Letter of Offer
Dated: July 15, 2022
For Eligible Shareholders only

PTC INDUSTRIES LIMITED

PTC Industries Limited ("Company" or "Issuer") was originally incorporated as 'Precision Tools & Castings Private Limited' on March 20, 1963 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Kanpur, Uttar Pradesh and consequently a certificate of incorporation dated March 20, 1963 was issued to our Company. The status of our Company was changed to 'Precision Tools & Castings Limited', pursuant to a special resolution of our Shareholders passed in an Extra-Ordinary General Meeting dated August 27, 1994 and a fresh certificate of incorporation dated October 25, 1994, consequent to such change was issued to our Company by the Registrar of Companies, Kanpur, Uttar Pradesh. Further, the name of our Company was changed to 'PTC Industries Limited', pursuant to special resolution of our shareholders passed in an Extra-Ordinary General Meeting dated December 28, 1998 and a fresh certificate of incorporation dated January 22, 1999, consequent to such change was issued to our Company by the Registrar of Companies, Kanpur, Uttar Pradesh. The registered office of our Company was shifted from Malviya Nagar, Aishbagh, Lucknow – 226004, Uttar Pradesh to Advanced Manufacturing & Technology Centre, NH 25A, Sarai Shahjadi, Lucknow 227101, Uttar Pradesh with effect from August 29, 2017. For detailed information please refer Chapter "Details of Business" page number 80 of this Letter of Offer.

Registered Office: Advanced Manufacturing & Technology Centre, NH 25A, Sarai Shahjadi, Lucknow 227101, Uttar Pradesh, India
Telephone No. : +91 522-7111017 | **Fax No. :** +91 522-7111017
Email: info@ptcil.com | **Website:** www.ptcil.com
Contact Person : Ms. Pragati Gupta Agrawal, Company Secretary and Compliance Officer
Corporate Identification Number: L27109UP1963PLC002931

PROMOTERS OF OUR COMPANY: MR. SACHIN AGARWAL & M/s SACHIN AGARWAL HUF

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF PTC INDUSTRIES LIMITED ONLY

ISSUE OF UP TO 78,58,594 FULLY PAID-UP EQUITY SHARES OF THE FACE VALUE OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 10/- PER RIGHTS EQUITY SHARE AGGREGATING UP TO ₹ 785.86 LAKH ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 3 RIGHTS EQUITY SHARES FOR EVERY 2 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS, ON FRIDAY, JULY 22, 2022 (THE "ISSUE"). FOR DETAILS, SEE "*TERMS OF THE ISSUE*" ON PAGE 115.

THE ISSUE PRICE OF EACH RIGHTS EQUITY SHARE IS 1 TIME OF THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 115.

WILLFUL DEFAULTER OR FRAUDULENT BORROWER

Neither our Company, our promoters nor our directors are identified as willful defaulters or fraudulent borrower. For further details, see "Other Regulatory and Statutory Disclosures on page 111.

GENERAL RISKS

Investment in equity and equity related securities involve 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 Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 20 under the section 'General Risks'.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Company and the issue which is material in the context of the issue, that the information contained in the 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 make this 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.

LISTING

The Equity Shares are listed on BSE Limited ("BSE" or "Stock Exchange"). Our Company has received "In-principle" approval from BSE for listing the Rights Equity Shares through its letter dated June 07, 2022. Our Company will also make applications to the Stock Exchange to obtain its trading approval 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 purposes of this Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE ISSUE

LINK Intime	**Link Intime India Private Limited** Address : C – 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India Telephone: +91 22 4918 6200 Facsimile: +91 22 4918 6195 E-mail: ptc.rights@linkintime.co.in Investor grievance: ptc.rights@linkintime.co.in Website: www.linkintime.co.in Contact person : Mr. Sumeet Deshpande SEBI Registration No: INR000004058

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR ON-MARKET RENUNCIATION*	ISSUE CLOSES ON#
WEDNESDAY, AUGUST 03, 2022	**MONDAY, AUGUST 08, 2022**	**FRIDAY, AUGUST 12, 2022**

**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.*

#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, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I : GENERAL

DEFINITIONS AND ABBREVIATIONS

This 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 legislations, acts, regulations, rules, guidelines or policies shall be to such legislations, acts, regulations, 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.

The words and expressions used in this 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 "Statement of Special Tax Benefits" and "Financial Information" on pages 68 and 97, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Terms	Descriptions
Articles of Association/ Articles / "AoA"	The Articles of Association of our Company, as amended from time to time.
Associates	With reference to any company, the associate of that company would mean any other company within the meaning of section 2(6) of the Companies Act.
Audit Committee	The Audit Committee of the Board of Directors of the Company.
Board of Directors / Board	The Board of Directors of our Company or a duly constituted committee thereof.
Chairman	The Chairman of our Company.
Managing Director	Managing Director of our Company i.e., Mr. Sachin Agarwal.
Company / our Company / the Company / the Issuer	PTC Industries Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at Advanced Manufacturing & Technology Centre, NH 25A, Sarai Shahjadi, Lucknow-227101, Uttar Pradesh, India.
Director(s)	Any or all the directors on our Board, as may be appointed from time to time.
Equity Shareholder	A holder of Equity Shares.
Equity Shares	The equity shares of our Company, each having a face value of ₹ 10 each, unless otherwise specified.
Executive Directors	Executive Director(s) of our Company, unless otherwise specified.
"Joint Venture" or "JV" or "Joint Venture and Subsidiary" or "Joint Venture Entity" or "Subsidiary" or "Material Subsidiary"	Aerolloy Technologies Limited is our wholly owned subsidiary.
Listing Committee	The Listing Committee of the Company comprising of Mr. Sachin Agarwal, Mr. Alok Agarwal and Ms. Smita Agarwal.
Memorandum of Association /	The Memorandum of Association of our Company, as amended from time to time.

Terms	Descriptions
Memorandum / MoA	
Non-Executive and Independent Director	Non-Executive and Independent Directors of our Company, unless otherwise specified.
Non-Executive Director	Non-Executive Directors of our Company, unless otherwise specified
Promoter and Promoter Group	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
Promoter Group	Unless the context requires otherwise, the individuals and entities forming part of our promoter group in accordance with Regulation 2(1) (pp) of the SEBI ICDR Regulations and which are disclosed by our Company to the Stock Exchanges from time to time.
Promoter/ Promoters	Mr. Sachin Agarwal and M/s Sachin Agarwal HUF are the Promoters of our Company.
Registered Office	The Registered Office of our Company located at Advanced Manufacturing & Technology Centre, NH 25A, Sarai Shahjadi, Lucknow – 227101, Uttar Pradesh, India.
Registrar of Companies / RoC	Registrar of Companies, Kanpur, Uttar Pradesh having its office at 37/17, Westcott Building, The Mall, Kanpur - 208001, Uttar Pradesh, India.
Shareholders	Persons holding Equity Shares of our Company, unless otherwise specified in the context thereof.
Statutory Auditors	The current statutory auditors of our Company, being M/s Walker Chandiok & Co. LLP, Chartered Accountants.
Subsidiaries	Aerolloy Technologies Limited is the wholly owned subsidiary of our Company.
We, Our, or Us	PTC Industries Limited, unless otherwise specified or unless the context otherwise requires

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Allot, Allotment or Allotted	Allotment of Rights Equity Shares pursuant to this Issue.
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Banks	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Axis Bank Limited.
Allotment Date	Date on which the Allotment shall be made pursuant to this Issue.
Allottee(s)	Person(s) who shall be allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Letter of Offer.

Term	Description
Application	Application made through (i) 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 form available for submission of application through the website of the SCSBs (if mad 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 in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount or ASBA	Application used by an investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in Terms of the Issue on page 143 of this Letter of Offer.
Bankers to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Bankers to the Issue	Collectively, the Escrow Collection Bank, the Allotment Account Banks and the Refund Account Bank to the Issue.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
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 Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited (BSE)
Eligible Equity Shareholders	Equity Shareholders of our Company on the Record Date, i.e., July 22, 2022

Term	Description
Issue	This issue of up to 78,58,594 Equity Shares for cash at a price ₹ 10/- per Equity Share (including Nil premium per Equity Share) aggregating to ₹785.86 Lakh which is not exceeding ₹50 Crores# on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 3:2 (i.e., 3 Equity Shares for every 2 fully paid-up Equity Shares) held by the Eligible Equity Shareholders on the Record date that is on July 22, 2022. *#Assuming full subscription*
Issue Closing Date	August 12, 2022
Issue Opening Date	August 03, 2022
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ 10/- (Rupees Ten Only) per Equity Share
Issue Proceeds / Gross Proceeds	Gross proceeds of this Issue.
Issue Size	Amount aggregating to up to ₹ 785.86 Lakh. (*Assuming full subscription)*
Letter of Offer	This Letter of Offer dated April 20, 2022, filed with the Designated Stock Exchange (BSE), and with SEBI for purposes of record keeping.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before August 08, 2022.
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 Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being July 22, 2022.
Registrar to the Issue or Registrar	Link Intime India Private Limited.
Registrar Agreement	Agreement dated June 08, 2022, 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.
Renouncee(s)	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on August 08, 2022, 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.

Term	Description
Rights Entitlements	The right to apply for the Rights Equity Shares, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, in this case being 3:2 (3 Rights Equity Shares for every 2 Equity Shares held by an Eligible Equity Shareholder, on the Record Date, excluding any fractional entitlements.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company.
Rights Equity Shareholders	A holder of the Rights Equity Shares, from time to time.
Rights Equity Shares	Equity shares of our Company to be allotted pursuant to this Issue on partly paid- up basis on Allotment
SCSB(s)	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at website of SEBI and/or such other website(s) as may be prescribed by SEBI from time to time.
Stock Exchange	The Stock Exchange where our Equity Shares are presently listed, being BSE.
Transfer Date	The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Accounts in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Willful Defaulter	Company or person, as the case may be, categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by RBI and includes any company whose director or promoter is categorized as such.
Working Day(s)	Working day means all days on which commercial banks in Uttar Pradesh 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 Uttar Pradesh are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Conventional terms or Abbreviations

Terms	Descriptions
₹/ Rs. / Rupees or INR	Indian Rupee.
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Arbitration Act	Arbitration and Conciliation Act, 1996.
AS / Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India as notified under the Companies (Accounts) Rules, 2014

Terms	Descriptions
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
BSE	BSE Limited.
CAA	Citizenship (Amendment) Act, 2019
CBLO	Collateralized Borrowing and Lending Obligation.
CDSL	Central Depository Services (India) Limited.
Central Government / Government of India / GoI	Central Government of India.
CIN	Corporate Identification Number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder.
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder.
Delhi Government	Government of National Capital Territory of Delhi.
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
DIN	Director Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DP / Depository Participant	Depository Participant as defined under the Depositories Act.
DP ID	Depository Participant Identification.
DPIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as Department of Industrial Policy and Promotion.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortization and depletion expenses, exceptional items and other income as presented in the statement of profit and loss in the Financial Statements.
EGM	Extraordinary General Meeting
EPS	Earnings per share.
ETF	Exchange Traded Fund
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment.
FDI Policy	The consolidated foreign direct investment policy notified by the DIPP (now DPIT) vide circular no. D/o IPP F. No. 5(1)/2017- FC-1 dated August 28, 2017 effective from August 28, 2017.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year / FY /Fiscal	Period of 12 months ended March 31 of that particular year.
Foreign Portfolio	Foreign portfolio investors as defined under the SEBI FPI Regulations, registered

Terms	Descriptions
Investors /FPIs	with SEBI under applicable laws in India.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
FVCIs	Foreign Venture Capital Investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations.
GDP	Gross Domestic Product.
Government	Central Government and/or the State Government, as applicable.
GST	Goods and Services Tax.
HUF	Hindu Undivided Family
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards.
Income-tax Act	Income-tax Act, 1961.
Ind AS	Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
India	Republic of India.
Indian GAAP	Generally Accepted Accounting Principles followed in India.
IPC	Indian Penal Code, 1860.
ISIN	International Securities Identification Number.
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchanges.
MCA	The Ministry of Corporate Affairs, Government of India.
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. / N/A	Not applicable.
NACH	National Automated Clearing House.
NEFT	National Electronic Fund Transfer.
NR / NRs	Non-resident(s) or person(s) resident outside India, as defined under the FEMA.
NRE Account	Non-resident external account.
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016.
NRO Account	Non-resident ordinary account.
NSDL	National Securities Depository Limited.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number

Terms	Descriptions
PBT	Profit Before Tax
PAT	Profit After Tax
RBI	Reserve Bank of India.
REPO	Repurchase Agreement.
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement.
SAT	Securities Appellate Tribunal.
SCN	Show Cause Notice.
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 FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
SMS	Short Message Service.
State Government	Government of a state of India.
Trademarks Act	Trademarks Act, 1999
U. K.	United Kingdom
U.S. / USA / United States	United States of America, including the territories or possessions thereof.
VCFs	Venture Capital Funds, as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlements and the Rights Securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form, or the Rights Entitlement Letter 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 dispatch the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to email addresses of 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 Securities is permitted under laws of such jurisdictions. Further, this Letter of Offer will be provided, only through email, 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 Securities is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, and the Stock Exchanges.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with the Stock Exchange. Accordingly, the Rights Entitlements and the Rights Securities may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter and any other offering materials or advertisements in connection with this Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

This Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter must be treated as sent for information only and should not be acted upon for subscription to Rights Securities and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter should not, in connection with the issue of the Rights Securities or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject the Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Application Form or Rights Entitlement Letter is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Securities or the Rights Entitlements referred to this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter. The Company is not making any representation to any person regarding the legality of an investment in the Rights Entitlements or the Rights Securities by such

person under any investment or any other laws or regulations. No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlements and the Rights Securities offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Securities in accordance with the legal requirements applicable in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Securities will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "Other Regulatory and Statutory Disclosures" on page 111.

