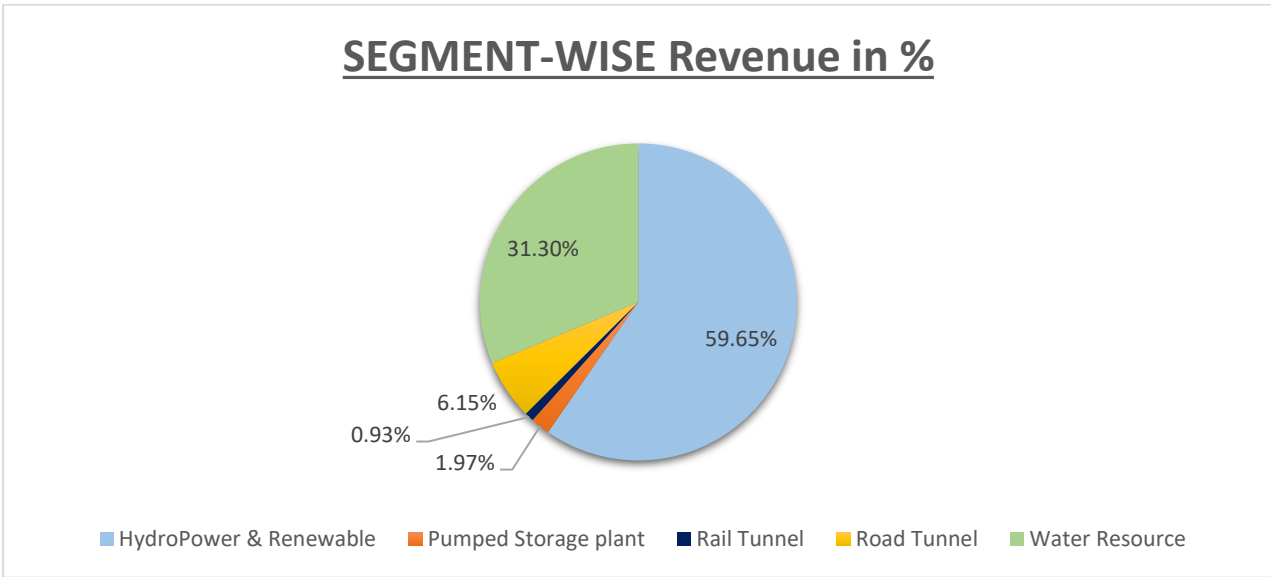
**3. Experienced management and dedicated employee base**

We have an experienced management team with significant experience in the engineering industry. For details, relating to the experience of our management, please see the chapters titled, “OUR MANAGEMENT” on page 106 of This DLOF. We believe this facilitates effective operational coordination and continuation of business strategies. Their individual industry experience enables us to anticipate and address market trends, manage and grow our operations.

Further our employee base includes experienced senior executives, having sound technical experience and are well versed with the use of engineering software such as STAD Pro, Auto CAD, Revit, Civil 3D and Proprietary Software related to Geo Technical Engineering, Structural Engineering. We believe that our management team and other Key Managerial Personnel are well qualified with significant market experience and has been responsible for the growth in our operations and have enabled us to extend our operational capabilities, improve the quality of services provided, continuously upgrade our process and achieve our growth in the industry.

**4. Established presence in diversified sectors**

We provide consultancy services across diverse sectors such as hydropower and small hydro sector, renewables, water resources, pump storage, dams, barrages & weirs, rail tunnels, road tunnels, mining and urban infrastructure. Sector wise revenue break up for the financial year ended March 31, 2024 is mentioned below.



**5. Quality Certifications**

Our Company is accredited with various certificates such as ISO 9001: 2015, ISO 14001: 2015 and ISO 45001: 2018 for providing consultancy services for hydro engineering and infrastructure sector. Our Company is the Corporate Member of several professional organisations such as consulting Engineers association of India (CEAI), Indian Society of Hydraulics and Indian Society of Rock Mechanics & Tunnelling technology. Our Company has achieved sustainability grade of Three Stars by 2021 ESG Risk AI Sustainability Grade.

**Our Strategies**

**1. Increase our employee base**

Our Company is engaged in the business of providing engineering consultancy and due diligence services to hydropower, dams, roads and railway tunnels. The services offered by our Company include entire life cycle of projects covering design & engineering, due diligence & regulatory, bid management & construction engineering and quality & inspection, thus making our Company engaged in engineering consultancy industry for which we need to have employee base of people who are technically sound and well versed with the use of various engineering software. Technical knowledge is of utmost importance in our industry and we also intend to have a Training centre for our employees at First Floor, SRS Tower, Near Metro Station, Mewla Maharajpur, G.T. Road, Faridabad, 121003, Haryana. Current, we have 62 employee base in our Company at various levels and we intend to increase the same so that we are able to take up more projects and thereby increase our revenue from operations and achieve growth in the industry.

**2. Focus on acquiring reputable, credit-worthy clients by providing integrated, end-to-end solutions and continue to provide additional services to existing clients.**

We intend to continue to acquire large revenue clients and provide them with services which include entire life cycle of projects covering design & engineering, due diligence & regulatory, bid management, construction engineering, PMC services, quality and inspection. We also intend to be judicious in partnering with reputable, credit-worthy clients who are committed to building a long-term relationship with us. We also believe that this approach will result in increased revenues and will allow us to continue to grow our business.

**3. Focus on further diversifying our services in Mechanical, Electrical, Automation, IT and Technology areas.**

We intend to expand our services portfolio in Mechanical, Electrical, Automation, IT and Technology areas, in addition to the civil engineering services to the assignments which we are presently providing for infrastructure projects, we intend to expand our services portfolio in Mechanical, Electrical, Automation, IT and Technology areas. We believe that this approach will consolidate our technical strength and delivery capabilities which will result in increased revenues.

**BUSINESS OPERATIONS**

Our company is engaged in engineering consultancy services to several infrastructure sectors including Hydropower include small Hydro, Renewable, Water Resource, Dams, barrages& weirs, Roads and Railway tunnels, Mining, Urban Infrastructure. Our Company offers services for Strategic Advisory, Due Diligence Studies, Project Viability Analysis, Cost Benefit Analysis, Risk Analysis, Regulatory Approvals, Monitoring and Evaluation, Geological Studies, Hydrological Studies, Hydraulic Studies, Hydraulic Design of Structures, Geotechnical Design of Surface and Underground Structures, Structural Design and Analysis, Dynamic Analysis, Numerical Analysis, Instrumentation Analysis, Detailed Design and Drawings, Bid level Designs and Drawings, Detailed Project Report, Feasibility Report, Layout Studies and Alternatives Analysis, Design Review, As Built Drawings, Bid documents, Bill of Quantities, Construction Planning and Scheduling, Construction Management and Method Statements, Design and Engineering Support During Construction, Rate Analysis and Cost Estimates, Contract Management, Procurement Management, Project Management, Project Commissioning, Completion Report, QA/QC plans, Quality Assurance at Site, Pre-Dispatch Inspection, Third Party Inspection, Safety Inspection and O & M stage Inspection.

**Services Offered**

<b>Design &amp; Engineering</b>	<b>Bid Management &amp; Construction Engineering</b>	<b>Quality &amp; Inspection</b>	<b>Due Diligence &amp; Regulatory</b>
<ul style="list-style-type: none"> <li>• Topographical Surveys</li> <li>• Geotechnical Investigations</li> <li>• Geological Mapping</li> <li>• Feasibility Report</li> <li>• Detailed Project Report</li> <li>• Hydrological Studies</li> <li>• Hydraulic Design of Structures</li> <li>• Hydraulic Model Studies</li> <li>• Geotechnical Design of Surface &amp; Underground Structures</li> </ul>	<ul style="list-style-type: none"> <li>• Tender documents and BOQ</li> <li>• Construction Planning &amp; Scheduling</li> <li>• Construction Management &amp; Method Statements</li> <li>• Design &amp; Engineering Support During Construction</li> <li>• Billing, Rate Analysis and Cost Estimates</li> <li>• Contract Management &amp; Claims Management</li> </ul>	<ul style="list-style-type: none"> <li>• QA/QC plans</li> <li>• Lab Testing</li> <li>• Quality Assurance at Site</li> <li>• Pre-dispatch Inspection</li> <li>• Third Party Inspection</li> <li>• Compliance Audit</li> <li>• Dam Safety &amp; Inspections</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Advisory</li> <li>• Due Diligence Studies</li> <li>• Project Development Services</li> <li>• Impact Assessment, Monitoring &amp; Evaluation</li> <li>• Regulatory Support and Assessment</li> <li>• Environment Studies</li> <li>• Health &amp; Safety</li> </ul>

<ul style="list-style-type: none"> <li>• Structural Design and Analysis</li> <li>• Concrete Technology &amp; Grouting Technology</li> <li>• Numerical Analysis</li> <li>• Instrumentation Analysis</li> <li>• Detailed Design and Drawings</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement Management</li> <li>• Project Management</li> <li>• Project Commissioning</li> <li>• Time Studies</li> </ul>		
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## Sectors Covered

### 1. Hydropower including Small Hydro

We provide concept to commissioning services in the hydropower and small hydro sector. We specialise in troubleshooting technical bottlenecks in the assignment thus delivering enhanced value to our customers. Till now we have executed 72 assignments in this sector.

### 2. Renewables (include pumped storage projects and solar projects)

We provide concept to commissioning services in the renewables sector. We provide services in the wind, solar and small hydropower renewable energy segments. Till now we have executed 35 assignments in this sector.

### 3. Water Resources, Dams, Barrages & Weirs

We provide end to end services in the water resources, dams and barrages sector. We specialise in troubleshooting technical bottlenecks in the assignment thus delivering enhanced value to our customers. Till now we have executed 30 assignments in this sector.

### 4. Rail Tunnel and Road Tunnel

We provide end to end services in the rail tunnel and road tunnels sector. The project components include open excavation, cut and cover, portals, cross passages in tunnels. We specialise in numerical analysis, back analysis, detailed geotechnical design (NATM, NTM), structural lining design, bid engineering and site supervision of tunnels in soft ground, weak rocks as well as hard jointed rocks. We also provide ventilation, lighting and power supply services for tunnel systems. Till now we have executed 30 assignments related to engineering of Railway Tunnels and Road Tunnels.

## CUSTOMERS

Our service offering covers aspects of engineering and management advisory, providing our clients sustainable solutions across a range of industries. Whether a proposed development or an existing structure, we partner with our clients to gain a true understanding of their requirements and help guide them through each stage of the assignment. We offer end to end solutions for EPC and Infrastructure agencies.

We provide concept to commissioning services various industries such as Hydropower including small hydro, Renewable, Water Resources, Rail Tunnels, Dams Barrages and weirs, Road tunnels, Mining and Urban Infrastructure.

## SWOT Analysis

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Experienced and technically sound employee base	Limited Capacities (not enough teams to cope u with additional assignments)	Global Market	Man-Power Retention of existing knowledge personnel
Upto date IT Infrastructure And Flexible Work Environment Without Hierarchy	Dependence to key Clients	Collaborate With New Contractors/JVs	Cyber Issues and reliability of IT Infrastructure
Environmental consciousness in the organization	Quality Assurance in Documentation to be Strengthened.	Diversifying into new areas of services such as lender engineer services, techno-economic viability, PMA service in Indian Market and globally	Tight Budgets for Scaling Up

Health and safety consciousness, through prioritizing well being of employees over output.	To establish more systematic assignment management strategy for high quality execution	Expanding into more sector such as renewable energy projects etc	Delayed receipt of payments
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**COMPETITION**

We face fair competition from both organized and unorganized players in the market. We believe that our experience in this business and quality assurance will be key to overcome competition posed by such organized and unorganized players. Although, a competitive market, there are not enough number of competitors offering services similar to us. We believe that we are able to compete effectively in the market with our quality of services and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality and price of the services.

**SALES & MARKETING**

We recognize that good client service is integral to our reputation in our industry and to client loyalty. The efficiency of the marketing network is critical success of our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company. Our team through their vast experience owing to timely and quality delivery of services plays an instrumental role in creating and expanding a work platform for our Company.

We have a dedicated Business development team which carries out our Business development for different sector by prospecting tender Nationally & Internationally & Reaching private company for potential projects. In order to evaluate potential clients and to comply with internal controls and risk management process, we also place emphasis on carrying out background check of our potential clients. We believe that we have a dedicated Business development Team, strong business development capabilities and Technology support of CRM salesforce for lead tracking systems, which has enabled us to add significant new clients in the past.

**EMPLOYEES**

We have developed a pool of experienced personnel. We also part time employees and temporary staff to meet our specific assignment needs. As of the date of filing of this DLOF, we engaged a total workforce of 62 permanent employees. We gear our training efforts toward developing our personnel to allow for advancement and success within our organization.

