

CS/CA-Q2(2024-25)

Date: 25th July, 2024

To,
The Listing Department
BSE Limited
Department of Corporate Affairs
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

To,
The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex,
Bandra (E)
Mumbai - 400 051

Subject : Intimation under Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”)

Reference: ISIN - INE02IJ01035; Scrip Id-544061; Scrip Code-AZAD

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, We are pleased to inform you that Azad Prime Private Limited (a subsidiary company of Azad Engineering Limited) has entered into an asset purchase agreement and related documents with Leo Primecomp Private Limited and Mr. A. Vasudevan. This agreement involves the acquisition of assets related to the manufacture and supply of a new family of ‘Large size’ critical, and advanced technology parts. These parts will cater to our existing clients (OEMs) and new customers, expanding our portfolio in the nuclear, gas, thermal, and oil & gas sectors. With this addition, AZAD will now have capabilities for supplying ‘Large’ mission-critical and life-critical components, complementing our existing portfolio of ‘small-to-medium size’ mission-critical and life-critical components. This will enable us to add new capabilities around large-size product segments such as control valves, rotors, casings, diaphragms, and other heavy engineering systems/sub-systems. These components are crucial for advanced nuclear, gas, and thermal turbine engines in the energy and power sectors, aimed at meeting global demands.

This strategic acquisition will enhance and strengthen AZAD’s capabilities in producing components for small and modular reactors (SMRs) for the nuclear energy sector for India and global requirement, aligning with the technology development goals under the Atmanirbhar Bharat initiative by the Government of India. Additionally, this acquisition will further bolster AZAD Engineering’s capacity to deliver highly engineered critical components, including assemblies and sub-assemblies, across various sectors such as Defense, Space, Oil & gas.

The parties and Azad Engineering Limited have also entered into agreements pursuant to which Leo Primecomp Private Limited would become a shareholder and Mr. A. Vasudevan an employee of Azad Prime Private Limited.

The details required pursuant to SEBI Circular No. SEBI/HO/CFD/CFD-Pod1/P/CIR//2023/123 dated July 13, 2023, are enclosed as **Annexure 1** (pertaining to acquisition of assets) and **Annexure 2** (pertaining to Azad Prime Private Limited ceasing to be a wholly owned subsidiary of Azad Engineering Limited).

You are requested to take the above on record.

Thanking you,
Yours truly,

For Azad Engineering Limited
Ful Kumar Gautam

(Company Secretary & Compliance Officer)
Membership No.: A49550

AZAD ENGINEERING LIMITED



Registered Office Address: 90/C, 90/D, Phase-1, I.D.A. Jeedimetla, Hyderabad, Telangana-500 055, India.

CIN NO: U74210TG1983PLC004132
GSTIN: 36AAECA9452H1ZJ

Tel: 040-23097007
Email: cs@azad.in

CS-2404 - 683

Website: www.azad.in

Annexure 1

Sr. No.	Particulars	Details
1	Name of the target entity, details in brief such as size, turnover etc.;	Not applicable. Only certain assets of Leo Primecomp Private Limited are proposed to be acquired and details of size, and turnover of Leo Primecomp Private Limited are not relevant.
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	No
3.	Industry to which the entity being acquired belongs	Engineering (Manufacturing)
4	Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	<p>This agreement involves the acquisition of assets related to the manufacture and supply of a new family of 'Large size' critical, and advanced technology parts. These parts will cater to our existing clients (OEMs) and new customers, expanding our portfolio in the nuclear, gas, thermal, and oil & gas sectors. With this addition, AZAD will now have capabilities for supplying 'Large' mission-critical and life-critical components, complementing our existing portfolio of 'small-to-medium size' mission-critical and life-critical components. This will enable us to add new capabilities around large-size product segments such as control valves, rotors, casings, diaphragms, and other heavy engineering systems/sub-systems. These components are crucial for advanced nuclear, gas, and thermal turbine engines in the energy and power sectors, aimed at meeting global demands.</p> <p>This strategic acquisition will enhance and strengthen AZAD's capabilities in producing components for small and modular reactors (SMRs) for the nuclear energy sector for India and global requirement, aligning with the technology development goals under the Atmanirbhar Bharat initiative by the Government of India. Additionally, this acquisition will further bolster AZAD Engineering's capacity to deliver highly engineered critical components, including assemblies and sub-assemblies, across various sectors such as Defense, Space, Oil & gas.</p>
5	Brief details of any governmental or regulatory approvals required for the acquisition	No governmental approvals are required for the transfer of assets. Operational licenses required by Azad Prime Private Limited for operating the assets would be applied for and obtained in due course.
6	Indicative time period for completion of the acquisition	Prior to August 31, 2024

AZAD ENGINEERING LIMITED



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CS-2404-684

7	Consideration -whether cash consideration or share swap or any other form and details of the same	Cash consideration of INR 12,43,72,679 (Indian Rupees Twelve Crore Forty three Lakhs Seventy two Thousand Six Hundred Seventy-Nine Only) is payable by Azad Prime Private Limited to Leo Primecomp Private Limited.
8	Cost of acquisition and/or the price at which the shares are acquired	Not applicable
9	Percentage of shareholding / control acquired and / or number of shares acquired	Not applicable
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Not applicable. Only certain assets of Leo Primecomp Private Limited are proposed to be acquired and details of background and turnover of Leo Primecomp Private Limited are not relevant.

Annexure 2

S. No.	Particulars	Details
1.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year	Not applicable as Azad Prime Private Limited has no operations currently
2.	Date on which the agreement for sale has been entered into	Upon completion of the transactions contemplated under the shareholders' agreement dated July 25, 2024, LEO PRIMECOMP PRIVATE LIMITED would hold 49% shares of Azad Prime Private Limited and the remaining 51% shall be held by Azad Engineering Limited
3.	The expected date of completion of sale/disposal;	Prior to August 31, 2024
4.	Consideration received from such sale/disposal;	Rs. 96,080 will be paid by LEO PRIMECOMP PRIVATE LIMITED towards allotment of 49% shares of Azad Prime Private Limited. Such shares are subject to purchase by Azad Engineering Limited per terms set out in the relevant agreements.
5.	Brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof	LEO PRIMECOMP PRIVATE LIMITED is the buyer and it does not belong to the promoter/promoter group/group companies of Azad Engineering Limited
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	No
7.	Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations	Not applicable
8.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale	Not applicable