Neither the delivery of this Letter of Offer nor any sale of Rights Securities 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 Letter of Offer or the date of such information. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Securities 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 the Rights Securities or Rights Entitlements. In addition, neither our Company nor any of its affiliates is making any representation to any offeree or purchaser of the Rights Securities regarding the legality of an investment in the Rights Securities by such offeree or purchaser under any applicable laws or regulations.

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 Letter of Offer, 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.

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.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("Securities Act"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("United States" or "U.S.") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("Regulation S"), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Letter of Offer and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form. Rights Entitlements may not be transferred or sold to any person in the United States.

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 in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise or unless the context requires otherwise, the financial data in this Letter of Offer is derived from the Audited Financial Statements of the Company. For details, see "Financial Statements" on page 97.

We have prepared our Financial Statements in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Our Fiscal commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular "Fiscal Year", "Fiscal", "Financial Year" or "FY" are to the 12 months period ended on March 31 of that year.

In this 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. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in lakhs.

Market and Industry Data

Unless stated otherwise, market and industry data used in this Letter of Offer has been obtained or derived from publicly available information, industry publications and sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy, adequacy, completeness, reliability or underlying assumption are not guaranteed. Similarly, industry forecasts and market research and industry and market data used in this Letter of Offer, while believed to be reliable, have not been independently verified by our Company or its respective affiliates and neither our Company nor its respective affiliates make any representation as to the accuracy of that information. Accordingly, investors should not place undue reliance on this information.

Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like net worth, return on net worth, net asset value per equity share, ratio of non-current

borrowings (including current maturities) / total equity, ratio of total borrowings/ total equity and Earnings before interest, tax, depreciation and amortization ("EBITDA") have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Indian GAAP.

Currency of Presentation

In this Letter of Offer, references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "USD", "U.S. $" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

All references to 'million' / 'Million' / 'Mn' refer to one million, which is equivalent to 'ten lacs' or 'ten lakhs', the word 'Lacs / Lakhs / Lac' means 'one hundred thousand' and 'Crore' means 'ten million and 'billion / bn./ Billions' means 'one hundred crores.

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FORWARD LOOKING STATEMENTS

Certain statements contained in this 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', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'target' 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 Letter of Offer that are not historical facts.

These forward-looking statements contained in this 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:

- A prolonged slowdown in economic growth in India or financial instability in other countries, particularly in light of the COVID-19 pandemic, could cause our business to suffer.
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- The performance of the Electricals market in India and globally;
- Any failure or disruption of our information technology system;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other 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; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section "Risk Factors" on page 20.

By their nature, market risk disclosures are only estimate and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Letter of Offer are based on

the beliefs of management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer and our Company has not undertaken any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties 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.

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SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the chapters, "Objects of the Issue", "Outstanding Litigation and Other Defaults" and "Risk Factors" on pages 63, 107 and 20 respectively.

1. Primary Business of our Company

PTC manufactures products for various critical applications for a wide spectrum of industries including Defence and Aerospace, Titanium and Exotic Metals Manufacturing, Oil & Gas, Liquefied Natural Gas (LNG), Ships & Marine, Valves and Flow control, Power plants and turbines and Pulp & Paper machinery. It offers a wide range of materials which include Titanium Alloys, Alloy Steel, Stainless Steel, Duplex and Super Duplex Stainless Steel, Creep Resistant Steel, Heat Resistant Steel, Nickel-Based Alloys, Cobalt-Based Alloys, Austenitic Ductile Iron, Nickel Aluminium Bronze, etc. For further details, please refer to the chapter titled "Our Business Overview" at page 80 of this Letter of Offer.

2. Object of the Issue

The Net Proceeds are proposed to be utilized as follows:

(₹ in Lakhs)

Particulars	Amount
Investment in its Wholly Owned Subsidiary Aerolloy Technologies Limited.	589.39
General corporate purposes	159.46

For further details, please see the chapter titled "Objects of the Issue" on page 63.

3. Intention and extent of participation by the Promoter and Promoter Group

Our Promoter and Promoter Group, (the "Promoter and Promoter Group Letters"), have confirmed to (i) subscribe to the full extent of their Rights Entitlements and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favor of any other member(s) of the Promoter and Promoter Group); (ii) also subscribe to Rights Equity Shares for the Rights Entitlements, if any, which are renounced in their favor by any other member(s) of the Promoter and Promoter group; and (iii) In the event of any under- subscription of the Issue, to subscribe to additional Rights Equity Shares to the extent of at least minimum subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957. Any acquisition of Rights Equity Shares by Promoter & Promoter Group of the Company, over and above our Rights Entitlements, as applicable, or subscription to any unsubscribed portion of this Issue, will not result in a change of control of the management of the Company and will not result in non-compliance or violation of any applicable laws. For further details, please see the chapter titled "Capital Structure" beginning on page 60.

4. Summary of outstanding litigations

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries, as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authority	Amount Involved (₹ Lakhs)
Company	By	-	-	8	-	26.88
	Against	-	-	-	-	-
Promoter	By	-	-	-	-	-
	Against	-	-	-	-	-
Group Companies/Entities	By	-	-	-	-	-
	Against	-	-	-	-	-
Directors other than promoters	By	-	-	-	-	-
	Against	-	-	-	-	-

For further details, please see the chapter titled "Outstanding Litigations and Other Defaults" beginning on page 107.

5. Risk Factors

For details of the risks associated with our Company, please see the section titled "Risk Factors" beginning on page 20.

6. Contingent liabilities

For details of contingent liabilities please see the section titled "Financial Information" beginning on page 97.

7. Related party transactions

For details of related party transactions please see the section titled "Financial Information" beginning on page 97.

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

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of this Letter of Offer.

SECTION II : RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled 'Our Business Overview' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page numbers 80 and 100, respectively, of the Letter of Offer as well as the other financial and statistical information contained in the Letter of Offer.

If any one or more of the following risks as well as other risks and uncertainties discussed in the Letter of Offer were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.

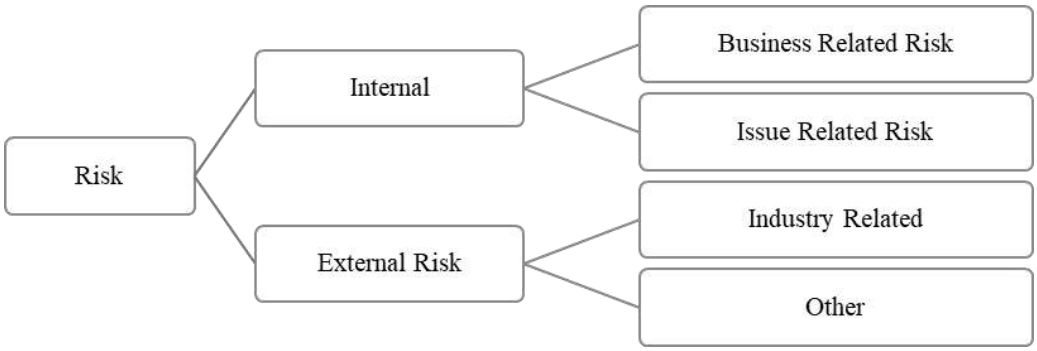
The Letter of Offer also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Letter of Offer. These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

Materiality

The Risk factors have been determined on the basis of their materiality, which has been decided on the basis of following factors:

1. Some events may not be material individually but may be material when considered collectively.
2. Some events may have an impact which is qualitative though not quantitative.
3. Some events may not be material at present but may have a material impact in the future.

Classification of Risk Factors



Internal Risks

1. ***Non-performance of Aerolloy Technologies Limited may cause loss to the Company.***

   The primary Object of the issue is to make investment in its wholly owned subsidiary Aerolloy Technologies Limited ("ATL") to the tune of approximately ₹ 589.39 Lakh against acquisition of Equity Shares of the ATL. There may be a situation where ATL may not operate efficiently and investments made by the Company into ATL may end up into decreasing in value, causing loss to the Company on consolidated basis. For details of present financial position of ATL please refer page 63 of this Letter of Offer in Chapter Titled "Objects of the Issue".

2. ***Our Company has negative cash flows from its investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.***

   Our Company had negative cash flows from our investing activities as well as financing activities in the previous years as per the Financial Statements and the same are summarized as under.

(₹ in Lakh)

Particulars	For the year ended on March		
	2022	2021	2020
Net Cash Generated from Operating Activities	2450.11	476.33	1,824.44
Net Cash Generated from Investing Activities	-2803.15	-1,698.73	-1,616.94
Net Cash Generated from Financing Activities	302.78	1,217.35	-614.93

3. ***We are yet to obtain consents/ no objection certificate from certain lenders of our Company for the Issue.***

   Our Company has entered into agreements for fund based and non-fund-based borrowings with certain lenders. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations which inter-alia include change in capital structure (including this present proposed Issue), formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying secured loan and unsecured loans, undertake guarantee obligations, which shall require our Company to obtain prior approval. In accordance with the terms of the loan agreements, our Company needs to apply to lenders for obtaining their consents/ non- objection certificates for undertaking this Issue, however, as of date of this Letter of Offer, our Company is yet to receive no-objection certificates. Undertaking the Issue without obtaining consents/no objection certificates from the aforementioned lenders may constitute a breach of covenant under the relevant financing documents, which could entitle the respective lenders to consider this Issue as an event of default under the loan agreements, thereby entitling them to take adverse actions against our Company as per their respective agreements. The occurrence of any of the events mentioned above can adversely affect our business, results of operations and financial condition.

4. ***Our Company is involved in certain legal proceedings. Any adverse decision in such proceedings may cause monetary losses to the Company.***

   Our Company is currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various levels with concerned judicial bodies. The summary of

outstanding litigation as on date in relation to criminal matters, tax matters and actions by regulatory/ statutory authorities against our Company, Directors and Promoter, as applicable, have been set out under "Outstanding Litigation and Defaults" on page 107.

A summary of material outstanding legal proceedings as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authorities	Amount Involved (₹Lakhs)
Company	**By**	-	-	8	-	26.88
	Against	-	-	-	-	-
Promoter	**By**	-	-	-	-	-
	Against	-	-	-	-	-
Group Companies/Entities	**By**	-	-	-	-	-
	Against	-	-	-	-	-
Directors other than promoters	**By**	-	-	-	-	-
	Against	-	-	-	-	-

Adverse decisions in any of the aforesaid outstanding legal proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations. If the courts or tribunals rule against our Company, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

5. ***Our business and operations, and that of our suppliers, have been and may continue to be adversely affected by the COVID - 19 pandemic or other similar outbreaks, particularly if the economies of the countries in which we operate are affected for a significant amount of time.***

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and shutdowns. These measures may have an impact on workforce and operations and the operations of our customers. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may further cause significant economic disruption across India.

The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian economy in general. The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may

take further actions as may be required by government authorities or that we determine are in the best interests of our employees and customers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak. The extent to which COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. The degree to which COVID-19 may impact our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or the ability to treat its impact, and how quickly and to what extent normal economic and operating conditions can resume.

The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, loss of life, injuries and impact the wellbeing of our people. Further, if the outbreak of any of these epidemics or other severe epidemics, continues for an extended period, occur again and/or increases in severity, it could have an adverse effect on economic activity worldwide, and could materially and adversely affect our business, cash flows, financial condition and results of operations. Similarly, any other future public health epidemics or outbreak of avian or swine influenza or other contagious disease in India could also materially and adversely affect our business, cash flows, results of operations and financial condition.

For these reasons, we cannot reasonably estimate the ultimate impact of COVID-19 on our business with any certainty nor can we provide any assurance that COVID-19 will not have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, to the extent that COVID-19 adversely affects our business, financial condition and results of operations, it may also have the effect of heightening other risks described in this "Risk Factors" section, including those relating to our indebtedness, ability to generate sufficient cash flows to fund our debt obligations, and our ability to comply with the covenants contained in the agreements that govern our indebtedness.

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

Our Company has extended corporate guarantee in favor of Tata Capital Financial Services Limited with respect to the loan facilities availed by our Wholly owned Subsidiary, Aerolloy Technologies Limited (i.e., our Wholly Owned Subsidiary, wherein the proceeds of the present Rights Issue shall be invested). In the event the business and operations of our Wholly owned Subsidiary deteriorates and if it commits a default in payment of principal or interest due to the bank, the corporate guarantee extended by our Company may get invoked.

On the occurrence of any of the above-mentioned situations, the Bank might demand repayment of the outstanding amounts under the said facilities sanctioned to our wholly owned Subsidiary. In the event, we are unable to repay the outstanding amount in a timely manner or at all, the Bank may enforce the restrictive covenants or consequences of defaults which in turn may affect our further borrowing abilities thereby adversely affecting our business and operations. For further details, please refer to the chapter titled — "Financial Information" on page 97 of this Letter of Offer.