**INFORMATION TECHNOLOGY**

Our company uses Engineering Software such as STAD Pro, Auto CAD, Civil 3D, Revit, RS2, RS3, Midas, Hammr OpenFlow and other proprietary software related to Geo Technical Engineering, Structural Engineering and various MS Office Tools including MS Project, PowerPoint Presentations, Excel and Word. Apart from the above, the company also uses Online Tools such as Google Drive, One Drive and other Cloud Computing Services. We believe that our technological capabilities play a key role in helping us effectively manage our pan-India operations, maintain operational and fiscal controls, and support our efforts to enhance client service levels. We intend to continue to acquire technology systems to improve operating efficiencies, and strengthen our competitive position.

**ENVIRONMENT, HEALTH AND SAFETY**

We have adopted environmental, social and governance (ESG) safeguards and our Company is awarded 3 stars implying, a Company with a mixed track record of sustainable risk management, but no robust framework.

The technical testing and consulting engineering activities industry is more susceptible to sustainable risks in the areas of corporate governance and social. Environmental risks are limited and range across company’s water saving and impact of scope-3 emissions from implementation of design and EPC activities. The key material risks to the company are ethical business practices, environmental management systems and certification at workplace. Some of the social factors that enhance sustainable performance within company is community support and development, proposing proper measures of rehabilitation and resettlement of communities advised by our Company to its clients and maintain data privacy for its clients.

**INFRASTRUCTURE FACILITIES**

**Registered Office**

**Infrastructure facilities**

Our registered office situated at Faridabad is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities like fire safety, CCTV cameras, etc. which are required for our business operations.

**Power facilities**

We meet our power requirements at registered office by purchasing electricity from Dakshin Haryana Bijli Vitran Nigam DHVBN.

**Water facilities**

Adequate arrangements with respect to water requirements for drinking purpose is made through RO, UV And Hybrid Water Purifiers which is maintained from time to time.

**COLLABORATIONS**

As on date of this DLOF, our Company has not entered into any technical or financial collaboration agreements.

**INSURANCE**

Our Company has not obtained any insurance coverage to cover certain of our risks. If we suffer a significant uninsured loss our business, financial condition and results of operations may be materially and adversely affected.

**INTELLECTUAL PROPERTY**

**Trademarks registered/Objected/Abandoned in the name of our company**

S. No	Brand Name/Logo Trademark	Class	Registration Number	Owner	Effective date of registration	Authority	Validity
1.	DMR	42	Registration no. 3494223	DMR Hydroengineering & Infrastructure Limited	25.02.2017	Registrar of Trademark, Mumbai	24.02.2027

For further details please see the chapter titled “Government and Other Statutory Approvals on page 82 of this DLOF

**Domain Name**

Sr. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="https://www.dmrengineering.net/">https://www.dmrengineering.net/</a>	Smaac Net Solutions Private Limited, Haryana ID: 2631412396_DOMAIN_NET-VRSN	DMR Hydroengineering & Infrastructure Limited Add: 473, Sector -30, Faridabad – 121003, Haryana	04.08.2021	04.08.2024

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## OUR MANAGEMENT

### BOARD OF DIRECTORS

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Draft Letter of Offer, Our Company has nine (9) Directors consisting of one (1) Managing Director, two (2) Whole Time Director, three (3) Non-Executive Director and three (3) Non-Executive Independent Directors. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Letter of Offer:

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	No. of Equity Sharesheld & % of Share holding (Pre-Issue)	Other Directorships/ Designated Partner
1.	<p><b>Mr. Subhash Chander Mittal</b>  <b>Age:</b> 62 Years  <b>Designation:</b> Chairman and Managing Director  <b>Address:</b> HNO. 473, Sector 30, Amarnagar, S.O. Faridabad, Haryana -121003, India  <b>Term:</b> Appointed on December 15, 2009 and thereafter appointed as Managing Director for a period of five years from December 21, 2020 till December 20, 2025.  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>DIN:</b> 02861072</p>	11,08,000 Equity Shares; 29.21 % of Pre-Issue Paid up capital	<ul style="list-style-type: none"> <li>• DM Consulting Engineers Private Limited.</li> <li>• M R Foundation.</li> <li>• DMR Consulting Inc., USA.</li> </ul>
2.	<p><b>Ms. Neelam Mittal</b>  <b>Age:</b> 63 Years  <b>Designation:</b> Whole-Time Director  <b>Address:</b> House No. 473, Sector 30, Faridabad, Amarnagar, S.O. Faridabad, Haryana 121 003, India.  <b>Term:</b> Appointed on December 15, 2009 and thereafter appointed as Whole- Time Director w.e.f. October 01, 2022 for a period of 3 years from i.e. up to September 30, 2025.  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>DIN:</b> 02861064</p>	12,94,000 Equity Shares; 34.11% of Pre-Issue Paid up capital	<ul style="list-style-type: none"> <li>• DM Consulting Engineers Private Limited.</li> <li>• M R Foundation.</li> </ul>
3.	<p><b>Mr. Bangam Prasad Rao</b>  <b>Age:</b> 63 Years  <b>Designation:</b> Non - Executive Director Non-Independent Director  <b>Address:</b> HNO. 605, Shiva Apartment, SEC 21 D, Faridabad 121001, Haryana, India  <b>Term:</b> Appointed on 30, 2021. Appointed as Independent Director w.e.f October 04, 2021 and thereafter, changed the designation and appointed as Non-executive Director w.e.f. May 18, 2022 (Liable to retire by rotation)  <b>Occupation:</b> Professional  <b>Nationality:</b> Indian  <b>DIN:</b> 09335571</p>	6,000 Equity Shares; 0.16% of Pre-Issue Paid up capital	NIL
4.	<p><b>Ms. Rachana Agrawal</b>  <b>Age:</b> 57 Years  <b>Designation:</b> Independent Director  <b>Address:</b> House No. 472, Sector 30, Amarnagr, Faridabad 121 003, India  <b>Term:</b> Appointed on October 04, 2021. Appointed as Independent Director w.e.f October 04, 2021 for the period of 5 years i.e. October 03, 2026.</p>	3,000 Equity Shares; 0.08% of Pre-Issue Paid up capital	NIL

	<b>Occupation: Professional</b> <b>Nationality: Indian</b> <b>DIN: 09336019</b>		
5.	<b>Mr. Surajit Dutta</b> <b>Age:</b> 62 Years <b>Designation:</b> Non-executive Director <b>Address:</b> K 203 Ramakrishna Apartment, GH 16, Sector 46, Faridabad, Haryana, 121010, India. <b>Term:</b> Appointed as Non-Executive Independent Director w.e.f. May 18, 2022 (liable to retire by rotation). <b>Occupation: Professional</b> <b>Nationality: Indian</b> <b>DIN: 06687032</b>	6,000 Equity Shares; 0.16% of Pre-Issue Paid up capital	<ul style="list-style-type: none"> <li>• DMR Consulting Inc.</li> <li>• DM Consulting Engineers Private Limited.</li> <li>• DMR Consulting Inc., USA.</li> </ul>
6.	<b>Ms. Anita Goyal</b> <b>Age:</b> 51 Years <b>Designation:</b> Independent Director <b>Address:</b> H. no. 108, Sunder Nagar, DPS Mathura Road, South Delhi, New Delhi 110003, India. <b>Term:</b> Appointed as Independent Director for a term of 5 (five) consecutive years, with effect from July 25, 2023 for a period of 5 years from i.e. July 24, 2028. <b>Occupation: Professional</b> <b>Nationality: Indian</b> <b>DIN: 10249700</b>	NIL	NIL
7.	<b>Mr. Krishan Kumar Gupta</b> <b>Age:</b> 66 Years <b>Designation:</b> Whole-time Director <b>Address:</b> H. no. 390, Near Vardhman School, Sector 46, NHPC Colony, Faridabad, Haryana 121010 India <b>Term:</b> Appointed as Whole-time Director w.e.f. July 25, 2023 for a period of 3 years from i.e. up to July 24, 2026. <b>Occupation: Business</b> <b>Nationality: Indian</b> <b>DIN: 10249694</b>	6,000 Equity Shares; 0.16% of Pre-Issue Paid up capital	NIL
8.	<b>Mr. Shyam Lal Kapil</b> <b>Age:</b> 61 Years <b>Designation:</b> Non-executive Director <b>Address:</b> Flat No. 68, Sadbhawna Apartment, Plot No. 13, Behind Main Mother Dairy, I.P. Extension Patparganj, East Delhi, Delhi – 110092, India. <b>Term:</b> Appointed as Non-executive Director w.e.f. February 01, 2024 and liable to retire by rotation. <b>Occupation: Professional</b> <b>Nationality: Indian</b> <b>DIN: 10249705</b>	6,000 Equity Shares; 0.16% of Pre-Issue Paid up capital	<ul style="list-style-type: none"> <li>• DM Consulting Engineers Private Limited</li> </ul>
9.	<b>Mr. Dahyalal Bansilal Prajapati</b> <b>Age:</b> 39 Years <b>Designation:</b> Independent Director <b>Address:</b> 36 - Shreeji Bapa Nagar Modera Road Opp. Swaminarayan Tempale Mehsana, Gujarat 384002, India <b>Term:</b> Appointed as Independent Director w.e.f. May 18, 2022 2023 for a period of 5 years from i.e. May 17, 2027 <b>Occupation: Professional</b> <b>Nationality: Indian</b> <b>DIN: 09592327</b>	1,500 Equity Shares; 0.04% of Pre-Issue Paid up capital	<ul style="list-style-type: none"> <li>• Nakoda Group of Industries Limited</li> <li>• Cognoscent Media Private Limited</li> <li>• Greenleaf Envirotech Limited</li> <li>• Prizor Viztech Limited</li> <li>• Adidhan Venture</li> </ul>

#### Past Directorships in suspended companies

None of our Directors are, or were a director of any listed company, whose shares have been, or none of our directors were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Draft Letter of Offer.

**Past Directorships in delisted companies**

None of our Directors are or were a director of any listed company, which has been, or none of our directors were delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Draft Letter of Offer.

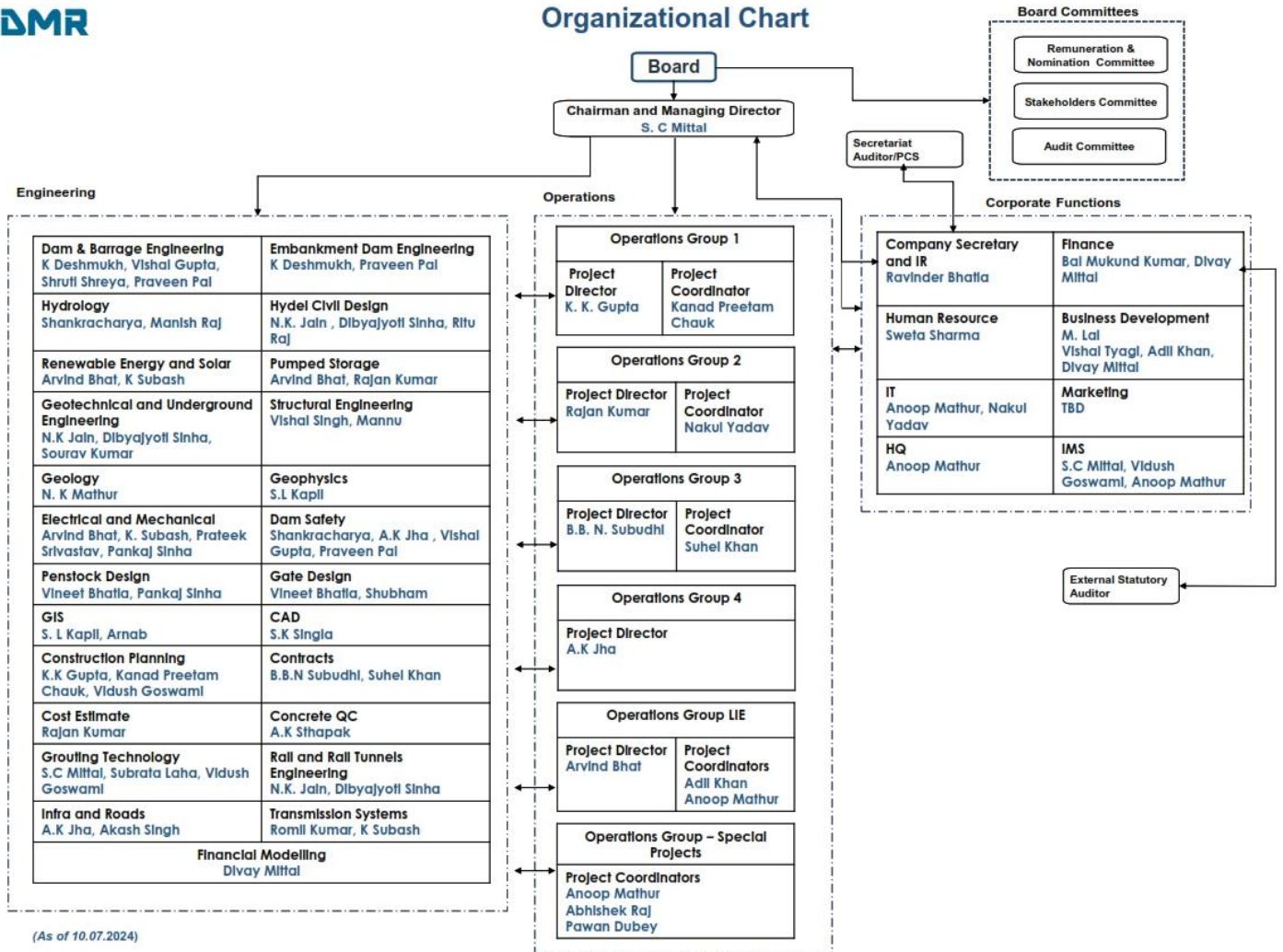
<b>SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL</b>
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Set forth below are the details of our senior management and key managerial personnel:

Name	Designation	Associated with Company since
Subhash Chander Mittal	Founder and CMD	15.12.2009
Krishan Kumar Gupta	Whole-time Director and Senior Vice President	25.07.2023
Rajan Kumar	Senior Vice President	15.12.2023
Naveen Kumar Jain	Senior Vice President	01.01.2023
Arvind Bhat	Senior Vice President	01.04.2024
Mohan Lal	Senior Vice President	01.04.2024
Keshav Deshmukh	Senior Vice President	01.06.2024
Naresh Kumar Mathur	Senior Vice President	01.06.2022
Budankailu Badri Narayan Subudhi	Senior Vice President	01.06.2023
Arun Kumar Jha	Vice President	01.11.2023
Divay Mittal	Executive Vice President and KMP	01.02.2024
Ravinder Kumar Bhatia	Company Secretary	01.04.2022
Bal Mukund Kumar	Chief Financial Officer	01.08.2021

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### Organizational Chart



(As of 10.07.2024)

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**SECTION V: FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

<b>Sr No.</b>	<b>Particulars</b>	<b>Page No</b>
2.	Audited Financial Statements for the year ended March 31, 2024 and 2023	F-1 to F- 26

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

**TO THE MEMBERS OF  
DMR HYDROENGINEERING & INFRASTRUCTURES LIMITED**

#### **OPINION**

We have audited the accompanying Consolidated Financial Statements of **DMR HYDROENGINEERING & INFRASTRUCTURES LIMITED** ("the Company"), along with its Subsidiary Company i.e. DMR Consulting Inc. & Associate DM Consulting Engineers Private Limited which comprise the Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss for the year ended on March 31, 2024, the Consolidated Statement Cash flow statement for the year ended & and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act & other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit/(loss) and its cash flows for the year ended on that date.

#### **BASIS FOR OPINION**

We conducted our audit of the Consolidated Financial Statements in accordance with the standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provision of the Act, and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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.





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S.No.	Key Audit Matter
1.	<p><b>Assessment of Trade Receivables:</b></p> <p>The increasing challenges over the economy and operating environment in the IT industry during the year have increased the risks of default on receivables from the company's customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>Based on historical default rates and overall credit worthiness of customers, management believes that no impairment allowance is required in respect of outstanding trade receivables as on March 31, 2024.</p> <p>For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realisation of these receivables, are required for the identification of impairment events and the determination of the impairment charge.</p>
	<p><b>Auditor Response to key Audit Matter:</b></p> <p>Principal Audit Procedures: We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"><li>• Tested the accuracy of aging of trade receivables at year end on a sample basis;</li><li>• Obtained a list of outstanding receivables and assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers</li><li>• Tested subsequent settlement of trade receivables after the balance sheet date on sample basis.</li></ul> <p><b>Conclusion:</b> We found the key judgement and assumptions used by management in the recoverability assessment of trade receivables to be supportable based on the available evidence.</p>

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON.

The company's board is responsible for the preparation of the other information. The other information comprises the information included Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the, Financial Statements and our Auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the





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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.

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements to give a true and fair view of the financial position, financial performance, & cash flows of the Company in accordance with accounting standard & accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors are responsible for overseeing the company's financial reporting process.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF 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 decision of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatements 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 controls 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 Company has adequate internal financial controls system 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 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 that:





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- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss & Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of internal financial control over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- g) With respect to the other matters 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 by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanation given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - (ii) The Company has made provision, as at March 31, 2024 as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - (iii) The Company is not liable to transfer any amounts, to the Investor Education and Protection Fund during the year ended March 31, 2024.
  - (iv) a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested



*Alakshy*



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(either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;


(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(v) Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

(vi) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

For A Y & Company  
Chartered Accountants  
FRN : 020829C

  
Akanksha Gupta  
Partner  
M.NO. : 421545  
UDIN : 24421545BKMJB3472  
Place : Faridabad  
Date : 25.04.2024





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### ANNEXURE "A" TO THE AUDITOR'S REPORT

#### **Report on the Internal Financial Control under clause (i) of sub section 3 of Section 143 of companies Act, 2013 ('The Act')**

We have audited the internal financial control over financial reporting of **DMR Hydroengineering & Infrastructures Limited** ('the company') as of 31st March, 2024 in conjunction with our audit of the financial statement of the company for the year ended on that date.

#### **Management Responsibility for Internal Financial Controls**

The Company's 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 Control 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 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 ICAI and the standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**





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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.

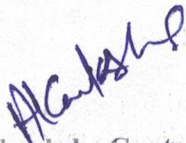
### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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, 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, 2024, 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 Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A Y & Company  
Chartered Accountants  
FRN : 020829C

  
Akanksha Gupta  
Partner  
M.NO. : 421545  
UDIN : 24421545BKJMBB3472  
Place : Faridabad  
Date : 25.04.2024



**NOTE 1 : CONSOLIDATED SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**A. COMPANY INFORMATION**

Our company was incorporated as private limited Company under the name “DMR Hydroengineering & Infrastructures Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 15, 2009 issued Deputy Registrar of Companies, National Capital Territory of Delhi & Haryana. Subsequently, our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on January 10, 2019 and consequently, the name of our Company was changed to DMR Hydroengineering & Infrastructures Limited and a Fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company was issued by the Registrar of Companies, Delhi on January 22, 2019. The Corporate Identification Number of our Company is L74900HR2009PLC039823. Subhash Chander Mittal and Neelam Mittal were the initial subscribers to the Memorandum of Association of our Company. Our company has incorporated a new wholly owned subsidiary company i.e. DMR Consulting Inc. w.e.f. August 05, 2022

**Principals of Consolidation**

- The financial statements of the Holding Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equities, incomes and cashflows, after fully eliminating intragroup balances and intra - group transactions.
- Profits & losses resulting from intra group transaction that are recognized in assets, such as inventory and property, plant and equipments are eliminated in full.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- The carrying amount of parent’s investments in subsidiary is offset against the parent’s portion of equity in subsidiary.
- Since both are wholly owned subsidiary so that there are minorities or non-controlling interest.

Consolidation of Associate enterprises has been done using equity method.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**1. Accounting Convention**

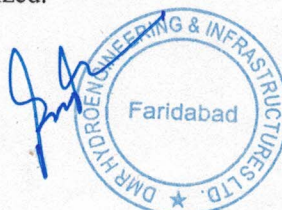
The financial statements are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

**2. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

**3. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.



In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

#### 4. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

#### 5. Depreciation

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be.

#### 6. Investments

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

#### 7. Inventories

Since we are in the business of providing services, so that we don't have any inventory.

#### 8. Revenue Recognition

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Interst income is recognized on time proportion basis, when it is accrued and due for payment.

#### 9. Borrowing Cost



Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

### 10. Employee Benefits

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

### 11. Taxes on Income

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

### Foreign Currency Translation

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate..
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

### 12. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

### C. NOTES ON ACCOUNTS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. **Post Employment Benefits:**

Company has valued its obligation related to Employment Benefits as per AS-15 as provided below:

I. ASSUMPTIONS	For the Year Ended on March 31, 2024	For the Year Ended on March 31, 2023
Discount Rate	7.25%	7.50%
Expected Rate of Salary Increase	5.00%	5.00%
Withdrawal Rate	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
Retirement	70 Years	70 Years
II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS	For the Year Ended on March 31, 2024	For the Year Ended on March 31, 2023





Defined Benefit Obligation at beginning of the year		
Current Service Cost	8.48	0.00
Interest cost	4.69	8.48
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.64	0.00
Benefits Paid	4.94	0.00
Defined Benefit Obligation as at end of the year	0.00	0.00
	18.75	8.48
<b>III. AMOUNT RECOGNIZED IN THE BALANCE SHEET:</b>	<b>For the Year Ended on March 31, 2024</b>	<b>For the Year Ended on March 31, 2023</b>
Net liability as at beginning of the year	8.48	0.00
Net expense recognized in the Statement of Profit and Loss	10.27	8.48
Benefits Paid	0.00	0.00
Net liability as at end of the year	18.75	8.48
<b>IV. EXPENSE RECOGNIZED:</b>	<b>For the Year Ended on March 31, 2024</b>	<b>For the Year Ended on March 31, 2023</b>
Current Service Cost	4.69	8.48
Interest Cost	0.64	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	4.94	0.00
Expense charged to the Statement of Profit and Loss	10.27	8.48
<b>V. BALANCE SHEET RECONCILIATION:</b>	<b>For the Year Ended on March 31, 2024</b>	<b>For the Year Ended on March 31, 2023</b>
Opening net liability	8.48	0.00
Expense as above	10.27	8.48
Provision Related to Previous Year booked as Prior Period Items	0.00	0.00
Return on Plan Assets	0.00	0.00
Benefits Paid	0.00	0.00
Net liability/(asset) recognized in the balance sheet	18.75	8.48

### 3. Segment Reporting

The Company at present is engaged in the business of providing infrastructure services. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS -17 are not applicable to the Company.

### 4. Trade Payable Ageing Summary

31.03.2024

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	9.08	-	-	-	9.08
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

31.03.2023

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	8.74	-	-	-	8.74
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

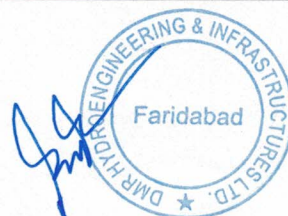


## 5. Trade Receivable Ageing Summary

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>31.03.2024</b>						
(i) Undisputed Trade Receivable – considered good	287.74	11.22	13.16	19.91	20.00	352.03
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>31.03.2023</b>						
(i) Undisputed Trade Receivable – considered good	155.62	4.84	-	86.54	-	247.00
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-

## 6. Accounting Ratios

S. No.	Particular	Numerator	March 31, 2024	March 31, 2023	Reason for Movements
		Denominator			
(a)	Current Ratio	Current Assets	3.24	3.82	Movement is not more than 25%, so that reason is not required to be disclosed.
		Current Liabilities			
(b)	Debt-Equity Ratio	Debt	0.03	0.09	This ratio is decreased due to repayment of credit Facilities from Bank.
		Equity			
(d)	Return on Equity Ratio	Profit After Tax	22.83%	14.30%	This Ratio is increased due to increase in Profit Margins.
		Average Shareholders Equity			
(e)	Trade Receivables turnover ratio (in times)	Net Credit Sales	2.34	2.06	Movement is not more than 25%, so that reason is not required to be disclosed.
		Average Trade Receivables			
(f)	Net capital turnover ratio (in times)	Turnover	2.09	1.89	Movement is not more than 25%, so that reason is not required to be disclosed.
		Working Capital			
(g)	Net profit ratio	Profit After Tax	21.69%	17.69%	Movement is not more than 25%, so that reason is not required to be disclosed.
		Total Sales			



(h)	Return on Capital employed	Operating Profit	26.04	20.50%	This Ratio increased due to increases in Profits
		Total Capital Employed			

**7. Other Disclosure:**

Sr. No.	Particulars	Note in financial statements
(i)	Title deeds of Immovable Property not held in the name of the Company:	The Company do not have any Immovable property which is not held in the name of Company.
(ii)	Loans or advances to specified persons	The Company has not provided any Loan or Advances to specified persons.
(iii)	Details of Benami Property held	The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(iv)	Borrowings secured against current assets	The Company has availed facilities from banks on the basis of security of current assets.
(v)	Wilful Defaulter	The Company is not declared Wilful Defaulter by any Bank or any Financial Institution.
(vi)	Relationship with Struck off Companies	The Company do not have any transactions with struck-off companies.
(vii)	Undisclosed income	The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(x)	Details of Crypto Currency or Virtual Currency	The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.



# DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED

Consolidated Balance sheet as at March 31, 2024

CIN No: L74900HR2009PLC039823

(Amount In Lakhs)

Particular	Notes	31-Mar-24	31-Mar-23
<b>I. Equity and Liabilities</b>			
<b>Shareholders Fund</b>			
Share Capital	2.1	379.37	372.62
Reserves & Surplus	2.2	393.32	205.53
		772.69	578.15
<b>Share Application Money Pending Allotment</b>			
		-	-
<b>Non-current liabilities</b>			
Long Term Borrowings	2.3	4.02	21.34
Deferred tax liabilities (Net)	2.4	-	2.71
Long Term Provisions	2.5	16.89	8.02
		20.91	32.07
<b>Current liabilities</b>			
Short Term Borrowings	2.6	19.87	30.38
Trade payables			
(a) total outstanding dues of micro and small enterprises	2.7	-	-
(b) total outstanding dues other than micro and small enterprises	2.7	9.08	8.74
Other current liabilities	2.8	62.69	17.36
Short term Provisions	2.9	57.25	23.63
		148.89	80.12
<b>Total</b>			
		942.48	690.34
<b>II. Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property, Plant & Equipments	2.10	76.31	204.06
Intangible Assets	2.10	38.04	38.65
Capital WIP	2.10	-	-
Long Term Loans & Advances		-	-
Non Current Investments	2.11	341.86	131.83
Deferred Tax Assets		0.36	-
Other Non Current Assets	2.12	1.43	2.37
		458.00	376.91
<b>Current Assets</b>			
Investments	2.13	-	-
Inventories		-	-
Trade Receivables	2.14	352.03	247.00
Cash & Bank Balances	2.15	46.09	9.94
Short Term loans & advances	2.16	0.75	0.84
Other current Assets	2.17	85.61	55.65
		484.48	313.44
<b>Total</b>			
		942.48	690.34

Notes on significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

CA Akanksha Gupta  
Partner  
Membership No. 421545  
UDIN : 24421545BKJMBB3472  
Place : Faridabad  
Date : 25.04.2024



For and on behalf of the Board of Directors  
DMR Hydroengineering & Infrastructures Limited

Subhash Chander Mittal  
Chairman Cum Managing  
Director

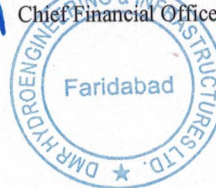
DIN : 02861072

Bal Mukund Kumar  
Chief Financial Officer

Neelam  
Neelam Mittal  
Director

DIN : 02861064

Ravinder Kumar  
Company Secretary



**DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED**  
**Consolidated Statement of Profit and Loss for the period ended March 31, 2024**  
**CIN No: L74900HR2009PLC039823**

(Amount In Lakhs)

Particular	Notes	31-Mar-24	31-Mar-23
<b>Income</b>			
Revenue from Operations	2.18	702.14	437.73
Other Income	2.19	34.21	8.99
<b>Total Income (I)</b>		<b>736.35</b>	<b>446.72</b>
<b>Expenses</b>			
Employee benefit expenses	2.20	298.74	183.88
Finance Cost	2.21	5.73	5.64
Depreciation & Amortization Expense	2.22	23.19	19.32
Other Expenses	2.23	202.20	135.67
<b>Total Expenses (II)</b>		<b>529.85</b>	<b>344.51</b>
<b>Profit/(loss) Before Prior period, exceptional and extraordinary items and tax (I) - (II)</b>		<b>206.49</b>	<b>102.21</b>
Prior period items (Net)		-	-
<b>Profit/(Loss) before tax</b>		<b>206.49</b>	<b>102.21</b>
<b>Tax Expenses</b>			
Current Tax		55.39	23.18
Deferred Tax Charge		(3.06)	2.01
<b>Total Tax Expense</b>		<b>52.33</b>	<b>25.20</b>
<b>Profit/(loss) after tax</b>		<b>154.17</b>	<b>77.01</b>
<b>Profit/Loss from Associates/Joint Ventures</b>		<b>(0.87)</b>	<b>-</b>
<b>Profit for the Period</b>		<b>153.30</b>	<b>77.01</b>
<b>Earnings/(loss) Per Share</b>			
Basic (Nominal value of shares Rs.10 (PY: Rs.NIL))	2.24	4.08	2.07
Diluted (Nominal value of shares Rs.10 (PY: Rs.NIL))	2.24	4.08	2.07

Notes on significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
 For A Y & Company  
 Firm Registration No. 020829C  
 Chartered Accountants

*Akanksha Gupta*

CA Akanksha Gupta  
 Partner  
 Membership No. 421545  
 UDIN : 24421545BKJMBB3472  
 Place : Faridabad  
 Date : 25.04.2024

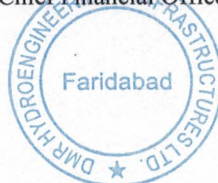


For and on behalf of the Board of Directors  
 DMR Hydroengineering & Infrastructures Limited

*Subhash Chander Mittal*

Subhash Chander Mittal  
 Chairman Cum Managing Director  
 DIN : 02861072

*Bal Mukund Kumar*  
 Bal Mukund Kumar  
 Chief Financial Officer



*Neelam Mittal*

Neelam Mittal  
 Director  
 DIN : 02861064

*Ravinder Kumar*

Ravinder Kumar  
 Company Secretary

**DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED**

CIN No: L74900HR2009PLC039823

Consolidated Statement of Cash Flows for the period ended March 31, 2024

Statement of Cash Flows for the period ended March 31, 2024

(Amount in Lakhs)

	31-Mar-24	31-Mar-23
<b>Cash flow statement as at</b>		
<b>Cash flow from operating activities</b>		
<b>Net Profit before tax and extraordinary items</b>	206.49	102.21
<b>Non-Cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation	23.19	19.32
Interest Received	(14.71)	(7.24)
Profit from Sale of Fixed Assets	(19.50)	
Gratuity Expenses	6.62	8.48
Finance Cost	2.87	5.14
<b>Operating profit before Working Capital changes</b>	204.96	127.91
<b>Change in Working Capital</b>	(89.22)	(45.35)
Increase/(Decrease) in Trade Payables	0.34	2.16
Increase/(Decrease) in Other current Liabilities	45.33	17.10
Decrease/(Increase) in Trade receivables	(105.03)	(69.61)
Increase in Short Term Loans & Advances	0.10	(0.36)
Decrease/(Increase) in Other Current Assets	(29.96)	5.36
<b>Cash generated from operations</b>	115.74	82.56
Income Tax(Paid)/ Refund	(23.18)	(21.41)
<b>Net Cash flow from / (used in) Operating activities (A)</b>	92.56	61.15
<b>Cash Flow from/(used in) Investing Activities</b>		
Purchase of Fixed Assets	(22.35)	(44.49)
Sale of Fixed Assets	150.69	-
(Purchase) Sales of Investments	-	118.85
Interest received	14.71	7.24
(Decrease)/Increase in Long Term Investments	(210.90)	(123.74)
Increase in Other Non Current Assets	0.94	0.09
<b>Net Cash (used in) investing activities (B)</b>	(66.93)	(42.06)
<b>Cash Flow from/ (used in) Financing Activities</b>		
Payment of Finance Cost	(2.87)	(5.14)
Repayment of Borrowings	(27.84)	(19.21)
Dividend Paid During the year	(4.10)	(3.73)
Proceeds from Equity Share Capital	6.75	-
Proceeds from Securities Premium (Net off IPO Expenses)	38.59	-
<b>Net Cash flow from / (used in) financing activities (C)</b>	10.52	(28.09)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	36.15	(9.00)
Cash and Cash Equivalents at the beginning of the year	9.94	18.93
<b>Cash and Cash Equivalents at the end of the year</b>	46.09	9.94
<b>Cash &amp; Cash Equivalents comprises of</b>		
Cash in Hand	0.84	0.34
Cash at Bank	45.25	9.60

As per our report of even date  
For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

*Akanksha*

CA Akanksha Gupta  
Partner  
Membership No. 421545  
UDIN : 24421545BKJMBB3472  
Place : Faridabad  
Date : 25.04.2024



For and on behalf of the Board of Directors  
DMR Hydroengineering & Infrastructures Limited

*Subhash* *Neelam*  
Subhash Chander Mittal Neelam Mittal

Chairman Cum  
Managing Director Director  
DIN : 02861072 DIN : 02861064

*Bal* *Ravinder*  
Bal Mukund Kumar Ravinder Kumar  
Chief Financial Officer Company Secretary



**DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED**  
Notes to Consolidated financial Statements for the period ended March 31, 2024  
CIN No: L74900HR2009PLC039823

Share Holder Funds

(Amount in Lakhs)

	31-Mar-24	31-Mar-23
<b>2.1. Share Capital</b>		
<b>Authorised Shares</b>		
1,10,00,000 Equity Shares of Rs. 10 Each (Previous Year 40,00,000 Equity Shares of Rs. 10 Each)	1,100.00	400.00
<b>Issued Shares</b>		
37,93,700 Equity Shares of Rs. 10 Each (Previous Year 37,26,200 Equity Shares of Rs. 10 Each)	379.37	372.62
<b>Subscribed &amp; Paid up Shares</b>		
37,93,700 Equity Shares of Rs. 10 Each (Previous Year 37,26,200 Equity Shares of Rs. 10 Each)	379.37	372.62
<b>Total Issued, Subscribed and Fully Paid-up Sha</b>	<b>379.37</b>	<b>372.62</b>

**A. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	FY 2023-24		FY 2022-23	
	Number	Issued Capital (Rs.)	Number	Issued Capital (Rs.)
Shares outstanding at the beginning of the year	37.26	372.62	14.64	146.41
Shares Issued during the year	0.68	6.75	22.62	226.21
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>37.94</b>	<b>379.37</b>	<b>37.26</b>	<b>372.62</b>

**B. Shares in the company held by each shareholder holding more than 5 % shares specifying the number of shares held**

Particulars	FY 2023-24		FY 2022-23	
	Number	% of Holding	Number	% of Holding
Sh. Subhash Chander Mittal	11.08	29.21%	10.90	29.25%
Mrs. Neelam Mittal	12.94	34.11%	12.88	34.57%
Mr. Divay Mittal	1.67	4.40%	1.61	4.32%
Ms. Deepika Mittal	1.67	4.40%	1.61	4.32%

**C. Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

There is no Holding Company of DMR Hydroengineering & Infrastructure Limited

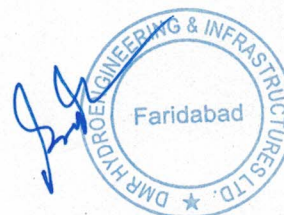
**D. Shares with rights preferences and restrictions attaching to each class including restriction on distribution of dividend and repayment of capital**

**Equity shares**

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**E. Shareholding of Promoters**

Shares Held by Promoters at the end of year	2023-24			2022-23		
	No. of Shares	% of Shares	% Change during the year	No. of Shares	% of Shares	% Change during the year
Sh. Subhash Chander Mittal	11.08	29.21%	1.65%	10.90	29.25%	-
Mrs. Neelam Mittal	12.94	34.11%	0.47%	12.88	34.57%	-



**DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED**  
Notes to Consolidated financial Statements for the period ended March 31, 2024  
CIN No: L74900HR2009PLC039823

**SHAREHOLDERS FUND**

2.2. Reserves & Surplus	(Amount in Lakhs)	
	31 March 2024	31 March 2023
<b>A. Security Premium</b>		
Opening balance		
Add: Additions during the Period	50.92	50.92
Less: Utilized for Issue Expenses	40.62	-
	2.03	-
	89.51	50.92
<b>B. Surplus</b>		
Opening balance		
(+) Net Profit/(Net Loss) For the current year	154.61	81.33
(-) Dividend Paid During the Year	153.30	77.01
(-) Appropriation	(4.10)	(3.73)
	-	-
<b>Closing Balance</b>	303.81	154.61
	393.32	205.53

**LONG TERM BORROWINGS**

2.3. Long Term Borrowings	31 March 2024	31 March 2023
Housing Development Finance Corporation Ltd		
Kotak Bank Loan	-	-
HDFC EV Car Loan		22.11
Less: Current Maturities of Long Term Debts	6.75	9.06
<b>Total</b>	2.73	9.83
	4.02	21.34

2.4. Deferred Tax Liabilities	31 March 2024	31 March 2023
Opening Balance of Deferred Tax Liabilities		
Addition during the year	2.71	0.69
<b>Total</b>	(3.06)	2.01
	(0.36)	2.71

2.5. Long Term Provisions	31 March 2024	31 March 2023
Provision for Gratuity		
	16.89	8.02
<b>Total</b>	16.89	8.02

**Current liabilities**

2.6. Short Term Borrowings	31 March 2024	31 March 2023
Bank Overdraft		
Current Maturities of Long Term Debt	16.43	20.12
Unsecured Loan of Subsidiary Company	2.73	9.83
<b>Total</b>	0.71	0.43
	19.87	30.38

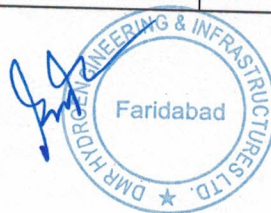
2.7. Trade Payables	31 March 2024	31 March 2023
Trade Payables		
Micro, Small & Medium Enterprises		
Other than Micro, Small & Medium Enterprises	-	-
<b>Total</b>	9.08	8.74
	9.08	8.74

**2.7.1 Disclosure in respect of amount due to Micro, Small & Medium Enterprises:**

The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2024 has been made in the financials statements based on information received and available with the Company as on date of financials. The Company has not received any claim for interest from any supplier under the said Act.