7. ***In the past, there have been instances of delayed or erroneous filing of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC by our Company and our Subsidiaries.***

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

8. ***The global scope of our operations exposes us to risks of doing business in foreign countries, including the constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate, which could adversely affect our business, financial condition and results of operations.***

   We sell our products in countries such as European Union, USA, Brazil, China, Canada and others, etc. In majority of our revenue from operations was from exports. Our business is therefore subject to diverse and constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate. Operating in the international markets exposes us to a number of risks, including, but not limited to, compliance with local laws and regulations, which can be onerous and costly as the magnitude and complexity of, and continual amendments to, these laws and regulations are difficult to keep abreast with and the liabilities, penalties, costs, obligations and requirements associated with these laws and regulations can be substantial. Our failure to comply with and adapt to changing international regulations and/or trends may result in us failing to maintain and/or expand our international sales operations, which might adversely affect our business, financial condition and results of operations.

   In case of any contingencies in the future, as a result of which we are unable to operate effectively in these markets, the results of our operations, revenues and profitability might be adversely affected. Due to this, we might not be able to expand our business effectively in the international market, thereby affecting our business, results of operations and financial condition.

9. ***Our continued operations are critical to our business and any shutdown of our manufacturing unit might adversely affect our business, results of operations and financial condition. Furthermore, our manufacturing unit, our warehouses, godowns and all our facilities are currently located in one geographical area. The loss of, or shutdown of, our operations at this manufacturing or any disruption in the operation of our warehouses will adversely affect our business, financial condition and results of operations.***

   Our manufacturing units, including godowns and warehouses are located in Uttar Pradesh and Gujarat and any local social unrest, natural disaster or breakdown of services and utilities in these areas might have material adverse effect on the business, financial position and results of our operations. Our current manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of

efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

In the event, we are forced to shut down our manufacturing units for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiraling cost of living around our units may push our manpower costs in the upward direction, which might reduce our margin and cost competitiveness.

For instance, due to the ongoing pandemic and the nationwide lockdown which was imposed by the Central Government and various state governments, we had to shut down all our manufacturing units. Pursuant to various notifications issued by Ministry of Home Affairs, Government of India, all our manufacturing units were allowed to start their operations subject to the conditions prescribed therein. With the onslaught of the third wave of Coronavirus, a further lockdown might be imposed or if for other unforeseeable reasons, we might have to halt the operations in our manufacturing units, which might cause an adverse impact on our business operations, revenue, results of operations and financial conditions.

Our manufacturing, processing and other business activities might be subject to unexpected interruptions, including natural or man-made disasters. Our facilities and operations might be adversely affected by, among other factors, breakdown or failure of equipment, difficulties or delays in obtaining spare parts and equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labor disputes, natural disasters, raw material shortages, fire, explosion and other unexpected industrial accidents and the need to comply with the directives of relevant government authorities. Any failure of our systems or any shutdown of any of our manufacturing unit and facilities for any reason might result in significant increase of costs and delays in execution of orders.

We do not have a diversified base of manufacturing operations, and local disturbances which would have a material adverse effect on our business, and consequently on our operations and financial condition. Furthermore, our warehouses are subject to operating risks, such as performance below expected levels of efficiency, labor disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Any disruption of operations of our warehouses might result in delayed delivery of our product, which might lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. While our strategic objectives include geographical expansion across India, in the event that we are unable to make available our products in a prompt manner and within the requisite timelines our business, financial condition and prospects might be adversely affected. Furthermore, any significant interruption to our operations directly or indirectly as a result of any industrial accidents, severe weather or other natural disasters might materially and severely affect our business, financial condition and results of operations. Similar adverse consequences could follow if war, or war-like situation were to prevail, terrorist attacks were to affect our related infrastructure, or if the Government of India were to temporarily take over the facility during a time of national emergency. In addition, any disruption in basic infrastructure, such as in the supply of electricity may substantially increase our manufacturing costs.

Any disruption of our existing supply of infrastructure services such as power or water, our failure to obtain such additional supplies as required by us or an increase in the cost of such supplies may result in additional costs to us. In such situations, our production capacity may be materially and adversely impacted. In the event our facilities are forced to shut down for a significant period of time, our earnings, financial condition and results of operation would be materially and adversely affected.

10. ***In the event our marketing initiatives do not yield intended results our business and results of operations may be adversely affected.***

We believe that the recognition and reputation of our brands has contributed to the growth of our business. We intend to continue to enhance the brand recall of our products through the use of targeted marketing and public relations initiatives. In order to maintain and enhance such recognition and reputation, we may be required to invest significant resources towards marketing and brand building exercises, specifically with respect to new products we launch or for geographic markets where we intend to expand our operations.

We incur advertising and marketing expenses to increase brand recall and capture additional demand, and in the event, they do not yield their intended results, or we are required to incur additional expenditures than anticipated, our business and results of operations might be adversely affected.

11. ***The raw materials, consumables, and specialized equipment are key requirements for the Company and the suppliers have significant bargaining power.***

The raw materials, consumables, and specialized equipment are key requirements for the Company and the suppliers have significant bargaining power. In addition, the bargaining power is also influenced by availability, unique performance attributes, and service capabilities, to name a few factors. Some of the raw materials that the Company uses are governed by international commodity pricing and are subject to any movement or change in such commodity prices globally. Further, availability of raw materials during times of disruption in international markets due to any global pandemic, war, dispute, embargo, etc. which may affect the logistics and movement of goods may cause disruption in the manufacturing processes which may have a material adverse effect on our results of operations, cash flows and financial condition.

Suppliers of commodity metals, scrap, alloys, and the like, control the price and supply on a global basis. Often other sectors drive the pricing of these materials, as foundry consumption is small in comparison. Disruption in international markets due to any global pandemic, war, dispute, embargo, etc. affect the logistics and movement of goods and in turn affect the prices and supplies. Hence, the suppliers to foundries have high bargaining power overall. We have significantly mitigated this threat by introducing recycling measures for direct and indirect materials and replacing traditional sand-casting methods with Replicast®, RapidCast™, Printcast™ and forgeCAST™ technologies. Further. We have managed to forge relations with the most reputed suppliers in the world specially to source its capital equipment requirements thereby succeeding in bringing the most advanced equipment and technologies to India.

12. ***Any delays and/or defaults in customer payments could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition.***

We are exposed to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business network model, we supply our products directly to our customers without taking any advance payment or security deposit against the orders `placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of

our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it may have a material adverse effect on our Company's results of operations and financial condition. Even though we have availed trade credit insurance policy (domestic and export risk) to insure our Company against the risk of commercial default insolvency and protracted default, we cannot assure you that the said policy will provide adequate cover towards the losses which may be incurred due to the defaults committed by our customers.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

13. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.

Our business requires a significant amount of working capital. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers. Furthermore, we are also required to meet the increasing demand and for achieving the same, adequate stocks are required to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults, but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we make provisions for bad debts, including those arising from such defaults based primarily age of the debt and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result, in increase in the amount of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

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

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

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

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

15. ***We are dependent on information technology systems in carrying out our business activities and it forms an integral part of any business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.***

We are dependent on our information technology system in connection with carrying out our business activities and running our manufacturing facilities and such systems form an integral part of our business. Any failure of our information technology systems could result in interruptions in manufacturing activities, and also the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and

results of operations. Additionally, our information technology systems may be vulnerable to computer disruptive problems. These problems could lead to disruptions in our business activities. Fixing such problems may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Such breaches of our information technology systems may require us to incur further expenditure. Further, the commercial success of our business is highly dependent on the developmental and innovative breakthroughs of our design division. In the event, any breach of our systems or software leads to the leaking of our designs or any inventive design techniques devised by our Company, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors. Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies, and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

16. We may be unable to grow our business in additional geographic regions or international markets, which may adversely affect our business prospects and results of operations.

Our Company seeks to grow its market reach domestically to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and logistical challenges in addition to the changing customers' taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

Further, expansion into new international markets is important to our long-term prospects. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, in addition to our limited experience with such markets and currency exchange rate fluctuations. International markets require a very high standard of quality of products and our Company might not be able to match the international standards thereby failing to make a brand presence in the international markets. If we are unable to make long-lasting relations with the major customers in the overseas market or if we are unable to justify the quality of our products to them, it may make it difficult for us to enter into such markets. These and other risks, which we do not foresee at present, could adversely affect any international expansion or growth, which might have an adverse effect on our business, results of operations and financial condition.

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

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

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

18. We sell our products in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.

We face competition in our business from local as well as nationwide players in our industry. The products that we manufacture are available in market from a large number of players manufacturing same or similar products. Thus, factors affecting our competitive success include, amongst other things, price, demand for our products, and availability of raw materials, brand recognition and reliability. As a result, to remain competitive in our market, we must continuously strive to reduce our procurement, transportation and distribution costs, improve our operating efficiencies and secure our materials requirements. If we fail to do so, other manufacturers and suppliers or wholesalers of similar products may be able to sell their products at prices lower than our prices, which would have an adverse effect on our market share and results of operations. Our competitors vary in size, and may have greater financial, production, marketing personnel and other resources than us and certain of our competitors have a longer history of established business and reputation in the Indian market as compared with us. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

19. The capacity of the manufacturing plants is not fully utilized and continuation of such under-utilization of our capacities could affect our ability to fully absorb increasing fixed costs and thus may adversely impact our financial performance.

We currently operate at an average of 60% to 75% of our total installed capacity and we continuously adhere to make focused strategic decisions to fully utilize the same by entering more geographical areas based on our estimates of market demand and profitability. In the event of non-materialization of our

estimates and expected order flow for our existing and/or future products and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our present and regularly increasing fixed cost and may adversely impact our financial performance.

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

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

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

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

We cannot assure you that our solar power plant will function effectively and that we will not be forced to approach third parties power suppliers for availing power supply in addition to the amount sanctioned to us. We also cannot assure you that we will be able to avail the power supply at prices acceptable to us, or that we will be able to pass on any increase in the price of power supply to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which will negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled “Our Business Overview” on page 80 of this Letter of Offer.

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

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

23. Our Promoters, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Directors and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details, please see the section titled "Financial Information" at page 97 of this Letter of Offer.

There can be no assurance that our Promoters, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

24. Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.

After the completion of the Issue, our Promoters and the members of the Promoter Group will hold approximately 68% of the paid-up equity share capital of our Company assuming full subscription to the Rights Entitlement in the Issue. Our Promoters and the members of the Promoter Group holding Equity Shares in our Company, have undertaken to fully subscribe for their Rights Entitlement. They reserve the right to subscribe for their Rights Entitlement pursuant to any renunciation made by any member of the Promoter Group to another member of the Promoter Group. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. So long as the Promoters have a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoters' shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be

beneficial to the other shareholders of our Company.

25. We have in past entered into related party transactions and we may continue to do so in the future.

We have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group and our Subsidiaries relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please see the section titled "Financial Information" at page 97 of this Letter of Offer. While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

26. The agreements executed by our Company and our Subsidiaries with lenders for financial arrangements contain restrictive covenants for certain activities and if we or our Subsidiaries are unable to get their approval, it might restrict our scope of activities and impede our growth plans.

We and our Wholly owned Subsidiary have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund-based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying unsecured loans/inter corporate deposits availed from Promoters and third parties, undertake guarantee obligations on behalf of any other borrower including subsidiaries, which require our Company and our Subsidiaries to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us or our Wholly owned Subsidiary with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled — "Financial Information" on page 97 of this Letter of Offer.

Further, some of the financing arrangements include covenants which mandate us and our Subsidiaries to maintain total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. This might have an adverse effect on our cash flows, business, results of operations and financial condition.

27. Our future fund requirements, in the form of further 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 further issue of Equity 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 or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

28. ***Non-compliance with and changes in, safety, health, labor and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.***

Our Company is engaged in the business of casting for sale to various manufacturers which makes it mandatory for us to comply with extensive laws and government regulations, including in relation to safety, health and environmental protection. In view of the nature of our manufacturing process and the significant quantity of water utilized in processing, our processing facility generates a certain amount of water waste which is treated in-house through a zero-discharge effluent treatment plant installed in the said facility. We cannot assure you that there will not arise a situation wherein we shall not be able to effectively treat the industrial waste, thereby failing to comply with the necessary procedures and requirements laid down under the applicable environmental laws. On the occurrence of any of the above events, we could face regulatory action which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. There can be instances in the future, where our Company may be forced to halt our business operations in our manufacturing units on receiving adverse orders from state pollution control boards. We cannot assure you that there will not be any instances in the future wherein our Company will not be forced to halt the operations in its manufacturing units due to not complying with the applicable laws and such events will not cause loss of revenue and have an adverse impact on our business operations.

India has stringent labor legislations which protect the interest of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, working conditions, hiring and termination of employees, contract labor and work permits and maintenance of regulatory and statutory records and making periodic payments, minimum wages and maximum working hours, overtime, working conditions, etc.