2.8. Other Current Liabilities	31 March 2024	31 March 2023
Unpaid Audit Fees		
Dividend Payable	1.25	1.25
EDLI Contribution	0.09	0.04
TDS Payable	0.03	0.02
ESI Payable	2.03	0.69
Other Expenses Payable	0.03	0.04
GST Payable	14.34	0.80
EPF Payable	6.55	0.63
Salary Payable	1.65	1.11
Imprest	36.73	12.77
<b>Total</b>	62.69	17.36

2.9. Short Term Provisions	31 March 2024	31 March 2023
Provision for Income Tax Current Year		
Gratuity Payable	55.39	23.18
<b>Total</b>	1.86	0.45
	57.25	23.63





**DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED**  
Notes to Consolidated financial Statements for the period ended March 31, 2024  
CIN No: L74900HR2009PLC039823

**NON CURRENT ASSETS**

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 01st Apr 2023	Additions	Deletion/Sale	Balance as at 31 March 2024	Balance as at 01st Apr 2023	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 01st Apr 2023	Balance as at 31 March 2024
<b>A. Property Plant &amp; Equipment</b>									
Tangible									
Land	25.20	1.76	-	26.96	-	-	-	25.20	26.96
Building	164.93	-	138.78	26.15	12.85	4.81	11.96	152.08	20.46
Plant & Machinery & Office Equipments	7.84	0.22	-	8.06	5.60	0.55	-	2.24	1.91
Computer & Data Processing Units	24.64	8.12	-	32.75	20.08	5.52	-	4.56	7.15
Electrical Equipments & Intallation	1.31	3.40	0.70	4.01	0.56	1.38	-	0.75	2.07
Furniture & Fixtures	6.43	1.83	-	8.26	2.74	1.27	-	3.69	4.25
Lab Equipments	8.08	0.09	-	8.17	3.81	1.12	-	4.27	3.24
EV Car & Scooter	11.41	3.13	-	14.54	0.14	4.13	-	11.27	10.27
<b>Total A</b>	<b>249.84</b>	<b>18.55</b>	<b>139.48</b>	<b>128.90</b>	<b>45.78</b>	<b>18.77</b>	<b>11.96</b>	<b>204.06</b>	<b>76.31</b>
<b>B. Intangible Assets</b>									
Softwares	44.95	3.81	-	48.76	6.30	4.42	-	38.65	38.04
<b>Total B</b>	<b>44.95</b>	<b>3.81</b>	<b>-</b>	<b>48.76</b>	<b>6.30</b>	<b>4.42</b>	<b>-</b>	<b>38.65</b>	<b>38.04</b>
<b>Grand Total</b>	<b>294.79</b>	<b>22.35</b>	<b>139.48</b>	<b>177.66</b>	<b>52.08</b>	<b>23.19</b>	<b>11.96</b>	<b>242.70</b>	<b>114.35</b>



**DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED**  
*Notes to Consolidated financial Statements for the period ended March 31, 2024*  
 CIN No: L74900HR2009PLC039823

**OTHER NON-CURRENT ASSETS**

	(Amount in Lakhs)	
	31 March 2024	31 March 2023
<b>2.11. Non current Current Investments</b>		
Fixed Deposits	319.72	131.83
Investment in Subsidiaries & Associates	22.14	-
<b>Total</b>	<b>341.86</b>	<b>131.83</b>
<b>2.12. Non Current Assets</b>		
BSE Security Deposit	-	2.09
Security Deposit	1.43	0.28
<b>Total</b>	<b>1.43</b>	<b>2.37</b>

**CURRENT ASSETS**

	31 March 2024	31 March 2023
<b>2.13. Current Investments</b>		
Fixed Deposits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

	31 March 2024	31 March 2023
<b>2.14. Trade Receivables</b>		
<b>Unsecured, Considered good</b>		
Debts outstanding other than Related Parties for a period:		
Outstanding for a period more than six months	287.74	86.41
Outstanding for a period less than six months	64.29	160.59
<b>Total</b>	<b>352.03</b>	<b>247.00</b>

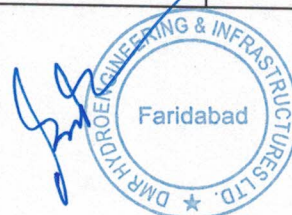
	31 March 2024	31 March 2023
<b>2.15. Cash and Bank Balances</b>		
<b>Cash &amp; Cash Equivalent</b>		
Balance with Banks in current Accounts	45.25	9.60
Cash on hand	0.84	0.34
<b>Total</b>	<b>46.09</b>	<b>9.94</b>

	31 March 2024	31 March 2023
<b>2.16. Short Term Loans &amp; Advances</b>		
Advance to Suppliers	0.05	0.01
Advance to Employee Imprest	0.69	0.84
<b>Total</b>	<b>0.75</b>	<b>0.84</b>

**2.16.1 Loans & Advances granted to Promoter, Director, KMP & Related Parties**

Type of Borrower	Amount of Loan	Percentage of Total Loan & Advances in the nature of loan
Promoters	-	-
Directors	-	-
KMPS	-	-
Related Parties	-	-

	31 March 2024	31 March 2023
<b>2.17. Other Current Assets</b>		
TDS Recoverable	69.47	44.26
Advance Income Tax	1.00	3.00
Earnest Money	7.33	3.87
Income Tax Refundable	-	-
Prepaid Expenses	7.81	4.52
<b>Total</b>	<b>85.61</b>	<b>55.65</b>



**DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED**

Notes to Consolidated financial Statements for the period ended March 31, 2024

CIN No: L74900HR2009PLC039823

(Amount in Lakhs)

2.18. Revenue From Operations	31 March 2024	31 March 2023
Sale of Services		
Export	24.94	118.88
Domestic	677.20	318.85
<b>Total</b>	<b>702.14</b>	<b>437.73</b>

2.19. Other Income	31 March 2024	31 March 2023
Interest Received	14.71	7.24
Profit from Sale of Fixed Assets	19.50	-
Other Incomes	-	1.74
<b>Total</b>	<b>34.21</b>	<b>8.99</b>

2.20. Employee Benefits Expenses	31 March 2024	31 March 2023
Director Remuneration	33.47	12.00
Salary Expenses	214.41	157.69
Staff Welfare Expenses	0.30	1.61
Incentive Expenses	31.24	-
Employees Insurance	0.97	-
Contribution to Statutory Funds	18.36	12.58
<b>Total</b>	<b>298.74</b>	<b>183.88</b>



**DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED**

Notes to Consolidated financial Statements for the period ended March 31, 2024

CIN No: L74900HR2009PLC039823

(Amount in Lakhs)

2.21. Finance Cost	31 March 2024	31 March 2023
Finance Cost	2.87	5.14
Bank Charges	2.86	0.50
<b>Total</b>	<b>5.73</b>	<b>5.64</b>

2.22. Depreciation & Amortization	31 March 2024	31 March 2023
Depreciation Expenses	23.19	19.32
<b>Total</b>	<b>23.19</b>	<b>19.32</b>

2.23. Other Expenses	31 March 2024	31 March 2023
Audit Fees	1.25	1.25
Consultancy Charges	78.13	48.26
Printing & Stationary Exp	2.27	1.83
Advertisement & Business Promotion Expenses	4.43	1.35
Listing Expenses		0.53
Donation Expenses	0.15	0.10
Electricity Expenses	3.92	2.18
Repairs & Maintenance Expenses	7.55	5.92
Professional Charges	0.62	17.24
Travelling & Conveyance Expenses	22.05	18.60
Legal Expenses	0.76	0.90
Freight Charges	0.01	-
Telephone Expenses	1.18	1.16
Insurance Expenses	0.11	1.01
Bad Debts	39.70	1.15
Diwali Expenses	-	-
Foreign Exchange Difference	0.12	-
Postage & Courier	0.14	0.08
Directors Sitting Fees	3.45	3.35
Rates & Taxes		0.43
Site Team Expenses	6.11	5.13
Subscription Expenses	1.43	0.32
Tender Expenses	0.44	0.01
Foreign Travelling Expenses		2.37
Misc. Expenses	0.17	0.02
Retainership Charges	1.24	-
Rent Expenses	7.67	6.59
Statutory Fees	8.07	-
Software & IT Expenses	4.43	4.15
Office Expenses	5.93	7.99
Other expenses	0.87	3.77
<b>Total</b>	<b>202.20</b>	<b>135.67</b>



# DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED

Notes to Consolidated financial Statements for the period ended March 31, 2024

CIN No: L74900HR2009PLC039823

(Amount in Lakhs)

2.24. Earnings Per Share	31 March 2024	31 March 2023
Profit/(Loss) after tax as per Statement of Profit and Loss	153.30	77.01
Weighted average number of equity shares in calculating basic EPS	37.58	37.26
Basic {Nominal Value of Shares- Rs. 10/- (Previous Year- Rs. 10/-)}	4.08	2.07
Diluted {Nominal Value of Shares- Rs. 10/- (Previous Year- Rs. 10/-)}	4.08	2.07



# DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED

Notes to Consolidated financial Statements for the period ended March 31, 2024

CIN No: L74900HR2009PLC039823

## 2.23 Related Party Disclosures- AS-18

Relationship with Related party	Name of related parties
Key Managerial Personnel	Subhash Chander Mittal
Key Managerial Personnel	Neelam Mittal
Key Managerial Personnel	Krishan Kumar Gupta
Key Managerial Personnel	Shyam Lal Kapil
Key Managerial Personnel	Bangam Prasad Rao
Key Managerial Personnel	Surajit Dutta
Key Managerial Personnel	Dahyalal Bansilal Prajapati
Key Managerial Personnel	Rachana Agarwal
Key Managerial Personnel	Anita Goyal
Key Managerial Personnel	Bal Mukund Kumar
Key Managerial Personnel	Ravinder Kumar
Key Managerial Personnel	Divay Mittal
Subsidiary	DM Consulting Engineers Private Limited
Associate Concern	M R Foundation

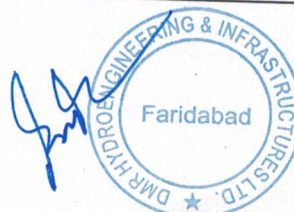
### Transactions with Related Party:-

(Amount in Lakhs)

Name of the Party	31st March 2024	31st March 2023
<b>Director Remuneration</b>		
Subhash Chander Mittal		
Neelam Mittal	11.03	6.00
Krishan Kumar Gupta	9.03	6.00
Shyam Lal Kapil	8.00	
	5.40	
<b>Salary</b>		
Bangam Prasad Rao		
Bal Mukund Kumar	-	1.50
Ravinder Kumar	5.04	4.12
Divay Mittal	4.44	3.50
	2.93	-
<b>Board Sitting Fee</b>		
Bangam Prasad Rao		
Surajit Dutta	0.45	
Dahyalal Bansilal Prajapati	0.75	
Rachana Agarwal	0.95	
Anita Goyal	0.90	
	0.35	
<b>Consultancy Fees</b>		
Surjeet Dutta & Co.	3.00	2.75
<b>Rent Expenses</b>		
Subhash Chander Mittal	2.40	2.40
<b>Consulting Services</b>		
DM Consulting Engineers Private Limited		
MR Foundation	4.00	7.75
	-	

### Closing Balance with related parties:-

Name of the Party	31st March 2024	31st March 2023
	NIL	



# DMR HYDROENGINEERING & INFRASTRUCTURE LIMITED

Notes to Consolidated financial Statements for the period ended March 31, 2024

CIN No: L74900HR2009PLC039823

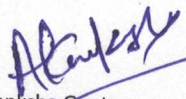
## 2.24 Other disclosures

### (a) Remuneration to Directors

Particulars	31.03.2024	31.03.2023
	(Amount in Lakhs)	(Amount in Lakhs)
Salary including Variable Pay	33.47	12.00
<b>Total</b>	<b>33.47</b>	<b>12.00</b>

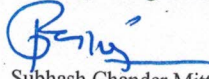
- (b) As per the best estimate of the management, there is no capital commitment and contingent liability exists as on the date of the financial statement.
- (c) Disclosures required under mandatory accounting standards & Schedule III are given to the extent applicable and possible.
- (d) Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.
- (e) Previous year figures are regrouped or rearranged wherever considered necessary.
- (f) Figures have been rounded off to the nearest Lakhs

As per our report of even date  
For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

  
CA Akanksha Gupta  
Partner  
Membership No. 421545  
UDIN : 24421545BKJMBB3472  
Place : Faridabad  
Date : 25.04.2024



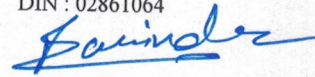
For and on behalf of the Board of Directors  
DMR Hydroengineering & Infrastructures Limited

  
Subhash Chander Mittal  
Chairman Cum Managing Director  
DIN : 02861072

  
Bal Mukund Kumar  
Chief Financial Officer



  
Neelam Mittal  
Director  
DIN : 02861064

  
Ravinder Kumar  
Company Secretary

## ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Statements for the Financial Years ending March 31, 2023, and March 31, 2024. For further details please refer to the chapter titled “Financial Statements” beginning on page 69 of this Draft Letter of Offer.