Our Company is also subject to safety, health and environment laws and regulations such as the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981. These laws and regulations impose controls on our Company's safety standards, and other aspects of its operations. Our Company has incurred and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, our Company has made and expects to continue to make capital expenditures on an on-going basis to comply with the safety and health laws and regulations. Our Company may be liable to the Central and State governmental bodies with respect to its failures to comply with applicable laws and regulations. Further, the adoption of new safety and health laws and regulations, new interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that our Company make additional capital expenditures or incur additional operating expenses in order to maintain its current operations or take other actions that could adversely affect its financial condition, results of operations and cash flow. Safety, health and environmental laws and regulations in India and all around the world, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future. The costs of complying with these requirements could be significant and may have an impact on our financial condition. Therefore, if there is any failure by us to comply with the terms of the laws and regulations governing our operations we may be involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

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

Our operations are significantly dependent on access to a large pool of laborers for operation of our manufacturing unit. As of March 31, 2022, we had 512 permanent full-time employees. Our dependence on skilled and unskilled labor may result in significant risks for our operations, relating to the availability and skill of such laborer, as well as contingencies affecting availability of such laborers during peak periods. Further, our manufacturing units are surrounded by a number of industries, which may create a demand-supply gap in the labor industry which may impact our business operations. There can be no assurance that we will have adequate access to skilled and unskilled workers at reasonable rates. As a result, we may be required to incur additional costs to ensure timely execution of our projects. In addition to the above, in view of the ongoing pandemic and the lockdown, which was imposed by several State and Central Governments, there is an acute shortage of laborers, since most of the labourers have returned to their native places due to the widening income gap and lack of adequate resources to sustain their livelihood. In the event, we are unable to source adequate numbers of laborers for our manufacturing units or if we are exposed to an increased expense due to the surge in the wages of such laborers, we cannot assure you that it will not impact our business operations and financial condition. Due to the increase in the wages paid to the labors, we may have to increase the cost of our product which would directly impact our customers. In the event, we are unable to deploy the required number of labors to run our manufacturing units for addressing such increased demand of our products, we might not be able to efficiently and timely satisfy the demand of our customers. We believe our employees and labor employed in our manufacturing unit are critical to maintain our competitive position. Although we have not experienced any material labor unrest, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labor unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations and could adversely affect our results of operations and financial position.

30. ***Our operations can be adversely affected in case of industrial accidents at our manufacturing unit. Any fire or mishap or accidents of such nature at the Company's facilities could lead to accident claims and damage and loss of property, inventory, raw materials, etc. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our manufacturing process requires the use of machines, which makes the labor employed at our manufacturing unit prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death. With the use of heating machines, the risk of fire hazard increases exponentially. The stocks of finished goods, raw materials, godowns and the main manufacturing area are more prone to such accidents, which could cause substantial loss to our machinery, thus hampering our business operations. If there occurs an accident or mishap due to fire, it could adversely affect our results of operations and financial position. We have obtained certain insurance policies such as standard fire and special perils policy etc. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known

to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. We have adopted adequate safety measures; however, we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent, or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it may adversely affect our results of operations and financial position.

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

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

32. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.

Our Company has not declared dividend in the past and our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past and there can be no assurance that our Company will declare dividends in the future also.

33. Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our place of operation may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such

losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

34. We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "Industry Overview" of this Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

35. The operations of the Company are subject to market risks like uncertainties in the global economic scenario and declining demand in sectors like aerospace, defence, energy, etc. Prolonged unfavorable conditions in the market result in delay or cancellation of projects.

The Company's diverse portfolio has helped it to shift focus to other industries, customers and geographies. Hence, while a decline was witnessed in certain segments, the Company has been able to maintain its performance by expanding its product and geographical portfolio. Further, the Company has created facilities which are perfectly positioned to supply to a wide range of industries including oil & gas, marine transport, pulp & paper manufacturing, power, chemical processing, desalination, transportation, etc. thereby mitigating the risks associated with a particular sector. It has now also begun venturing into hitherto untapped markets in the aerospace and defence sectors where a huge potential exists in the Indian ecosystem and defence offsets and indigenous requirements open up a large market.

36. The rapid evolution of technologies and the natural ageing of existing facilities pose the risk of the current production facilities becoming obsolete and uneconomic.

The Company has deployed the latest best-in-class technologies like Replicast®, RapidCast™, Princast™, forgeCAST™ and TiCast™ and has constructed the new state-of-the-art 'Advanced Manufacturing & Technology Centre' to enhance the capacity and capability of its operations. The operational efficiencies built into the new plant are beginning to reduce operating costs while improving the safety of operating conditions. Several processes, for which the company was dependent on outside vendors, have been developed in-house leading to further reduction in cost and improvement in operations. The Company also has a history of good relationships with dealers, cordial labor relations and an efficient and devoted staff due to which the level of risk relating operational instabilities are also minimized.

37. ***The Company is not in a market-leading position in the market in spite of having unique and protected technologies in the Indian market. Hence, any fluctuations in demand, or impact on pricing due to market drivers may adversely affect the profitability, demand for products and operations of the Company.***

The Company continues to enjoy a unique position where it is hugely ahead of its peers in technological advancement, sophisticated equipment, automation and best processes and practices that include an environmentally conscious approach. The Company expects to steady growth in the medium to long term and is maintaining its focus on markets that require a high degree of precision and quality. The Company's differentiation from its high quality, near-net shape cast components available at an overall cost-effective level gives it an edge in terms of pricing, quality and demand. The creation of indigenous capabilities for manufacturing high integrity castings in a range of alloys including titanium and zirconium is also opening untapped markets for the Company. The Company has been exploring new markets and new products aggressively, and translation into viable commercial production has also begun. With these efforts the inherent risk on account of fluctuations in demand, or impact on pricing due to market drivers, due to not being in market leadership position are reduced.

38. ***A large number of the manufacturing equipment, infrastructure and technologies employed by the Company for the manufacturing processes have been imported from other countries. Hence the Company is dependent on foreign vendors, foreign Original Equipment Manufacturers, foreign experts and technicians whose services and support for the manufacturing process may be disrupted from time to time due to disruptions in global travel and logistics. Further, in case of breakdown or damage of equipment, repair and restoration services may take longer than usual due to delays in availability and ease of travel of foreign personnel.***

Our Company having mission to be a prominent global manufacturer of engineered metal components, products and systems through sustainable, disruptive and innovative technologies, has invested substantially in best-in-class technologies, enablement of knowledge-sharing, technology transfers and skilling large segments of our people. The Company has employed trained manpower in sufficient numbers and has placed robust training structure (both in house and external including foreign vendors) to ensure continuous learning and updation. The Company has reduced dependency on foreign vendors by adaption of local spares and parts for generic item. In addition, our Company enjoys excellent relations with foreign OEMs/vendors/experts to ensure necessary support to minimize the down time.

ISSUE SPECIFIC RISKS

39. ***Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

40. ***The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

41. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and the Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue.

Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "Terms of the Issue" on page 115.

42. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares.

The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in

the future.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

44. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

45. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

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

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in

such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

47. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

48. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

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

50. Loss of major clients or the deterioration of their financial condition or prospects could have a material adverse effect on our business.

While our strategy is intended to enable us to increase our revenues and earnings from our major corporate clients, the strategy also exposes us to increased risks arising from the possible loss of major client's accounts. In addition, some of our clients are in industries that have experienced adverse business and financial conditions during economic downturn. The deterioration of the financial condition or business prospects of these clients could reduce their need for temporary employment services, and result in a significant decrease in the revenues and earnings we derive from these clients. The bankruptcy of a major client could have a material adverse impact on our ability to recover monies from them & consequently to meet our working capital requirements.

51. ***The objects for which we propose to utilize Net Issue proceeds are not appraised by any Bank or Financial Institution and our management will have flexibility in applying the issue proceeds.***

The fund requirements and deployment are based on internal estimates of our management and have not been appraised by any Bank or Financial Institution. Shareholders/investors shall rely on management's ability and experience to draw correct estimates considering the proposed business expansion. Non appraisal of estimates by external agencies such as Banks or Financial Institutions makes such estimates susceptible to change any time in future.

We intend to use the Issue proceeds in the manner as described in the section titled "Objects of the Issue" on page 63. We cannot assure you that the issue proceeds will be utilized in conformity with the cost or schedule of implementation as described under the said chapter. It is possible that utilization of issue proceeds may vary due to factors that may be beyond our control including factors that we do not currently foresee. We may have to revise our estimates from time to time on account of changes in planned spending and the initiatives which we may pursue. Our funding requirements for the objects and deployment schedule are based on current conditions and are subject to change in light of external factors which may not be in our control. This may also include rescheduling the proposed utilization of issue proceeds at the discretion of our management. Our Company may make necessary changes to such utilization in conformity with the provisions of the Companies Act and SEBI ICDR Regulations in relation to the change in the objects of the issue. Accordingly, shareholders /investors in the offer will need to rely on our management's judgment with respect to the use of proceeds. If we are unable to enter into arrangements for utilization of issue proceeds as expected in a timely manner, we may not be able to derive expected benefits from the proceeds of the issue and our business and financial results may suffer.

52. ***The success of our business depends on our ability to attract and retain senior management and employees in critical roles, and the loss of their services could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

The success of our business depends on the continued service of our senior management and various professionals including information technology resources, relationship and finance professionals etc. As a result of ever-increasing market competition, the market demand and competition for experienced management personnel and qualified professionals has intensified. We encounter intense competition for qualified professionals from other companies in the financial services sector. Our Company invests significant time and money in training the professionals that are hired to perform the services provided to our customers. Our Company believes that there is also a significant competition in our industry among employers to attract these professionals with the skills necessary to perform the services we offer. The departure or other loss of our key professionals who manage substantial client relationships or who possess substantial experience and expertise could impair our ability to successfully carry out our operations. Our business and financial condition could suffer if we are unable to retain our senior management, or other high-quality personnel, including finance, internal controls and information technology, or cannot adequately and timely replace them upon their departure. Moreover, we may be required to substantially increase the number of our professionals and specialists in connection with any future growth plans, and we may face difficulties in doing so due to the competition in the financial services industry for such personnel. Our failure to attract, hire, retain or replace competent personnel could materially impair our ability to implement any plan for growth and expansion. Competition for quality employees among business institutions may also require us to increase compensation, which

would increase operating costs and reduce our profitability.

53. We require certain statutory and regulatory approvals for conducting our business and our failure to obtain, retain or renew them in a timely manner, or at all, may adversely affect our operations

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the SEBI, the Stock Exchanges and certain other regulatory and government authorities, for operating our business.

In particular, we are required to obtain a certificate of registration for carrying on certain of our business activities from SEBI and other such- regulatory authorities. Government and regulatory licenses and approvals may also be tied to conditions, some of which may be onerous to us and require substantial expenditures. There is no assurance in the future that the licenses, approvals and permits applied for or held by us will be issued, approved or renewed in a prompt manner, or at all, under applicable law. Our failure to renew or obtain such licenses and approvals in a timely manner, or at all, and comply with the provisions of the applicable laws and regulations could lead to suspension or cancellation of our registration or imposition of sanctions by the relevant authorities, including penalties.

54. Any failure in our quality control processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.

Our products might have certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of our internal quality standards. However, we cannot assure you that our quality control processes will not fail, or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence, and human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the international quality standard set by our international customers and agencies as deviation from the same may cause them to reject our products and cause damage to our reputation, market standing and brand value.

In the event the quality of our products is sub-standard, or our products suffer from defects and are returned by our customers due to quality complaints, we may be compelled to take back the sub-standard products and reimburse the cost paid by our customers. Such quality lapses may strain our longstanding relationship with our domestic and international customers and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which may have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

55. ***Our failure to comply with financial and other covenants under our loan agreements may materially and adversely affect our financial condition, results of operations, cash flows and business prospects.***

Our financing arrangements contains various financial covenants that require us to maintain certain financial ratios and restrictive covenants, including covenants that require us to obtain consent from our lenders to undertake the Issue, undertake new projects or expansion activities except in the manner provided under the financing agreements, make investments or take assets on lease etc.

Our failure to comply with financial covenants or to obtain our lenders' consents to take restricted actions in a timely manner, or at all, may result in the declaration of an event of default by one or more of our lenders, which may accelerate repayment of the relevant loans, increase the interest paid on our borrowings or trigger cross defaults under other financing agreements, or any other agreements or instruments of the Company containing a cross-default provision and which may individually or in aggregate, have a material adverse effect on the Company's operations, financial position and credit rating. Such defaults may also result in a decline in the trading price of the Equity Shares, and you may lose all or part of your investment. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, the Company may be unable to pay its debts as they fall due. Failure to meet our obligations under the debt financing agreements could have an adverse effect on our cash flows, business and results of operations. Furthermore, a breach of those financial and other covenants or a failure to meet certain financial ratios under these financing agreements may also restrict our ability to pay dividends.

56. ***We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability.***

We are required to comply with applicable anti-money-laundering ("AML") and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the RBI and other relevant governmental authorities to whom we report. If any party uses or attempts to use us for money- laundering or any other illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable legal requirements, our reputation could suffer and could result in a material adverse effect on our business, financial condition and results of operations.

57. ***Our business has substantial and continuous capital requirement and any disruption in the access to funds would adversely impact our business, financial condition and results of operations.***

Our business requires significant capital and our liquidity and profitability are significantly dependent upon our timely access to, and the costs associated with, raising capital. We have historically relied on term loans from banks and financial institutions, as well as through equity contribution for our capital requirements. We cannot assure you that we will continue to be able to raise funds from lenders or investors in future.

Further, capital markets are subject to various macro factors and subject to volatility in the socio-economic conditions and any adverse changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. If we are unable to obtain adequate financing or financing on terms satisfactory to us, as and when we require it, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations could be materially and adversely affected.

58. An inability to manage our growth or our proposed expansion activities, including new products or businesses, could disrupt our business and reduce our profitability.

We may have relatively limited or no experience in certain of the additional products or any new business verticals which are or may be targeted at a different client segment. The new business lines undertaken, or which may be proposed to be undertaken by us will also require commitments of time from our management. There can be no assurance that we will be able to successfully implement our growth strategy to further expand or diversify our product portfolio.

We would need to obtain and develop the expertise required to operate and successfully compete in these new business verticals. Doing so may be costly, and we cannot assure you that we will not incur any losses that could adversely affect our business and financial condition. The new business lines and products may also be subject to certain laws and regulations. Any failure to comply with these regulations could expose us to client complaints and investigations or regulatory fines, penalties and possible litigation.

Additionally, while undertaking business expansion activities, we have to continue to focus on improving our productivity, profitability and efficiency parameters. Our ability to successfully execute these expansion plans, to the extent they proceed, will depend on various factors, including, among others:

- making accurate assessments of the resources we would require;
- our ability to identify suitable locations;
- our ability to select and retain skilled personnel and to train and manage our staff;
- upgrading our technology platform to be effective;
- successfully introducing and implementing new and improved technology initiatives and client-friendly innovative products;
- ensuring a high standard of clients' service;
- our ability to negotiate commercially viable lease terms without delays; and
- Successfully integrating and managing any acquired businesses.

Any inability to manage the above factors may have a material adverse effect on our business, financial condition, results of operations and cash flows.

59. Our inability to generate sufficient amount of cash from operations may adversely affect our liquidity, our ability to service our indebtedness and fund our operations.

There can be no assurance that our business will generate sufficient cash flow from operations such that

our anticipated revenue growth will be realized or that future borrowings will be available to us under credit facilities in amounts sufficient to enable us to repay our existing indebtedness, fund our expansion efforts or fund our other liquidity needs. If we are unable to service our existing debt our ability to raise debt in the future will be adversely affected which will have a significant adverse effect on our results of operations and financial condition. Our inability to obtain and/or maintain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance. Further, mismatches between our assets and liabilities may be compounded in case of pre-payments of the financing facilities we grant to our clients. Such factors may have an adverse effect on our business, financial condition and results of operations.

60. Acquisitions and mergers could result in operating difficulties, dilution and other adverse consequences.

We may continue to evaluate opportunities for alliances, collaborations, partnerships, investments and acquisitions that meet our strategic and financial return criteria, and to strengthen our portfolio of product in the microfinance sector. We may face several risks in relation to entering into strategic partnerships, acquisitions or undertaking mergers in the future, including, but not limited to, the following:

- we may be unable to identify suitable acquisition or investment targets;
- we may be unable to arrange for adequate financing on commercially reasonable terms or to negotiate commercially reasonable terms for such acquisitions, investments or mergers, or we may incur higher than anticipated costs in relation to proposed strategic transactions;
- our due diligence processes may fail to identify all the risks, liabilities and challenges in relation to proposed strategic transactions;
- we may not be able to achieve the strategic purpose of any of our proposed acquisitions, investments, merger, alliances, collaborations or partnerships;
- we may face difficulties in integrating acquired entities' accounting, management information, human resources and other administrative systems with our own;
- our management may be distracted or strained by the challenges posed by strategic transactions, or related transition and integration activities;
- we may be unable to recruit, train and retain sufficient skilled faculty and other personnel, to successfully operate our growing business, including new and recent business ventures conducted pursuant to our strategic acquisitions, investments, mergers, alliances, collaborations or partnerships;
- we may fail to maintain the quality and consistency or sustain compliance and due performance of contractual obligations by our business partners or acquisition targets;
- our relationships with our current and new employees, clients and business partners may be strained or impaired, as a result of our inability to successfully integrate an acquisition target;
- we may inherit claims or liabilities, as a result of a strategic acquisition, including claims from erstwhile employees, distributors, dealers, customers, business partners or other third parties; and we may face litigation, arbitral or other claims in connection with strategic acquisitions.

Accordingly, we cannot assure you that our current or future alliances, collaborations, partnerships, investments or acquisitions will prove value accretive to us, and to our shareholders. In the event that any of the risks discussed above, or any other incidental risks should materialize, our growth strategy,

business, results of operations and prospects may be adversely affected.

61. Our results of operations could be adversely affected as a result of any disputes with our employees.

As on date we have employed 512 employees on consolidated basis. Our operations are personnel-driven and failure to train and motivate our employees may lead to an increase in our employee attrition rates, erode the quality of client service, divert management resources and impose significant costs on us which may have an adverse impact on our business and future financial performance.

We believe that we maintain good relationships with our employees but there can be no assurance that we will not experience future disruptions to our operations due to any disputes or other problems with our staff, which may adversely affect our business and results of operations.

62. Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows.

We maintain insurance coverage in accordance with industry standards that we believe is adequate for our operations including standard fire and special peril policy, cash in transit policy, fidelity guarantee policy and standard burglary insurance policy. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limit on coverage. There can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations.

63. Negative public opinion could damage our reputation and adversely affect our earnings.

Reputation risk, or the risk to our business, earnings and capital from negative public opinion, is inherent in our business. Negative public opinion can result from our actual or alleged conduct in any number of activities including but not limited to corporate governance, and actions taken by government regulators and community organizations in response to those activities. Negative public opinion can also result from media coverage, whether accurate or not. Negative public opinion can adversely affect our ability to attract and retain customers, trading counterparties and employees and can expose us to litigation and regulatory action. Although we take steps to minimize reputation risk in dealing with our customers and communities, this risk will always be present in our organization.

64. A failure of our internal controls over financial reporting may have an adverse effect on our business and results of operations.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes, including with respect to record keeping and transaction authorization. Because of our inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial

statements would be prevented or detected. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report its financial results accurately and in a timely manner, or to detect and prevent fraud.

65. Our contingent liabilities and commitments could adversely affect our financial condition if they materialize.

As at March 31, 2021 and March 31, 2020, we had contingent liabilities and commitments amounting to ₹1,456.89 Lakh and ₹ 795.36 Lakh respectively. For details in relation to our contingent liabilities and commitments as per Ind AS 37 see "Financial Information" on page 97. If, for any reason, these contingent liabilities materialize, it would adversely affect our financial condition and results of operations.

External Risks

66. Political instability or significant changes in the economic liberalization and deregulation policies of the Government, or in the government of the States where we operate, could disrupt our business.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our equity shares are listed on the BSE. Consequently, our business, operations, financial performance and the market price of our equity shares will be affected by the following external risks, should any of them materialize:

- changes in exchange rates and controls;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which
- may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- any downgrading of India's debt rating by an international agency;
- political instability, resulting from a change in government or in economic and fiscal policies;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the financial markets;
- changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India; or
- natural calamities and force majeure events.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and we cannot assure you that such liberalization policies will continue. A significant change in India's policy of economic liberalization and deregulation or any social or political uncertainties could adversely affect business and economic conditions in India generally and our business and prospects. India has in the past experienced community disturbances, strikes, terrorist attacks, riots, epidemics and natural disasters. Recently, our operations have been adversely affected as a result of certain political instabilities following lockdown. We have also experienced certain operational difficulties in Delhi UP and Maharashtra during the financial year 2019-

20 due to economic slowdown. India has also experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years.

There can be no assurance that we will not be affected by natural or man-made disasters in India or elsewhere in the future. Terrorist attacks, armed conflict or war or any heightened risk of such events may also occur. These acts and occurrences could have an adverse effect on the financial markets and the economy of India and of other countries, thereby resulting in a loss of business confidence and a suspension of our operations, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

67. Adverse geopolitical conditions such as increased tensions between India and its neighboring countries, Russia-Ukraine conflict, could adversely affect our business, results of operations and financial condition.

Adverse geopolitical conditions such as increased tensions between India and its neighboring countries, resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries including the Government of India imposing restrictions on the import or export of products or raw materials, among others, and affect procurement of raw materials. We could also be affected by the introduction of or increase in the levy of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries. For instance, the government of India has imposed additional tariffs in the nature of countervailing duty and anti-dumping duty on a number of items imported from China. Any such measure which affects our raw material supply or reciprocal duties imposed on Indian products by China or other countries may adversely affect our results of operations and financial condition. Further, prolonged Russia-Ukraine conflict that is currently impacting, inter alia, global trade, prices of oil and gas and could have an inflationary impact on the Indian economy. The hostilities between Russia and the Ukraine commenced, which has led stock, commodities and foreign exchange markets worldwide to fluctuate. In addition, the market price of oil has risen sharply since the commencement of hostilities in the Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances

68. Changing tax laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws, may adversely affect our business and financial performance.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations. We cannot assure you as to what action current or future Governments will implement regarding tax incentives or excise duty benefits. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions.

69. Investors may have difficulty enforcing judgments against us or our management.

We are incorporated under the laws of India and majority of our directors and key managerial personnel reside in India. A majority of our assets, and the assets of our Directors and officers, are also located in India. As a result, you may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on

the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice.

70. Increased volatility or inflation of commodity prices in India could adversely affect our business

Any increased volatility or rate of inflation of global commodity prices, particularly oil and steel prices, could adversely affect our borrowers and contractual counterparties. Although RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Any slowdown in the growth of the manufacturing services or agricultural sectors could adversely impact our business, financial condition and results of operations.

71. Acts of terrorism and other similar threats to security could adversely affect our business, cash flows, results of operations and financial condition

Increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business. Any such event may disrupt our operations or those of our customers. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armament and Kashmir. Another risk now is that of the critical relations between India and China. India has also experienced terrorist attacks in some parts of the country. These hostilities, attacks and tensions could lead to political or economic instability in India and a possible adverse effect on our business and future financial performance. For example, the recent attack on the Central Reserve Police Force personnel in Pulwama in Kashmir has led to retaliation by India and escalated hostilities between India and Pakistan. The two countries' continuing escalations could exacerbate these regional hostilities and tensions. Further, India has also experienced social unrest in some parts of the country. These events have had, and may continue to have, an adverse impact on the global economy and customer confidence, which could, in turn, adversely affect our revenue, operating results and financial condition. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of our securities and may limit the capital resources available to us and to our customers.

72. Natural or manmade disasters and health epidemics could have a negative impact on the Indian economy, damage our facilities and also destroy the outlook of our Company, being an asset heavy company.

Natural disasters such as floods, earthquakes, famines and pandemics have in the past had a negative impact on the Indian economy, with the most recent example being the global outbreak of COVID-19. If any such event were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure, damage to our telecom and refinery assets and the loss of business continuity or business information. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, financial condition and results of operations.

73. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business and the price of our Equity Shares.

Any adverse revisions to India's credit ratings or of the countries where Subsidiaries are present or ratings of financing partners/lenders or geographies of their operations, by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

Risks Relating to Our Equity Shares and Rights Equity Shares and this Issue

74. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become invalid, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is August 08, 2022), such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

75. We will not distribute this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter to certain categories of overseas shareholders.

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and the MCA Circular, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all 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. Further, this Letter of Offer will be provided, only through email, 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. Other than as indicated above, the Issue materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of the Issue materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. We have requested all the overseas Eligible Equity Shareholders to provide an address in India and their e-mail addresses for the purposes of distribution of the Issue materials. However, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

76. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on numerous factors, some of which are beyond our control.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on numerous factors which are beyond our control. For details, see "Objects of the Issue" on page 63.

77. ***We may, at any time in the future, make further issuances or sales of our Equity Shares, and this may significantly dilute your future shareholding and affect the trading price of our Equity Shares.***

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

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

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction. In accordance with the provisions of the Companies Act, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company.

79. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any

such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

80. Investors will be subject to market risks until our Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading our Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for our Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that our Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in such Equity Shares will commence in a timely manner.

81. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment up to 100% is permitted in our sector, subject to satisfaction of certain conditions.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non- residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then 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 any such 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.

82. The Rights Entitlements and Rights Equity Shares cannot be freely resold in the United States.

The offering and delivery of the Rights Equity Shares to, and the offering and acquisition of the Rights Entitlements and Rights Equity Shares in the United States to and by certain persons who are U.S. QIBs, is being made pursuant to Section 4(a)(2) of the US Securities Act and other exemptions from the registration requirements of the US Securities Act. None of the Rights Entitlements or Rights Equity Shares has been, or will be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors who are U.S. QIBs, and who are acquiring the Rights Entitlements and/or Rights Equity Shares in the Issue pursuant to an exemption from the registration requirements of the US Securities Act, should note that the Rights Entitlements and Rights Equity Shares may not be freely resold or transferred in the United States. The Rights Entitlements and Rights Equity Shares may not be resold, renounced, pledged, or otherwise

transferred or delivered except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

83. Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues

If the Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, the Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, the Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless:

- a registration statement is in effect, if a registration statement under the US Securities Act is required in order for the Company to offer such rights to holders and sell the securities represented by such rights; or

- the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the US Securities Act.

The Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

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

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

SECTION III: INTRODUCTION

THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on August 13, 2021, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Listing Committee of Board of Directors of our Company in its meeting held on March 30, 2022 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders at an Issue price of ₹10/- per Rights Equity Share, in the ratio of 3:2 i.e., 3 (Three) Rights Equity Shares for every 2 (Two) Equity Shares, as held on the Record Date i.e., July 22, 2022. The following is a summary of the Issue and should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section "Terms of the Issue" on page 115 of this Letter of Offer.