### EARNINGS PER SHARE

Particulars	For The Financial Year Ended	
	March 31, 2024	March 31, 2023
Net profit / (loss) after tax, attributable to equity shareholders (₹ In Lakhs)	153.30	77.01
Weighted average number of Equity Shares Outstanding (In Lakhs)	37.58	37.26
Basic EPS in ₹	4.08	2.07
Diluted EPS in ₹	4.08	2.07
Face value in ₹	10	10

### NET ASSET VALUE PER EQUITY SHARE

*(₹ in Lacs, unless otherwise specified)*

Particulars	For The Financial Year Ended	
	March 31, 2024	March 31, 2023
Net worth (A)	774.27	578.58
Number of Equity Shares outstanding (B)	37,93,700	37,26,200
<b>NAV (A/B)</b>	<b>20.41</b>	<b>15.53</b>
Face value in ₹	10	10

### RETURN ON NET WORTH

*(Amount in Lakhs)*

Particulars	For The Financial Year Ended	
	March 31, 2024	March 31, 2023
Net worth (A)	772.69	578.15
Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations Attributable to Equity Holders(B)	153.30	77.01
<b>RONW (B/A*100)</b>	<b>19.84%</b>	<b>13.32%</b>

### EBITDA

Particulars	For The Financial Year Ended	
	March 31, 2024	March 31, 2023
Profit/(Loss) after tax (A)	153.30	77.01
Tax expenses / (Credit) (B)	52.33	25.20
Exceptional Item (C)	0.00	0.00
Interest costs (D)	2.87	5.14
Depreciation & amortization expense (E)	23.19	19.32
<b>EBIDTA (A+B+C+D+E)</b>	<b>231.69</b>	<b>126.67</b>



Basic earnings per share	Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable divided by Weighted Average number of Equity Shares outstanding at the end of the financial year
Diluted earnings per share	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares outstanding at the end of the financial year
Return on net worth (in %)	Profit/ (Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders of the company divided by Net worth as attributable to equity shareholders of the company at the end of the financial year
Net asset value per Equity Share	Net Worth on basis divided by the number of Equity Shares outstanding for the period/year
EBITDA	Profit for the year before finance costs, tax, depreciation, amortisation and items as presented in the statement of profit and loss in the Consolidated Audited Financial Statements

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## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the Fiscal 2024 and Fiscal 2023 included in this Draft Letter of Offer. Our audited financial statements for Fiscal 2023 & Fiscal 2024 are prepared in accordance with Indian GAAP. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements and Unaudited Financial Results of our Company.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers DMR Hydroengineering & Infrastructures Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “**Financial Statements**” for the Financial Years 2023 and 2024 included in this Draft letter of offer beginning on page **Error! Bookmark not defined.** of this Draft Letter of Offer.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be “Forward Looking Statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### BUSINESS OVERVIEW

Our Company is engaged in the business of providing engineering consultancy services to hydropower, pumped storage projects, renewable energy projects, water resource projects, dams, roads and railway tunnels. The services offered by our Company include entire life cycle of projects covering design & engineering, due diligence & regulatory, bid management & construction engineering/management.

Our company offers Strategic Advisory, Due Diligence Studies, Project Viability Analysis, Cost Benefit Analysis, Risk Analysis, Regulatory Approvals, Monitoring and Evaluation, Geological Studies, Hydrological Studies, Hydraulic Studies, Hydraulic Design of Structures, Geotechnical Design of Surface and Underground Structures, Structural Design and Analysis, Dynamic Analysis, Numerical Analysis, Instrumentation Analysis, Detailed Design and Drawings, Bid level Designs and Drawings, Detailed Project Report, Feasibility Report, Layout Studies and Alternatives Analysis, Design Review, As Built Drawings, Bid documents, Bill of Quantities, Construction Planning and Scheduling, Construction Management and Method Statements, Design and Engineering Support During Construction, Rate Analysis and Cost Estimates, Contract Management, Procurement Management, Project Management, Project Commissioning, Completion Report, QA/QC plans, Quality Assurance at Site, Pre-Dispatch Inspection, Third Party Inspection, Safety Inspection and O & M stage Inspection.

For further details, please refer to the section titled “Our Business” beginning on page **Error! Bookmark not defined.** beginning of this Draft Letter of Offer.

### FINANCIAL PERFORMANCE

The financial performance of our Company for year ended as on March 31, 2024 and as on March 31, 2023 is as follows:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2024	Year Ended March 31, 2023
Revenue from operations	702.14	437.73
Profit/ (loss) after tax from continuing operation	154.16	77.02
Profit/ (loss) after tax from discontinuing operation	-	-
Profit/ (loss) from continuing and discontinuing operation	154.16	77.02

### FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subject to various risks and uncertainties, including those discussed in the section titled “Risk Factors” on page **Error! Bookmark not defined.** beginning of this Draft Letter of Offer.

Our Company’s future results of operations could be affected potentially by the following factors:

1. Company’s ability to successfully implement our strategy, our growth and expansion, technological changes;

2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Audience's taste and behaviour;
4. Inability to successfully obtain registrations in a timely manner or at all;
5. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
6. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
7. Our failure to keep pace with rapid changes in entertainment sector;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Intensified competition in industries/sector in which we operate;
11. Our ability to attract, retain and manage qualified personnel;
12. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
13. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
14. Our ability to expand our geographical area of operation.

## **SIGNIFICANT ACCOUNTING POLICIES**

Except as mentioned in section titled "*Financial Statements*" beginning on page **Error! Bookmark not defined.** of this Draft Letter of Offer, there has been no change in accounting policies during the Fiscal years 2024 and Fiscal years 2023.

## **CHANGES IN ACCOUNTING POLICIES**

Except as mentioned in section titled "*Financial Statements*" beginning on page **Error! Bookmark not defined.** of this Draft Letter of Offer, there has been no change in accounting policies during the Fiscal years 2024 and Fiscal years 2023.

## **COMPONENTS OF INCOME AND EXPENDITURE**

### **Income**

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

### **Revenue from Operations**

Our revenue from operation as a percentage of our total income was 95.35%, and 97.99% for the Financial Years ended March 31, 2024, and March 31, 2023 respectively.

### **Other Income**

It is the income earned from Interest received on deposits, Profit on Sale of Assets, etc.

### **Expenditure**

Our total expenditure primarily consists of employee benefit expenses, finance costs and Other Expenses.

### **Employee Benefit Expenses**

Our employee benefits expense comprises of Director Remuneration, Salary Expenses, Contribution to Statutory Funds, Incentive Expenses, Employees Insurance & Staff Welfare Expenses.

### **Finance costs**

Our Finance cost expenses comprises of Interest Expenses & Bank Charges.

### **Other Expenses**

Other expenses primarily include Consultancy Charges, Travelling & Conveyance Expenses, Bad Debts etc.

### **Taxation**

The current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **RESULTS OF OPERATIONS (CONSOLIDATED FINANCIAL STATEMENTS)**

The following discussion on results of operations should be read in conjunction with the Audited Financial Statements of our Company for the period ended March 31, 2024:

(₹ in Lacs)

Particulars	For the year ended on March 31,	
	2024	% of Total**
<b>INCOME</b>		
Revenue from Operations	702.14	95.35%
Other Income	34.21	4.65%
<b>Total Revenue (A)</b>	<b>736.35</b>	<b>100.00%</b>
<b>EXPENDITURE</b>		
Employee benefits expense	298.74	40.57%
Finance costs	5.73	0.78%
Depreciation and amortization expense	23.19	3.15%
Other expenses	202.20	27.46%
<b>Total Expenses (B)</b>	<b>529.86</b>	<b>71.96%</b>
<b>Profit/(Loss) before Tax</b>	<b>206.49</b>	<b>28.04%</b>
<b>Tax Expense/ (benefit)</b>		
(a) Current Tax Expense	55.39	7.52%
(b) Deferred Tax	(3.06)	-0.42%
(c) Other Tax Exp / Adj. for Earlier year		0.00%
<b>Net tax expense / (benefit)</b>	<b>52.33</b>	<b>7.11%</b>
<b>Profit/(Loss) for the year</b>	<b>154.17</b>	<b>20.94%</b>

#### For the year ended March 31st, 2024

##### *Revenue from Operations*

The Revenue from Operations of our company for the year ended March 31st, 2024 was ₹ 702.14 lacs.

##### *Other Income*

The other income of our company for the year ended March 31st, 2024 was ₹ 34.21 lacs.

##### *Total Income*

The total income of our company for the year ended March 31st, 2024 was ₹ 736.35 lacs.

##### *Expenditure*

##### *Employee Benefit Expenses*

For the year ended March 31st, 2024, our Company incurred for employee benefit expenses ₹ 298.74 lacs.

##### *Finance Costs*

The finance costs for the year ended March 31st, 2024 was ₹ 5.73 lacs.

##### *Depreciation and Amortization Expenses*

The Depreciation and Amortization Expenses for the year ended March 31st, 2024 was ₹ 23.19 lacs.

### *Other Expenses*

For the year ended March 31st, 2024, our other expenses were ₹ 202.20 lacs.

### *Profit/ (Loss) before Tax*

Our Company had reported a profit before tax for the year ended March 31st, 2024 of ₹ 206.49 lacs

### *Profit/ (Loss) after Tax*

Profit after tax for the year ended March 31st, 2024 was at ₹ 154.17 lacs.

## **RESULTS OF OPERATIONS (CONSOLIDATED FINANCIAL STATEMENTS)**

(₹ in Lacs)

Particulars	For the year ended on March 31,			
	2024	% of Total**	2023	% of Total**
<b>INCOME</b>				
Revenue from Operations	702.14	95.35%	437.73	97.99%
Other Income	34.21	4.65%	8.99	2.01%
<b>Total Revenue (A)</b>	<b>736.35</b>	<b>100.00%</b>	<b>446.72</b>	<b>100.00%</b>
<b>EXPENDITURE</b>				
Employee benefits expense	298.74	40.57%	183.88	41.16%
Finance costs	5.73	0.78%	5.64	1.26%
Depreciation and amortization expense	23.19	3.15%	19.32	4.32%
Other expenses	202.20	27.46%	135.67	30.37%
<b>Total Expenses (B)</b>	<b>529.86</b>	<b>71.96%</b>	<b>344.51</b>	<b>77.12%</b>
<b>Profit/(Loss) before Tax</b>	<b>206.49</b>	<b>28.04%</b>	<b>102.21</b>	<b>22.88%</b>
<b>Tax Expense/ (benefit)</b>				
(a) Current Tax Expense	55.39	7.52%	23.18	5.19%
(b) Deferred Tax	(3.06)	-0.42%	2.01	0.45%
<b>Net tax expense / (benefit)</b>	<b>52.33</b>	<b>7.11%</b>	<b>25.20</b>	<b>5.64%</b>
<b>Profit/(Loss) for the year</b>	<b>154.17</b>	<b>20.94%</b>	<b>77.01</b>	<b>17.24%</b>

## **COMPARISON OF FINANCIAL YEAR ENDED 2024 TO FINANCIAL YEAR ENDED 2023 (CONSOLIDATED FINANCIAL STATEMENTS)**

Total Income:

Our total income increased by 64.83% to ₹ 736.35 Lacs for the FY 2024 from ₹ 446.72 Lacs for the FY 2023 due to the factors described below:

### Revenue from Operations

Our revenue from operations was increased by 60.40% to ₹ 702.14 Lacs for the FY 2024 from ₹ 437.73 Lacs for the FY 2023.

### Other Income

Other income increased by 280.53% to ₹ 34.21 Lacs for the FY 2024 from ₹ 8.99 Lacs in FY 2023.

Total Expenses:

Our total expenses increased by 53.80% to ₹ 529.86 Lacs for the FY 2024 from ₹ 344.51 Lacs for the FY 2023 due to the factors described below:

Employee Benefit Expenses

The Employee Benefit Expenses increased by 62.46% to ₹ 298.74 Lacs in FY 2024 from ₹ 183.88 Lacs in FY 2023.

Finance Cost

The Finance cost increased by 1.60% ₹ 5.73 Lacs in FY 2023 from ₹ 5.64 Lacs in FY 2021.

Depreciation and Amortization expense

The Depreciation and Amortization expenses was ₹ 23.19 Lacs in FY 2024 and ₹ 19.32 Lacs in FY 2023.

Other Expenses

The Other expenses increased by 49.04% to ₹ 202.20 Lacs in FY 2024 from ₹ 135.67 Lacs in FY 2023.

Profit before Tax

Our profit before tax increased by 102.03% to ₹ 206.49 Lacs for the FY 2024 from ₹ 102.21 Lacs for the FY 2023.

Tax Expenses

Our current tax expense in FY 2024 was ₹ 55.39 Lacs and Deferred Tax was ₹ (3.06) Lacs

Our current tax expense in FY 2023 was ₹ 23.18 Lacs and Deferred Tax was ₹ 2.01 Lacs.

Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by 100.16% to ₹ 154.17 Lacs in FY 2024 from ₹ 77.01 Lacs in FY 2023.