Rights Equity Shares being offered by our Company	Up to 78,58,594 Equity Shares
Rights Entitlement for the Rights Equity Shares	3 Rights Equity Shares for every 2 fully paid-up Equity Shares held as on the Record Date
Record Date	Friday, July 22, 2022
Issue Price per Rights Equity Share	₹ 10/- (Rupees Ten Only)
Face Value per Rights Equity Share	₹ 10/- (Rupees Ten Only)
Dividend	Such dividend, in proportion to the amount paid-up on the Rights Equity Shares, as may be recommended by our Board and declared by our Shareholders, as per applicable law.
Issue Size	Up to ₹ 785.86 Lakh.
Equity Shares outstanding prior to the Issue	52,39,063 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Equity Shares) and having made fully paid-up	1,30,97,657 Equity Shares
Security Codes for our Equity Shares, Rights Equity Shares and Rights Entitlements#	ISIN: INE596F01018 BSE: 539006 ISIN for Rights Entitlement: INE596F20018
Terms of the Issue	See "Terms of the Issue" on page 115
Use of Issue Proceeds	See "Objects of the Issue" on page 63
Terms of payment	See the table below

Note : For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 2 (Two) Equity Shares or is not in multiples of 2 (Two), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.

Terms of payment

Amount Payable per Rights Equity Share	Face Value (₹)	Premium (₹)	Total (₹)
On the Issue application (i.e., along with the Application Form)	10	Nil	10

GENERAL INFORMATION

Our Company was originally incorporated as 'Precision Tools & Castings Private Limited' on March 20, 1963, as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Kanpur, Uttar Pradesh and consequently a certificate of incorporation dated March 20, 1963 was issued to our Company. The status of our Company was changed from private company to public company pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated August 27, 1994 and a fresh certificate of incorporation dated October 25, 1994, consequent to such change was issued to our Company by the Registrar of Companies, Kanpur, Uttar Pradesh and the name of our Company was changed to 'Precision Tools & Castings Limited'. The name of our Company was changed to 'PTC Industries Limited', pursuant to special resolution of our shareholders passed in an extra-ordinary general meeting dated December 28, 1998, and a fresh certificate of incorporation dated January 22, 1999, consequent to such change was issued to our Company by the Registrar of Companies, Kanpur, Uttar Pradesh. The registered office of our Company was shifted from Malviya Nagar, Aishbagh, Lucknow – 226 004, Uttar Pradesh, India to Advanced Manufacturing & Technology Centre, NH 25A, Sarai Shahjadi, Lucknow 227 101, Uttar Pradesh, India with effect from August 29, 2017. The corporate identification number of our Company is L27109UP1963PLC002931.

Registered Office

PTC Industries Limited
Advanced Manufacturing & Technology Centre, NH 25A,
Sarai Shahjadi, Lucknow 227 101, Uttar Pradesh, India
Telephone No. : +91-522-7111017 | **Fax:** +91-522-7111020 |
Email: info@ptcil.com | **Website:** www.ptcil.com
Registration Number: 20-002931 of 1963
CIN: L27109UP1963PLC002931

Registrar of Companies:

Our Company is registered with the Registrar of Companies, Kanpur, Uttar Pradesh situated at the following address:

Address: 37/17, Westcott Building, The Mall,
Kanpur – 208 001, Uttar Pradesh
Telephone: +91 512-2310443, 2310227, 2310323
Fax: N/A
E-mail: roc.kanpur@mca.gov.in

Company Secretary and Compliance Officer

Ms. Pragati Gupta Agrawal, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

Address: Advanced Manufacturing & Technology Centre,
NH 25A, Sarai Shahjadi, Lucknow 227 101, Uttar Pradesh, India
Telephone: +91 522 7111017 | Fax: +91 522 7111020
Email: companysecretary@ptcil.com | **Website:** www.ptcil.com

Statutory Auditor
M/s. Walker Chandiok & Co. LLP, Chartered Accountants
Address: 21st Floor , DLF Square. Jacaranda Marg,
DLF Phase II, Gurugram, Harana-122002
Telephone: +91-172-433 8000 | **Email:** sandeep.mehta@walkerchandiok.in
Contact Person: Sandeep Mehta
Membership No.: 099410
Firm Registration No.: 001076N/N500013
Peer Review Certificate No.: 011707

Registrar to the Issue
Link Intime India Private Limited
C – 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India
Telephone: +91 22 4918 6200 **Fax:** +91 22 4918 6195
E-mail: ptc.rights@linkintime.co.in **Website:** www.linkintime.co.in
Contact person: Mr. Sumeet Deshpande
Investor grievance: ptc.rights@linkintime.co.in
CIN: U67190MH1999PTC118368
SEBI Registration No: INR000004058

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 may be addressed to the Registrar, 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), and copy of the e- acknowledgement (in case of normal process). For details on the ASBA process see "Terms of the Issue" on page 115.

Bankers to the Issue

Axis Bank Limited
Address : 31/93 MG Marg, Lucknow-226001
Contact Person: Anmeet Kaur
Telephone: 8874200531
Email: lucknow.branchhead@axisbank.com
Website: www.axisbank.com

Inter-se allocation of responsibilities
The Company has not appointed any merchant banker as the Issue size is less than ₹ 5000 Lakh and hence there is no inter-se allocation of responsibilities

Credit Rating
This being a Rights Issue of Equity Shares, no credit rating is required.

Debenture Trustee
As this Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency
Our Company is not required to appoint the monitoring agency since the issue size is below ₹ 100 Crores.

Filing
As per requirements of SEBI ICDR Regulations as the issue size of this rights issue is below ₹ 50 Crores, 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.

Appraising Agency
None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

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

Experts
Except for the reports of the Auditor of our Company on the audited Financial Information and Statement of Tax Benefits, included in the 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:

Last Date for credit of Rights Entitlements:	July 28, 2022
Issue Opening Date:	August 03, 2022
Last Date for On Market Renunciation[#]:	August 08, 2022
Issue Closing Date*:	August 12, 2022
Finalization of Basis of Allotment (on or about):	August 23, 2022
Date of Allotment (on or about):	August 24, 2022
Date of credit (on or about):	August 29, 2022
Date of listing (on or about):	August 30, 2022

[#]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.

**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, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company.

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 Wednesday, August 10, 2022, being two Working Days prior to the Issue Closing Date, i.e., Friday, August 12, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts by Thursday, August 11, 2022 being one day before the Issue Closing Date, i.e., Friday, August 12, 2022.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar 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, see "Terms of the Issue" on page 115.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at https://web.linkintime.co.in/RIGHTSISSUE/rightsissues-Knowyourapplication.aspx 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 Shareholders' under the section titled 'Terms of the Issue' beginning on page 115 of this Letter of Offer.

Please note that if no Application is made by the Eligible 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.

Minimum Subscription

As per Regulation 3 read with Regulation 86 of SEBI ICDR, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reasons:

- Objects of the issue being other than capital expenditure for a project; and
- Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

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CAPITAL STRUCTURE

The Share capital of our Company as on the date of this Letter of Offer is as provided below:

(Amount in ₹ Lakh)

S. N.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
1.	**AUTHORISED SHARE CAPITAL**		
	2,00,00,000 Equity Shares of ₹10/- each [(1)]	2,000.00	-
2.	**ISSUED & SUBSCRIBED & PAID-UP CAPITAL BEFORE THIS ISSUE**		
	52,39,063 Equity Shares of ₹ 10/- each	523.90	-
4.	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER [(2)]**		
	Up to 78,58,594 Rights Equity Shares, each at a premium of ₹ 10/- per Rights Equity Share, i.e., at a price of ₹ 10/- per Rights Equity Share.	785.86	785.86
5.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THIS ISSUE [(3)]**		
	1,30,97,657 fully paid-up Equity Shares of ₹ 10/- each	1,309.77	N.A.
SECURITIES PREMIUM ACCOUNT			
Before this Issue			4,120.72
After this Rights Issue of Equity Shares			4,120.72 [(4)]

Notes:

1. *Pursuant to a special resolution passed at the Annual General Meeting of the Shareholders held on November 22, 2021, the Authorised Share Capital of our Company has been reclassified and increased from the existing share capital of ₹1,100 lakhs divided into 89,75,000 Equity Shares of ₹ 10/- each and 20,25,000 Redeemable Cumulative Preference Shares of ₹ 10/- each to ₹ 2,000 lakhs divided into 2,00,00,000 Equity Shares of₹ 10/- each.*
2. *This Issue has been authorized by a resolution of our Board passed at its meeting held on August 13, 2021 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Listing Committee of Board of Directors of our Company in its meeting held on March 30, 2022 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at ₹ 10/- per Rights Equity Share, in the ratio of 3:2 i.e., 3 (three) Rights Equity Share for every 2 (Two) Equity Shares, as held on the Record Date.*
3. *Assuming full subscription for and Allotment of the Rights Equity Shares.*
4. *Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.*
5. *Above figures are rounded off to two decimal places.*

NOTES TO CAPITAL STRUCTURE

I. Details of options and convertible securities outstanding as on the date of this Letter of Offer

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of

this Letter of Offer.

II. Details of Equity Shares held by our Promoter or Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.

No Equity Shares held by our Promoter or Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.

III. Except as disclosed below, no Equity Shares have been acquired by our Promoter or Promoter Group in the last one year immediately preceding the date of this Letter of Offer:

Name of the Promoter/Promoter Group	Date of the Transaction	Number of Equity Shares acquired	Value (in ₹)	Nature of Transaction
Sachin Agarwal	September 29-30, 2021	1,329	39,64,401	Market Trade
	March 24, 2022	815	36,75,925	Market Trade

IV. Subscription to this Issue by our Promoter and Promoter Group

Our Promoter and Promoter Group, by way of their letters dated March 21, 2022 and March 22, 2022 (the "Promoter and Promoter Group Letters") have confirmed to (i) subscribe and apply in the proposed rights issue to the full extent of their rights entitlement; (ii) not to renounce their rights entitlement except to the extent of renunciation within the promoter group; and (iii) subscribe to additional Rights Equity Shares and to any unsubscribed portion in this Issue, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

V. The ex-rights price of the Rights Equity Shares, as computed in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations, is ₹ 1,751.11 per Equity Share.

VI. 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 115.

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

VIII. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges (i.e. for the Quarter ended March 31, 2022) in compliance with the provisions of the SEBI Listing Regulations:

The same can accessed at: https://www.bseindia.com/stock-share-price/ptc-industries-ltd/ptcil/539006/shareholding-pattern/.

IX. Details of the Shareholders holding more than 1% of the issued and paid-up Equity Share capital

The table below sets forth details of shareholders of our Company holding more than 1% of the issued and paid-up Equity Share capital of our Company, as on March 31, 2022: The same can be accessed at https://www.bseindia.com/stock-share-price/ptc-industries-ltd/ptcil/539006/shareholding-pattern/.

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OBJECTS OF THE ISSUE

Qualitative Object

This rights issue is at discounted price of ₹10/- each which is at discount of about 97% on Book Value of the Company. The object behind fixing the Rights Issue Price at Face Value itself, is to provide an opportunity to all the existing shareholders of the Company to acquire holding in the Company at discounted prices enabling them to increase their returns on investment. This step will also contribute to the improvement of trading volume of shares of the Company and will provide more liquidity to the shareholders.

The proceeds of the Offer, after deducting Offer related expenses, are estimated to be ₹ 748.86 Lakh ("**Net Proceeds**"). Our Company intends to utilize the Net Proceeds from this Issue towards the following:

1. Investment in its Wholly Owned Subsidiary Aerolloy Technologies Limited.

2. General Corporate Purposes

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

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable the Company to undertake its existing activities and the activities for which the funds are being raised by the Company through this Issue. The main objects clause of the respective memorandum of association of the Subsidiaries (as identified below) enables each of them (i) to undertake its existing business activities; and (ii) to undertake activities for which the borrowings were availed by it and which are proposed to be repaid, prepaid or redeemed (earlier or scheduled) from the Net Proceeds.

Issue Proceeds:

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

(₹ in lakhs)

Particulars	Amount
Gross Proceeds from this Issue	785.86
Less: Estimated Issue related expenses	37.00
Total Net Proceeds**	748.86

*** Assuming full subscription and Allotment with respect to the Rights Equity Shares.*
#Rounded off to two decimal places.

Requirement of funds and utilization of Net Proceeds

The proposed utilization of the Net Proceeds is set forth in the table below:

(₹ in lakhs)

Particulars	Amount
Investment in its Wholly Owned Subsidiary Aerolloy Technologies Limited.	589.39
General corporate purposes*	159.46
Total Net Proceeds	748.86

**Subject to 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 Gross Proceeds.
#Rounded off to two decimal places

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 THIS ISSUE

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

1. Investment in the Wholly Owned Subsidiary Aerolloy Technologies Limited.

Brief about Aerolloy Technologies Limited

Aerolloy Technologies Limited is a public company incorporated on February 17, 2020. It is classified as Non-government Company and is registered at Registrar of Companies, Kanpur. Its authorized share capital is ₹ 1,00,00,000 and its paid up share capital is ₹ 9,36,460. It is involved in the manufacture of metal components and sub-systems for critical and super-critical applications in the defence and aerospace sectors. The directors of Aerolloy Technologies Limited are Mr. Sachin Agarwal, Ms. Smita Agarwal, Mr. Priya Ranjan Agarwal and Mr. Alok Agarwal. Aerolloy Technologies Limited's Corporate Identification Number is (CIN) U27200UP2020PLC127120. It has manufacturing unit at NH 25A, Sarai Shahjadi, Lucknow 227101, Uttar Pradesh, India.

Main Object of Aerolloy Technologies Limited

To carry on the business of all kind and description in the field of Engineering, Technology, Casting and foundry and to set up Titanium, Aluminium, Stainless Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities including designing, drawing, manufacturing, automating, innovating, selling, re-selling, selling through direct local merchants and to act as agents, merchants, traders, contractors, representatives, distributors, dealers, stockiest and forwarders in all kind of steels, stainless steels, special steels, titanium, aluminium, aluminium alloys, vacuum melt alloys, tungsten, duplex, super duplex, Inconel, Monel, alloys and ferrous, non-ferrous metals, auto parts, railway parts, aero planes/aircraft part, marine, ships, boats, submarine or any vessels, medical implants, steel pipes and pipe fittings, iron and steel products, cast iron, valves, critical components, steel and tubular structural and allied products, all kinds of powders, including titanium powders, tungsten powders, higher alloy powders, steel and stainless steel powders and parts or components for chemical processing, desalination, marine and river transport, pumps, valves, waterjet engines, fuel pumps, blades, propulsion systems and all raw material and intermediates of the highest grade, style and / or quality in their category and other consumable goods and castings products and in all kinds and description of commodities both

commercial and non-commercial and products to meet the requirements of specified Industry including Defence, Aero, space, marine and for other applications.

Financial Position of Aerolloy Technologies Limited (as on March 31, 2022 and March 31, 2021)

Amount in Lakh except EPS data

Particulars	**March 31, 2022 Audited**	**March 31, 2021 Audited**
Equity Capital	22.86	9.36
Total Revenue	760.13	-
Net Profit	330.99	(3.21)
EPS	261.99	(3.43)

Details of the form of investment

The Company has planned to make investment of approximately ₹ 589.39 Lakh into ATL.

Commercial Substance

The Company intends to infuse funds in ATL to enable it to create capacity and capability for manufacturing of Defence and Aerospace components, sub-systems and raw materials which will be converted into significant revenues and profitability for the Company. Aerolloy Technologies has been allotted 20 Hectares (50 Acres) of land next to Brahmos facility, by UPEIDA, in Lucknow node of the UP Defence Industrial Corridor. This prime parcel of land is adjacent to the 80 hectares (200 acres) land provided by UPEIDA to Brahmos at the same location. The Company intends to set up fully integrated material manufacturing capabilities of all exotic materials, including Titanium, Cobalt, and Nickle Superalloys, at this facility. ATL is wholly owned subsidiary of PTC Industries Limited and PTC is planning to infuse funds into ATL in phased manner for setting up manufacturing facility in ATL.

Expansion of business in ATL is envisioned in three phases starting with manufacturing of Titanium Ingots. The second phase would see the manufacture of Nickel Super Alloys and other exotic metals for the aerospace industry, including Nickel and Cobalt alloys. The third phase would see PTC developing and supplying additional components and sub-systems for the adjoining Brahmos facility. With its advanced technological capabilities and state-of-art facilities to manufacture Aerospace components & Sub Systems, PTC and ATL plans to capture significant role in enhancing India's Defence Capabilities in the near future. PTC plans to infuse future requirement of funds for setting up manufacturing facility in ATL through different modes of funding viz. Equity Investment, Debt funding and /or utilizing cash reserves as and when generated in ATL. The requirement of fund is purely estimated by the management and no appraisal of same has been done by any expert agency.

2. General corporate purposes

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) meeting any expenses incurred in the ordinary course of business by our Company and its Subsidiaries, including salaries and wages, rent, administration expenses, insurance

related expenses, vendor payments and payment of taxes and duties; (c) meeting our working capital requirements including payment of interest on borrowings; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses; and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Deployment of funds

The following table provides for the proposed deployment of Net Proceeds and other funds, to be raised after deducting Issue related expenses.

Particulars	**Amount proposed to be funded from Net Proceeds at Application#**	**Proposed schedule for deployment of the Net Proceeds at Application#**
		Fiscal 2023
Investment in the Wholly Owned Subsidiary Aerolloy Technologies Limited.	589.39	589.39
General Corporate Purposes	159.46	159.46
Total	**748.86**	**748.86**

#Rounded off to two decimal places.

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

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 and will deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board.

Estimated Issue related expenses:

The total expenses of the Issue are estimated to be ₹ 37.00 lakhs. The break-up of the Issue expenses is as follows:

(Unless otherwise specified, in ₹ lakhs)

S. No.	Particulars	Amount	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fee to the legal advisors, other professional service providers and Registrar to the Issue	23.50	63.51	2.99%
2.	Advertising, marketing expenses, shareholder outreach, etc.	4.00	10.81	0.51%
3.	Fees payable to regulators, including depositories, Stock Exchanges and SEBI	8.00	21.62	1.02%
4.	Other expenses (including miscellaneous expenses and stamp duty)	1.50	4.05	0.19%
	Total estimated Issue related expenses	**37.00**	**100.00**	**4.71%**

Note : Subject to finalization of Basis of 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.

Interest of Promoters, Promoter Group and Directors, as applicable to the objects of the Issue

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter Group, Directors, Key Managerial Personnel of our Company.

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STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors,
PTC Industries Limited
Advanced Manufacturing & Technology Centre, NH-25 A, Sarai Shahjadi, Kanpur Road, Lucknow - 227101, (UP) - INDIA

Subject : Report on statement of possible special tax benefits ("the Statement") available to PTC Industries Limited ("Company"), subsidiary and its shareholders, prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations")

1. This report is issued in accordance with the terms of our engagement letter dated *February 02, 2022* signed with the Company.

2. The accompanying Statement of Special Tax Benefits available to the Company, its subsidiary and its Shareholders (hereinafter referred to as **"the Statement"**) under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 (hereinafter referred to as **" IT Act"**), and the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) (collectively referred as **"Indirect Tax Regulations")** as on the signing date, for inclusion in the Letter of Offer and letter of offer ("Offer Document") prepared in connection with the Offer, has been prepared by the management of the Company in connection with the Offer, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as on the date of our report which is to be included in the Offer Document is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on August 13, 2021 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the **"ICAI"**). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "SEBI ICDR Regulations") and the Companies Act 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of March 24, 2022 to the Company and its shareholders, in accordance with the Act as at the date of our report.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements issued by the ICAI.

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Offer.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive.

   The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

   Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law 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.

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the special tax benefits available, to the Company and its shareholders, in accordance with the Act as at the date of our report.

   Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

   (i) The Company, its subsidiary or its shareholders will continue to obtain the benefits per the Statement in future; or

   (ii) The conditions prescribed for availing the benefits as per the Statement have been/would be met with.

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, and the concerned stock exchanges.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sd/-
Sujay Paul Partner
Membership No.: 096314
UDIN: 22096314AFNWQD2658

Place: Noida
Date: 24th March 2022

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO PTC INDUSTRIES LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders under the Act applicable for the Financial Year 2021-22. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act.

I. Under the Income -tax Act, 1961 (the IT Act)

A. Special tax benefits available to the Company.

1. Concessional corporate tax rates - Section 115BAA of the IT Act

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised shall apply to subsequent AYs. The concessional rate is subject to a company not availing any of the following deductions under the provisions of the IT Act:

- Section10AA: Tax holiday available to units in a Special Economic Zone.
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development.
- Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a company availing the concessional rate of 25.17% (i.e. 22% along with surcharge and health & education cess) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Note: The Company has already opted for the concessional tax rate benefit for the FY 2019-20 relevant to the AY 2020-21 as mentioned in the Section 115BAA for which declaration in form 10IC has already been filed with the income tax authority.

2. Deductions in respect of employment of new employees – Section 80JJAA of the IT Act

As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub- section (2) of section 80JJAA of the IT Act.

3. Deduction with respect to inter-corporate dividends – Section 80M of the IT Act

As per the provisions of section 80M of the IT Act, inserted with effect from 01 April 2021, a domestic company shall be allowed to claim a deduction of divided income earned from any other domestic company or a foreign company or a business trust. The amount of deduction so claimed should not exceed the amount of dividend distributed by it and is subject to fulfilment of other conditions laid down therein.

B. Special tax benefits available to the shareholders.

There are no special tax benefits available to the shareholders of the Company under the Act.

II. Indirect tax (Indirect tax regulations)

The Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) (collectively referred as "Indirect Tax Regulations")

A. Special tax benefits available to the Company.

1. Remission of Duties and Taxes on Exported Products Scheme (RoDTEP)

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) on 14 September 2019 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms. The scheme has been applicable with effect from January 2021.

The Company has been availing benefit of this scheme on products exported out of India as per rates prescribed.

2. Benefits available to the Company under Duty Drawback Scheme

Duty Drawback Scheme provides refund/recoupment of custom duties paid on inputs or raw materials and service tax paid on the input services used in the manufacture of exported goods.

The Company has been availing benefit of this scheme and has been availing duty drawback as

per the rates prescribed.

3. Benefits available to the company under Export Promotion Capital Goods Scheme (EPCG)

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness.

EPCG Scheme allows import of capital goods for pre-production, production, and post-production at zero customs duty.

The Company has been availing benefit under this scheme.

4. Benefits available to the company Integrated Goods and Services Tax Act 2017 (IGST Act)

Under the IGST Act, all supplies of goods and services which qualify as export of goods or services are zero-rated, that is, these transactions attract a GST rate of zero per cent.

On account of zero rating of supplies, the supplier will be entitled to claim input tax credit in respect of goods or services used for such supplies and can seek refund of accumulated/unutilized ITC.

There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/LUT as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated tax and claim refund thereof as per the provisions of Section 54 of CGST Act, 2017.

The Company has been engaged in the export of goods on payment of IGST and claiming a refund for the same.

B. Special tax benefits available to shareholders of the Company under indirect tax regulations in India

The shareholders of the Company are not eligible to any special tax benefits under Indirect Tax Regulations

Notes:

1. The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.

4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:

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

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

6. The above Statement of Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

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SECTION IV: DETAILS OF BUSINESS

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. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

GLOBAL OUTLOOK

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have re-imposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects. Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective. Elevated inflation is expected to persist for longer than envisioned in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds. Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years—may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated. With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing

support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.[11]

INDIAN ECONOMY OVERVIEW

Introduction

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.

Market size

India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 232.15 trillion (US$ 3.12 trillion) in FY2021-22., India is the third-largest unicorn base in the world with over 83 unicorns collectively valued at US$ 277.77 billion, as per the Economic Survey. By 2025, India is expected to have 100 unicorns, which will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'. India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US$ 634.287 billion mark.

Recent Developments: Recent economic developments in India are as follows:

- With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US$ 6.8 billion across 102 deals in November 2021 42% higher than November 2020. Some of the important recent developments in the Indian economy are as follows:
- India's merchandise exports between April 2021 and December 2021 were estimated at US$ 299.74 billion (a 48.85% YoY increase). In December 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 56.4.
- The gross GST (Goods and Services Tax) revenue collection stood at ₹ 1.38 trillion (US$ 18.42 billion) in January 2022. This was a 15% rise over a year ago.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US$ 547.2 billion between April 2000 and June 2021.
- India's Index of Industrial Production (IIP) for November 2021 stood at 128.5 against 126.7 for November 2020.
- Consumer Food Price Index (CFPI) – Combined inflation was 2.9% in 2021-22(April-December) against 9.1% in the corresponding period last year.
- Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21
- Foreign portfolio investors (FPIs) invested ₹ 50,009 crore (US$ 6.68 billion) in the Calendar year 2021.

[1] *Source : https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022*

- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of 2.37 lakh crore (US$ 31.74 billion) to their accounts.

Government Initiatives:

The Government of India has taken several initiatives to improve the economic condition of the country. Some of these are:

- 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 ₹ 10.68 lakh crore (US$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan the National Highway Network will develop 25,000 km of new highways network which will be worth ₹ 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.
- On February 2022, Ms. Nirmala Sitharaman Minster for Finance & Corporate Affairs said that productivity linked incentive (PLI) schemes to be extended to 14 sectors for achieving the mission of AtmaNirbhar Bharat and create 60 lakh (6 million) and an additional production of ₹ 30 lakh crore (US$ 401.49 billion) in the next 5 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 ₹ 24,000 crore (US$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced production linked incentive (PLI) scheme for Bulk Drugs which was an investment of ₹ 2500 crore (US$ 334.60 million).
- In the Union Budget of 2022 Finance Minister Nirmala Sitharaman announced that a scheme for design- led manufacturing in 5G will be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which is expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement to spectrum sharing.
- In June 2021, RBI Governor, Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures including ₹ 15,000 crore (US$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India to increase foreign direct investments in the country.
- In June 2021, the Indian government signed a US$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for second tranche of EUR 150 million (US$ 182.30 million) for Pune Metro Rail project.
- According to an official source, as of September 15, 2021, 52 companies have filed applications under the ₹ 5,866 crore (US$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.
- In May 2021, Union Cabinet has approved the signing of memorandum of understanding (MoU) on

migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.

- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched 'DGFT Trade Facilitation' app to provide instant access to exporters/importers anytime and anywhere.
- 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 going to increase public health spending to 2.5% of the GDP by 2025.