**CASH FLOWS**

**CASH FLOWS (CONSOLIDATED FINANCIAL STATEMENTS)**

(Amount ₹ in lacs)

Particulars	For the year ended March 31,2024	For the year ended March 31,2023
Net Cash from Operating Activities	92.56	61.15
Net Cash from Investing Activities	(66.93)	(42.06)
Net Cash used in Financing Activities	10.52	(28.09)
Net increase in cash and cash equivalents (A+B+C)	36.15	(9.00)
Cash and cash equivalents at the beginning of the year	9.94	18.93
Cash and cash equivalents at the end of the period	46.09	9.94

**Cash Flows from Operating Activities**

Net cash from operating activities for the year ended 31st March 2024, was ₹ 92.56 lacs as compared to the Profit Before Tax at ₹ 206.49 lacs. Net cash from operating activities for the year ended 31st March 2023, was ₹ 61.15 lacs as compared to the Profit Before Tax at ₹ 102.21 lacs.

***Cash Flows from Investment Activities***

Net cash from investing activities for the year ended 31st March 2024 was ₹ (66.93) lacs due to purchase of property, plant and equipment and intangible assets and Purchase & sale of Investments. Net cash from investing activities for the year ended 31st March 2023 was ₹ (42.06) lacs due to purchase of property, plant and equipment and intangible assets.

***Cash Flows from Financing Activities***

Net cashflow from financing activities for the year ended 31st March 2024 was ₹ 10.52 lacs due to proceeds from issue of equity shares, movement in borrowings along with finance cost. Net cashflow from financing activities for the year ended 31st March 2023 was ₹ (28.09) lacs due to proceeds from issue of equity shares, movement in borrowings along with finance cost.

**RELATED PARTY TRANSACTIONS**

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration, salary, commission and Issue of Equity Shares. For further details of related parties kindly refer chapter titled “*Financial Statements*” beginning on page **Error! Bookmark not defined.** of this Draft letter of offer.

**SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

Other than as disclosed in this Draft Letter of Offer, there have been no significant developments after March 31, 2024, the date of the latest balance sheet included in this Draft Letter of Offer that may affect our future results of operations. For further information, see “*Material Developments*” on page **Error! Bookmark not defined.** of this Draft Letter of Offer.

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## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND DEFAULTS

There are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters or Group Companies.

Further our Company, Directors, Promoters and Group Companies are not wilful defaulters or fraudulent borrowers and there have been no violations of securities laws in the past or pending against them.

#### LITIGATION RELATING TO OUR COMPANY

##### A. CASES FILED AGAINST OUR COMPANY

###### 1. Litigation involving Civil Laws

Nil

###### 2. Litigation involving Criminal Laws

Nil

###### 3. Litigation involving Securities and Economic Laws

Nil

###### 4. Litigation involving Taxation

Nil

###### Indirect Tax

Nil

###### 5. Other Pending Litigation based on Materiality Policy of our Company

Nil

##### B. CASES FILED BY OUR COMPANY

###### 1. Litigation involving Civil Laws

Nil

###### 2. Litigation involving Criminal Laws

Nil

###### 3. Litigation involving Securities and Economic Laws

Nil

###### 4. Litigation involving Taxation

Nil

###### 5. Other Pending Litigation based on Materiality Policy of our Company



Nil

**C. NOTICES FROM STATUTORY AUTHORITIES**

Nil

**LITIGATION RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY**

**A. CASES FILED AGAINST THE DIRECTORS**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Economic Offenses**

Nil

**4. Litigation involving Tax Liabilities**

Nil

**5. Other Pending Litigation based on Materiality Policy of our Company**

Nil

**B. NOTICES FROM STATUTORY AUTHORITIES**

Nil

**C. CASES FILED BY THE DIRECTORS**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Economic Offenses**

Nil

**4. Litigation involving Tax Liabilities**

Nil

**LITIGATION RELATING TO OUR PROMOTER AND PROMOTER GROUP ENTITIES**

**A. CASES FILED AGAINST THE PROMOTER AND PROMOTER GROUP ENTITIES**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Economic Offenses**

Nil

**4. Litigation involving Tax Liabilities**

Nil

**5. Other Pending Litigation based on Materiality Policy of our Company**

Nil

**B. CASES FILED BY THE PROMOTER AND PROMOTER GROUP ENTITIES**

**1. Litigation involving Civil Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Securities and Economic Laws**

Nil

**4. Litigation involving Labour Laws**

Nil

**5. Litigation involving Taxation**

Nil

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRAUDULENT BORROWER**

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

**MATERIAL DEVELOPMENTS OCCURRING SINCE MARCH 31, 2024**

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

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**GOVERNMENT AND OTHER APPROVALS**

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage. Our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time. As on the date of this Letter of Offer, there are no pending material approvals required for our Company or any of our Subsidiaries, to conduct our existing business and operations.

**Material pending government and regulatory approvals pertaining to the Objects of the Issue**

As on the date of this Draft Letter of Offer, there are no material pending government and regulatory approvals pertaining to the Objects of the Issue.

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## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of the Board passed at its meeting held on July 01, 2024 pursuant to Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in consultation with the Legal Advisor to the Issue, and the Rights Entitlement as [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date.

This Draft Letter of Offer has been approved by our Board pursuant to their resolutions dated February 10, 2024.

Our Company has received in-principle approval from BSE pursuant to Regulation 28 of SEBI (LODR) Regulations, vide its letter dated [●] for listing of the Rights Equity Shares to be allotted pursuant to the Issue. Our Company will also make an application to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. Our Company has been allotted the ISIN [●] both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see section titled “*Terms of the Issue*” beginning on page [●] of this Draft Letter of Offer.

### PROHIBITION BY SEBI AND OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Promoter Group or our Directors, the persons in control of our Company have not been debarred and are not prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI, or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are, in any manner, associated with the securities market.

### PROHIBITION BY RBI

Neither our Company nor any of our Promoters or our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

### CONFIRMATION UNDER THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

As on the date of this Draft Letter of Offer, our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended (“SBO Rules”), to the extent applicable.

### ELIGIBILITY FOR THE ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on SME platform of BSE Limited. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI (ICDR) Regulations and other applicable provisions of the SEBI (ICDR) Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations.

### COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI.

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI (ICDR) Regulations, to the extent applicable. Our Company has made application to the Stock Exchange and may receive their in-principal approval for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the purpose of the Issue.

#### **COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with BSE;
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board of directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER.**

#### **DISCLAIMER FROM OUR COMPANY, OUR DIRECTOR(S)**

Our Company accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/evaluation as to their ability and quantum of investment in the Issue.

#### **CAUTION**

Our Company shall make all the relevant information available to the Eligible Equity Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at the date of this Draft Letter of Offer.

## **DISCLAIMER WITH RESPECT TO JURISDICTION**

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Faridabad, India only.

## **DESIGNATED STOCK EXCHANGE**

The Designated Stock Exchange for the purpose of this Issue will be BSE Limited.

## **DISCLAIMER CLAUSE OF BSE**

As required, a copy of this Draft Letter of Offer shall be submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with SEBI and BSE.

## **FILING**

The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than ₹ 50 Crore (Fifty Crores). The Letter of Offer has been filed with BSE for obtaining in-principle approval. However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website to the e-mail address: [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in).

## **SELLING RESTRICTIONS**

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Form (collectively "Issue Materials") and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Issue Materials only to the Eligible Equity Shareholders who have provided an Indian address and who are located in jurisdictions where the issue and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

Further, the Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, The Stock Exchange.

Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Issue Materials or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If the Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in the Issue Materials.

Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

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

**THE CONTENTS OF THIS DRAFT LETTER OF OFFER, THE LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

#### **INVESTOR GRIEVANCES AND REDRESSAL SYSTEM**

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e., KFIN Technologies Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

**Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process),. For details on the ASBA process, please see “*Terms of the Issue*” on page 88 of this Draft Letter of Offer.**

#### **Investor Grievances arising out of this Issue**

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:



Company Secretary and Compliance Officer	Registrar to the Issue
<p><b>Mr. Ravinder Kumar Bhatia</b>  H. No.- 473 Sector-30, Faridabad, Haryana, India,  121003  <b>Tel:</b> +91 129 4360445  <b>Email:</b> <a href="mailto:cs@dmengineering.net">cs@dmengineering.net</a>  <b>Website:</b> <a href="http://www.dmengineering.net">www.dmengineering.net</a></p>	<p><b>KFIN TECHNOLOGIES LIMITED</b>  Selenium Tower-B, Plot No. 31-32, Gachibowli, Financial District,  Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032.  <b>Tele No.:</b> +91-40-6716-2222 / +91 1800 309 4001  <b>Fax No.:</b> +91-40-6716-1563  <b>SEBI REGN NO:</b> INR000000221  <b>Email Id:</b> <a href="mailto:dmrh.rights@kfintech.com">dmrh.rights@kfintech.com</a> ;  <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a>  <b>Contact Person:</b> M Murali Krishna  <b>SEBI Registration No:</b> INR000000221</p>

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at [www.kfintech.com](http://www.kfintech.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are ([dmrh.rights@kfintech.com](mailto:dmrh.rights@kfintech.com) / +91-40-6716-2222 / +91 1800 309 4001).

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## SECTION VII: OFFERING INFORMATION

### TERMS OF THE ISSUE

*This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.*

*Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 and Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020. As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause 1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time, such physical shareholders may be allowed to submit their application subject to the conditions prescribed in the SEBI Circulars dated May 06, 2020 and July 24, 2020.*

*In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.*

***Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar.***

*Further, In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period.*

*The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, The Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.*

#### OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE and the terms and conditions as stipulated in the Allotment advice.

#### IMPORTANT

##### 1. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material (“Issue Materials”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions

and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a. Our Company's website at [www.dmengineering.net](http://www.dmengineering.net)
- b. Registrar to the Issue's website at [www.kfintech.com](http://www.kfintech.com)
- c. BSE website [www.bseindia.com](http://www.bseindia.com)

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at [www.kfintech.com](http://www.kfintech.com) by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at [www.dmengineering.net](http://www.dmengineering.net).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation and pursuant to the SEBI Rights Issue Circulars, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

## 2. Facilities for Application in this Issue

**In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, refer "Procedure for Application through the ASBA Process" on page 96.**

### ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

***Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer "Grounds for Technical Rejection" on page 105 Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.***

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by

way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Application on Plain Paper under ASBA process” on page 100 of this Draft Letter of Offer.

### **3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to: (a) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (b) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to: (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or (ii) Equity Shares held in the account of IEPF authority; or (iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (iv) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (v) Credit of the Rights Entitlements returned/ reversed/ failed; or (vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., [www.kfintech.com](http://www.kfintech.com)). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., [www.kfintech.com](http://www.kfintech.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

### **4. Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- a. The Eligible Equity Shareholders are residents;
- b. The Eligible Equity Shareholders are not making payment from non-resident account;
- c. The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- d. The Eligible Equity Shareholders shall receive Rights Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self- attested PAN

and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Shares in such demat account.

## 5. Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Basis of Allotment*” beginning on page 105.

### OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [www.kfintech.com](http://www.kfintech.com) ;

Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: [cs@dmrengineering.net](mailto:cs@dmrengineering.net) ;

Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: [www.kfintech.com](http://www.kfintech.com);

Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: [www.kfintech.com](http://www.kfintech.com).

### RENOUNCEES

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

### AUTHORITY FOR THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on July 01, 2024 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Board of Directors of our Company in its meeting held on [●] has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at ₹ [●] /- per Rights Equity Share, in the ratio of [●]:[●] i.e., [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares, as held on the Record Date.

Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to its letter dated [●].

### BASIS FOR THIS ISSUE

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

### RIGHTS ENTITLEMENTS

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the

offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., [www.kfintech.com](http://www.kfintech.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., [www.kfintech.com](http://www.kfintech.com)). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

**Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue materials (“Issue Materials”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid email address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see “Notice to Investors” and “Restrictions on foreign ownership of Indian securities” on page 11 and 114 of this Draft Letter of Offer.**

## PRINCIPAL TERMS OF THIS ISSUE

### Face Value

Each Rights Equity Shares will be having face value of ₹10.00 (Rupees Ten Only).

### Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] /- (Rupees [●] only) per Rights Equity Share (including a premium of ₹ [●] /- (Rupees [●] only) per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Advisor to the Issue and has been decided prior to the determination of the Record Date.

### Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held by the Eligible Equity Shareholders as on the Record Date.

### Rights of instrument holder

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

### Terms of Payment

The entire amount of the Issue Price of ₹ [●] /- (including premium of ₹ [●] per Rights Equity Share) per Rights Equity Share shall be payable at the time of Application.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/ blocked shall be refunded/ unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay

in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

### **Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. For details, see “*Procedure for Renunciation of Rights Entitlements*” on page 99 of this Draft Letter of Offer.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

### **Process of Credit of Rights Entitlements in dematerialized account**

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to: (a) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (b) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to: (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or (ii) Equity Shares held in the account of IEPF authority; or (iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (iv) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (v) Credit of the Rights Entitlements returned/ reversed/ failed; or (vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

**PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT**

**APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 96.**

**Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder hold [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have ‘zero’ entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Shares, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

**Ranking of Equity Shares**

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

The Rights Equity Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

**Trading of the Rights Entitlements**

In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the BSE under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see “*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*” and “*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*” on page 99 of this Draft Letter of Offer.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

**Credit Rating**



As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

#### **Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue**

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN: [●] for REs so obtained will be permanently deactivated from the depository system.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on Emerge platform of BSE bearing Scrip Symbol ‘DMR’ under ISIN ‘INE07L501010’. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/trading approval from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity share of our company.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange.

In case our Company fails to obtain listing or trading permission from the BSE SME, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the BSE, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within 4 (Four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

#### **Subscription to this Issue by our Promoter and our Promoter Group**

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled “*Intention and participation by the promoter and promoter group*” under the chapter titled “*Capital Structure*” on page 33 of this Draft Letter of Offer.

#### **Rights of holders of Rights Equity Shares of our Company**

Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights:

The right to receive dividend, if declared;

The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders;

The right to receive surplus on liquidation;

The right to free transferability of Rights Equity Shares;

The right to attend general meetings of our Company and exercise voting powers in accordance with law; and

Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

**Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.**

## **GENERAL TERMS OF THE ISSUE**

### **Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident shareholders including additional Rights Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

Subscribe for additional Equity Shares over and above their Rights Entitlements;

Renounce the Equity Shares offered to them either in full or in part thereof in favour of a person named by them; or

Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice.

Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at [www.kfintech.com](http://www.kfintech.com). It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection.

## **PROCEDURE FOR APPLICATION**

### **How to Apply**

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

## **Application Form**

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Equity Shareholders only to

E-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses;

Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company;

Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company;

In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

**Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).**

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [dmrh.rights@kfintech.com](mailto:dmrh.rights@kfintech.com). Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

Our Company at [www.dmrengineering.net](http://www.dmrengineering.net) ;

The Registrar at [dmrh.rights@kfintech.com](mailto:dmrh.rights@kfintech.com);

The Stock Exchange at [www.bseindia.com](http://www.bseindia.com) ;

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at [www.kfintech.com](http://www.kfintech.com) by entering their DP-ID and Client-ID and PAN.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by:

Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

The ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

**Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.**

**Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application.**

**For details see “Grounds for Technical Rejection” on page 105 of this Draft Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making an application that is available on the website of the Registrar and Stock Exchange or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Application on Plain Paper under ASBA process” on page 100 of this Draft Letter of Offer.

#### **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

Apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or

Renounce its Rights Entitlements in full.

#### **PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS**

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

#### **Self-Certified Syndicate Banks**

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number ‘CIR/CFD/DIL/13/2012’ dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

#### **ACCEPTANCE OF THIS ISSUE**

Investors may accept this Issue and apply for the Rights Equity Shares:

Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date:

Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE, and

## **Applications submitted to anyone other than the Designated Branches of the SCSB**

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 100 of this Draft Letter of Offer.

## **ADDITIONAL RIGHTS EQUITY SHARES**

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Rights Equity. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section “*Basis of Allotment*” on page 105 of this Draft Letter of Offer.

*Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.*

*Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.*

*Pursuant to the SEBI Rights Issue Circulars, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.*

## **PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.**

**PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.**

### **On Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is [●] Shares. To clarify further, fractional entitlements are not eligible for trading.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

### **Off Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

### **APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

#### **Applications on plain paper will not be accepted from any address outside India.**

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

Name of our Company, being *DMR Hydroengineering & Infrastructures Ltd.*

Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

Registered Folio No./DP and Client ID No.;

Number of Equity Shares held as on Record Date;

Allotment option – only dematerialized form;

Number of Rights Equity Shares entitled to;

Total number of Rights Equity Shares applied for;

Number of additional Rights Equity Shares applied for, if any;

Total amount paid at the rate of ₹ [●]/- for Rights Equity Shares issued in one Rights Entitlement;

Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.

Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as ‘**Regulation S**’), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.” In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.kfintech.com](http://www.kfintech.com).

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

#### **APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or us Company, Eligible Equity Shareholders should visit [www.kfintech.com](http://www.kfintech.com).

### **PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

The Eligible Equity Shareholders can access the Application Form from:

The website of the Registrar at [www.kfintech.com](http://www.kfintech.com);

Our Company at [www.dmengineering.net](http://www.dmengineering.net) and

The Stock Exchange at [www.bseindia.com](http://www.bseindia.com) .

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., [www.kfintech.com](http://www.kfintech.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

**PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

### **ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 105 OF THIS DRAFT LETTER OF OFFER.**

### **GENERAL INSTRUCTIONS FOR INVESTORS**



Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process;

Please read the instructions on the Application Form sent to you;

The Application Form can be used by both the Eligible Equity Shareholders and the Renounees;

Application should be made only through the ASBA facility;

Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;

In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" on page 100 of this Draft Letter of Offer;

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA;

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and

Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar;

In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;

All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected.** With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors;

In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;

For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;

In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant;

All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the

Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012 dated September 25, 2012' within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;

In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;

Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law;

An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

***Do's:***

Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;

Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;

Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects;

Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DP-ID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

***Don'ts:***

Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;

Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;

Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;

Do not pay the Application Money in cash, by money order, pay order or postal order;

Do not submit multiple Applications.

***Do's for Investors applying through ASBA:***

Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only;

Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;

Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;

Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;

Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;

Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;

Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

***Don'ts for Investors applying through ASBA:***

Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;

Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;

Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;

Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

**GROUNDINGS FOR TECHNICAL REJECTION**

Applications made in this Issue are liable to be rejected on the following grounds:

DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;

Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;

Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;

Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;

Account holder not signing the Application or declaration mentioned therein;

Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;

Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;

Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);

Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;

Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;

Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer;

Physical Application Forms not duly signed by the sole or joint Investors;

Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;

If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;

Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form;

Applications which have evidence of being executed or made in contravention of applicable securities laws;

Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;

Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

#### **DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE.**

**IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

**Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.**

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

**The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, and Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

## **MODES OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking.

### **Mode of payment for Resident Investors**

All payments on the Application Forms shall be made only through ASBA facility or internet banking or Applicants are requested to strictly adhere to these instructions.

### **Mode of payment for non-resident Investors**

As regards the Application by non-resident Investors, the following conditions shall apply:

Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company;

*Note:*

*In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.*

*The Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders at (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.*

Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws;

Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI;

### **Notes**

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;

In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India;

In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;

Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;

In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;

Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares;

## **MULTIPLE APPLICATIONS**

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

#### LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●] i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, **subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).**

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “*Basis of Allotment*” on page 105 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE,

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

#### WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility may withdraw their application post the Issue Closing Date.

#### ISSUE SCHEDULE

<b>Last date for Credit of Rights Entitlements</b>	[●]
<b>Issue Opening Date</b>	[●]
<b>Last Date for On Market Renunciation*</b>	[●]
<b>Issue Closing Date</b>	[●]
<b>Finalisation of Basis of Allotment (on or about)</b>	[●]
<b>Date of Allotment (on or about)</b>	[●]
<b>Date of Credit (on or about)</b>	[●]
<b>Date of Listing (on or about)</b>	[●]

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

Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

#### BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

#### **ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will e-mail Allotment advice, refund intimations or demat credit of Rights Equity Shares and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 15 (Fifteen) days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall

be completed be within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

## **PAYMENT OF REFUND**

### ***Mode of making refunds***

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

Unblocking amounts blocked using ASBA facility.

National Automated Clearing House (hereinafter referred to as 'NACH') – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

National Electronic Fund Transfer (hereinafter referred to as 'NEFT') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as 'IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

### ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

## **ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES**

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

## **RECEIPT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR



THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR

DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

**INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE BSE ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

**PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS**

**Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-

residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

### **Procedure for Applications by AIFs, FVCIs and VCFs**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

### **Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

### **Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

### **Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)**

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

## **IMPERSONATION**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

## **PAYMENT BY STOCK INVEST**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Rights Issue.

## **DISPOSAL OF APPLICATION AND APPLICATION MONEY**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;

All steps for completion of the necessary formalities for listing and commencement of trading at BSE, where the Rights Equity Shares are to be listed are taken within the time limit specified by the SEBI;

The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;

Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;

Adequate arrangements shall be made to collect all ASBA applications;

Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

## **UTILIZATION OF ISSUE PROCEEDS**

Our Board declares that:

All monies received out of issue of this Rights Equity Issue to the public shall be transferred to a separate bank account.

Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

## **IMPORTANT**

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed '[●]– RIGHT ISSUE' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

### **KFIN TECHNOLOGIES LIMITED**

**Address:** Selenium Tower-B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032

**Tel:** +91-40-6716-2222/+91 1800 309 4001

**SEBI REGN NO:** INR000000221

**Email Id:** [dmrh.rights@kfintech.com](mailto:dmrh.rights@kfintech.com);

**Website:** [www.kfintech.com](http://www.kfintech.com)

**Contact Person:** M Murali Krishna

**SEBI Registration No:** INR000000221

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar ([www.kfintech.com](http://www.kfintech.com)). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are +91-022-62638200.

This Issue will remain open for a minimum 15 (Fifteen) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy

and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

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

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## SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at [www.dmengineering.net](http://www.dmengineering.net) from the date of this Draft Letter of Offer until the Issue Closing Date.

#### Material Contracts for the Issue

- (i) Registrar Agreement dated July 19, 2024, entered into amongst our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

#### Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Resolution of the Board of Directors dated July 01, 2024 in relation to the Issue.
- (iii) Resolution of the meeting of Board of Directors dated [●] finalizing the terms of the Issue.
- (iv) Resolution of the meeting of the Board of Directors dated [●] for fixing the Record Date.
- (v) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer in their respective capacities.
- (vi) Statement of Tax Benefits dated July 13, 2024 from the Statutory Auditor included in this Draft Letter of Offer.
- (vii) Tripartite Agreement dated October 15, 2021 between our Company, NSDL and the Registrar to the Company.
- (viii) Tripartite Agreement dated October 22, 2021 between our Company, CSDL and the Registrar to the Company.
- (ix) In principle listing approval dated [●] issued by BSE.

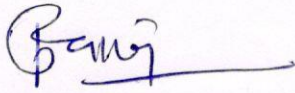
Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**For DMR Hydroengineering & Infrastructures Limited**



**Mr. Subhash Chander Mittal**

Chairman & Managing Director

**DIN: 02861072**

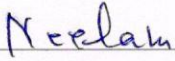
**Place: Faridabad**

**Date: 23.07.2024**

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**For DMR Hydroengineering & Infrastructures Limited**

  
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**Ms. Neelam Mittal**

Whole-Time Director

**DIN: 02861064**

**Place: Faridabad**

**Date: 23.07.2024**



## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**For DMR Hydroengineering & Infrastructures Limited**



**Ms. Anita Goyal**

Independent Director

**DIN: 10249700**

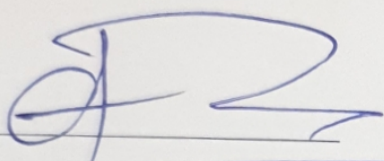
**Place: New Delhi**

**Date: 23.07.2024**

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**For DMR Hydroengineering & Infrastructures Limited**



**Mr. Bangam Prasad Rao**

Non - Executive Director

DIN: .09335571

22 / July / 2024


Place: Faridabad

Date: 22.07.2024

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**For DMR Hydroengineering & Infrastructures Limited**



**Ms. Rachana Agrawal**

Independent Director

**DIN: 09336019**

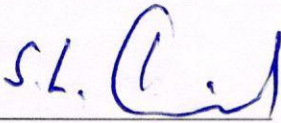
**Place: Faridabad**

**Date: 23.07.2024**

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**For DMR Hydroengineering & Infrastructures Limited**



**Mr. Shyam Lal Kapil**

Non-Executive Director

**DIN: 10249705**

**Place: New Delhi**

**Date: 23.07.2024**

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**For DMR Hydroengineering & Infrastructures Limited**



**Mr. Surajit Dutta**

Non - Executive Director

**DIN: 06687032**

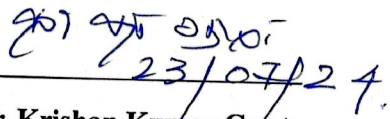
**Place: Kolkata**

**Date: 23.07.2024**

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**For DMR Hydroengineering & Infrastructures Limited**

  
23/07/24

**Mr. Krishan Kumar Gupta**

Whole-time Director

**DIN: 10249694**

**Place: Faridabad**

**Date: 23.07.2024**

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**For DMR Hydroengineering & Infrastructures Limited**



**Mr. Dahyalal Bansilal Prajapati**

Independent Director

**DIN: 09592327**

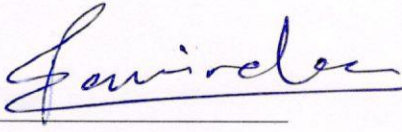
**Place: Ahmedabad**

**Date: 23.07.2024**

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**For DMR Hydroengineering & Infrastructures Limited**



**Mr. Ravinder Kumar Bhatia**

Company Secretary & Compliance Officer

**Place: Faridabad**

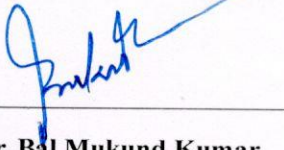
**Date: 23.07.2024**



## DECLARATION

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**For DMR Hydroengineering & Infrastructures Limited**



**Mr. Bal Mukund Kumar**

Chief Financial Officer

**Place: Faridabad**

**Date: 23.07.2024**