Road Ahead

Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, on January 21, 2022 said that Indian industry to raise 75 unicorns in the 75 weeks leading up to the country's 75th anniversary next year. Mr. Piyush Goyal said that India will achieve exports worth US$ 650 billion in the financial year 2021-22. India's electronic exports are expected to reach US$ 300 billion by 2025-26 this will be nearly 40 times the FY2021-22 exports (till December 2021) of US$ 67 billion. India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.[2]

INDIAN CASTINGS INDUSTRY

Market Overview:

The India metal casting market is expected to exhibit moderate growth during 2021-2026. Keeping in mind the uncertainties of COVID-19, we are continuously tracking and evaluating the direct as well as the indirect influence of the pandemic on different end use industries. These insights are included in the report as a major market contributor.[3 3]

Metal casting is the process of obtaining a desired geometrical shape by pouring hot liquid metal into a mold that contains a hollow cutout or cavity. This technique is used for the mass production of large and complex components while utilizing alloys with low melting points. Metal casting can be done with non-ferrous metals such as zinc, copper, aluminum, magnesium, lead, pewter, and tin-based alloys. In India, metal casting is extensively used as it is cost-efficient and significantly reduces the amount of wasted scrap metal. India represents one of the largest metal casting markets in the Asia Pacific region. The market is primarily driven by the rising demand for lightweight vehicles in the country due to the inflating incomes of consumers. The growing automotive industry and rapid urbanization and industrialization have also created a need for construction equipment. This is expected to increase the demand for metal castings across the country. Besides this, rising environmental concerns have prompted manufacturers to introduce electric vehicles as a result of the increasing environmental awareness, which is stimulating the market growth. Moreover, the process of metal casting forms an integral part in the goods and equipment industry to produce a wide variety of home appliances, surgical instruments and critical components for aircraft and automobiles.

[2] *Source : https://www.ibef.org/economy/indian-economy-overview*

[3] *Source : https://www.imarcgroup.com/india-metal-casting-market*

Key Market Segmentation:
IMARC Group provides an analysis of the key trends in each sub-segment of the India metal casting market, along with forecasts at the country and regional level from 2021-2026.

Breakup by Process:
- Lost Foam Casting
- Investment Casting
- Sand Casting
- Gravity Casting
- High-Pressure Die Casting (HPDC)
- Low-Pressure Die Casting (LPDC)
- Others

Breakup by Material Type:
- Cast Iron
- Stainless Steel
- Ferrous & Non-Ferrous Alloys
- Aluminium
- Steel Zinc
- Magnesium
- Others

Breakup by End Use:
- Automotive and Transportation
- Equipment and Machine
- Building and Construction
- Aerospace and Military
- Others

India's Defence Manufacturing Sector:

(Source: Defence Manufacturing Industry in India: Market Share, Reports, Growth & Scope | IBEF)

The Indian defence manufacturing industry is a significant sector for the economy and is likely to accelerate with rising concerns of national security. India is witnessing increase in demand for defence equipment due to the ongoing territorial disputes with the neighboring countries, and, over the last five years, India has been ranked among the top importers of defence equipment. India's defence manufacturing sector has been witnessing a CAGR of 3.9% between 2016 and 2020 and has set the defence production target at US$ 25.00 billion by 2025 (including US$ 5 billion from exports by 2025).

Exports: Defence exports in India were estimated to be at US$ 1.29 billion in 2019-20. Defence exports in the country witnessed robust growth in the last two years. India targets to export military hardware worth US$ 5 billion (Rs. 35,000 crore) in the next 5 years. As of 2019, India ranked 19th in the list of top defence exporters in the world by exporting defence products to 42 countries.

Imports to reduce – Focus on Make in India: India's defence import value stood at US$ 4.63 billion for FY20 and is expected to be at US$ 4.69 billion in FY21. The ministry has plans to reduce defence imports by at least US$ 2 billion by 2022 through various policies. To modernize its armed forces and reduce dependency over external dependence for defence procurement, several initiatives have been taken by the government to encourage 'Make in India' activities via policy support initiatives. Indian government has been aiming to reduce defence imports while suggested armed forces to review all capital allocations under progress and reduce/stop imports wherever possible. This is 3rd such restriction imposed on defence imports in the past 16 months. 351 imported items have been restrictions by Government which will be implemented between December 2022 and December 2024 period.

With a total capital outlay of approximately US$ 20 billion reserved for capital acquisitions of which a whopping 68% has been reserved for domestic procurement, the government has paved the way for domestic industry to rise to the occasion and break the cycle of India's disproportionate dependence on foreign players to meet the operational needs of our armed forces.

OUR BUSINESS OVERVIEW

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 20, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 97 and 100, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Brief of the Company

PTC Industries Limited ("Company" or "Issuer") was originally incorporated as 'Precision Tools & Castings Private Limited' on March 20, 1963 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Kanpur, Uttar Pradesh and consequently a certificate of incorporation dated March 20, 1963 was issued to our Company. The status of our Company was changed from private company to public company pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated August 27, 1994 and a fresh certificate of incorporation dated October 25, 1994, consequent to such change was issued to our Company by the Registrar of Companies, Kanpur, Uttar Pradesh and the name of our Company was changed to 'Precision Tools & Castings Limited'.

Further, the name of our Company was changed to 'PTC Industries Limited', pursuant to special resolution of our shareholders passed in an Extra-Ordinary General Meeting dated December 28, 1998 and a fresh certificate of incorporation dated January 22, 1999, consequent to such change was issued to our Company by the Registrar of Companies, Kanpur, Uttar Pradesh. The registered office of our Company was shifted from Malviya Nagar, Aishbagh, Lucknow – 226004, Uttar Pradesh, India to Advanced Manufacturing & Technology Centre, NH 25A, Sarai Shahjadi, Lucknow 227 101, Uttar Pradesh, India with effect from August 29, 2017.

Overview of business of the Company

Incorporated in 1963, PTC Industries Limited (PTC), earlier known as Precision Tools & Castings Private Limited Industries Limited, has been into manufacturing of high quality engineering components mainly cast components, machined and fabricated parts for various critical and super-critical applications for more than 59 years. When PTC started its operations, Indian foundries had no standing in USA and Europe, and South Korean companies dominated the castings market. Export was a matter of pride for any unit, more so for a Foundry as Indian technology was not developed upto the level of International Standards.

The Company has over many years developed unmatched experience, knowledge, expertise and skills in processing, alloying, melting, casting, welding, thermal treatment, surface treatment, testing, machining, and fabricating a wide range of expertise in processes. Over the years, PTC has grown to become a prominent supplier of castings solutions, machined components and fabricated parts to many of the world's most reputed companies.

Business area of the company:

PTC Industries Limited is a manufacturer of high quality components and sub-systems for various critical and super-critical applications in Aerospace, Defence, Oil & Gas, Marine, Power and other industries for more than 59 years. PTC has state-of-the-art manufacturing infrastructure with the best technologies likeReplicast®, RapidCast™, TiCast™, PrintCast™, ForgeCAST™, PowderForge™ and more with the latest equipment and an extremely high level of automation in Uttar Pradesh and Gujarat. PTC exports almost 80% of its products to various countries across the world to renowned customers and also supplies critical components for Defence and Aerospace to the Indian Defence agencies and various OEMs internationally. The company has been growing strength by strength and has been now focusing on building on principle called "PARITY" in the metal and metal component manufacturing industry. Recent addition of "Advanced Manufacturing & Technology Complex (AMTC)" in 2017 to manufacture Titanium components which has wide range of applications from aerospace, chemical industries, industrial components to medical implants is bringing lots of growth opportunities for PTC. In addition to AMTC, newly formed subsidiary "Aerolloy Technologies Limited" to cater the need of aerospace components market will further bring strong prospects for future growth.

Division:

Industrial Castings Titanium Castings Super Alloy Castings
Microstructure Controlled Castings Aluminium Castings
CNC Machining Titanium Ingots
Defence Systems & Sub-Systems

The details of our manufacturing facilities are provided below:

Manufacturing Units

1. AMTC Plant
   NH 25A, Sarai Shahjadi, Lucknow – 227101, Uttar Pradesh, India.
2. Mehsana Plant
   Rajpur, Taluka Kadi, District Mehsana 382 740, Gujarat, India.

PTC's manufacturing capability is organized into five verticals, viz, Industrial & Defence Cast Components (IDCC), Aerospace & Defence Cast Components (ADCC), Aerospace Powder Metallurgy & Components (APMC), Aerospace & Defence Metal Manufacturing (ADMM) and finally Aerospace & Defence Systems & Sub-systems (ADSS).

Our Competitive Strengths

Some metal casters do have such a well-developed, differentiated, and protectable position that they have few competitors. However, in slow growth markets, there has been shut down of a number of foundries and consolidation of players as well. This can, and has, led to less competitive rivalry. On the other hand, the consolidation of the customer base, coupled with a proliferation of low-cost countries has kept competitive rivalry high for foundries. PTC has maintained its competitive edge by investing in research and the latest and most advanced technologies which differentiate PTC from its competition. The state of art facility to cast higher alloys like titanium, zirconium, inconel, monel, super duplex stainless steel and other higher alloys makes PTC the ideal choice for customers across the world. PTC's strong commitment to quality and

reduction of overall costs for its customers has led to its position as the preferred supplier for critical and super-critical cast components.

Long standing relationship with our customers.

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

Cost effective production and timely fulfilment of orders

Increased competition has encouraged the players in our industry to find innovative ways to reduce cost and increase the overall efficiency. We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable, by implementing measures to reduce our operating costs and improving our operational efficiencies. Our focus is to develop and adopt efficient technologies to further improve the quality of our products and optimize our production costs. We believe our focus on developing and implementing more sustainable methods in our operations will enable us to achieve cost leadership position.

Quality standards and Assurance

The success of our customers is dependent on the quality of our products. The Company's multi-pronged approach towards quality includes quality of work environment, technology and services offered. The Company conducts thorough quality check through in-depth testing and inspection based on customer requirements and international standards. The series of inspection tests includes Destructive and Non-Destructive tests comprising Tensile Testing, Impact Testing, Wet Analysis, Ultrasonic Flaw Detection, Magna Flux Crack Detection Pressure Testing, and others.

Experienced and Qualified Management

We are led by a group of individuals, having a proven background and rich experience in the Cast metal Components Industry. Our Promoter and Managing Director and has an experience of more than two and half decade in the casting industry. He is actively involved in the strategic decision making for the Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business. He has been instrumental in developing our business activities, growth and future prospects.

We have an experienced and professional management team with strong asset management, execution capabilities and considerable experience in this industry. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is professionally qualified and experienced in textile industry and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong repute, will enable us to continue to take advantage of future market opportunities and expand into new markets.

Government Grants for Technology Development – TAFP & TDDP

The Company has successfully completed its Technology Development and Demonstration Programme (TDDP) for development and commercialization of the RapidCast™ technology for manufacture of stainless steel castings of weight up to 6,000 kilograms which has become fully operational and allowed the Company to manufacture stainless steel castings weighing upto 6,000 kilograms, single-piece for a wide range of critical and super-critical products during the year.

The Company's project for acquisition and customization of Technology for Development & Commercialization of Titanium Castings with Ceramic Shelling under the Technology Acquisition Fund Programme (TAFP) supported by the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India has also been completed during the previous year. For this project, the department had committed partial support as a grant of ₹ 10 Crores out of a total cost of ₹ 51 crores for a project duration of four years from the date of signing of MoU with Global Innovation and Technology Alliance (GITA).

PTC's wholly owned subsidiary Aerolloy Technologies Limited (herein referred to as ATL) allotment of 20 hectares (50 acres) of land by UPEIDA in the Lucknow node of the UP Defence Industrial Corridor. This prime parcel of land is adjacent to the 80 hectares (200 acres) land provided by UPEIDA to Brahmos at the same location.

Our Business Strategy

To develop export opportunities for our products

We currently export our products to various countries such as European Union, USA, Brazil, China Canada and others etc. and plan to expand our export operations globally. India is one of the major exporters of Aerospace and Defence applications products while developed economies such as US and Europe are major importers such products. Our product portfolio is primarily focused on offering differentiated products based on customer's requirements. Through a combination of increased capacities, reduced costs, wider range of products and services adhering to global standards, marketing initiatives, competitive pricing and more efficient use of our resources, we intend to expand our global footprint and become a preferred exporter.

Enhanced focus on efficiency, cost and return on capital

We intend to continue to improve the efficiency of our operations, reduce costs, improve margins and enhance the efficiency of capital employed thereby increasing the return on our capital, while still focusing on sustainable growth. We will continue to leverage technology for better demand planning, replenishment and in season management activities. This will help us improve sales and sell through, allowing us to increase sales and minimize markdowns on our inventory. These actions are expected to improve margins, reduce costs and also reduce our overall inventory levels. With a strong focus on cash generation, we are also rationalizing and reducing our exposure to customer segments and channels that require us to maintain high levels of inventory or have longer payment cycles. We believe our focus on costs, network efficiency and asset turns will help us improve our profitability and return on capital employed.

Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach.

Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely. We intend to focus on expanding our customer base and forming new long term relations with our customers by catering to their needs and demands in a timely, efficient and cost effective manner.

Investing in Advanced Technology

Our vertically integrated facilities are highly dependent on technology to ensure smooth and effective functioning, thereby making it conducive that we continue to modernize and upgrade the technology used by us. New technologies are constantly being developed for the various processes of manufacturing and we have invested in the latest available technology, plant and machinery to ensure that our manufacturing processes are up to date. We intend to continue upgrading our technology to keep ourselves competitive and efficient.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product- mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products. We intend to strengthen our existing marketing team by inducting personnel with expertise in the metal components and casting industry, who will supplement our existing marketing strategies in the domestic and international markets. We have already established our self as a supplier and exporter of critical and super critical products in the international market, by supplying products in conformity with the international standards, which makes the quality of our products, our biggest marketing technique. Our international operations have enabled us to learn and follow the global trends, improve our efficiency, quality and trend analysis and better customer servicing, which shall in the future help us in penetrating global markets with a wide market reach.

DETAILS OF OUR BUSINESS

PRODUCTS AND SERVICES

PTC manufactures products for various critical applications for a wide spectrum of industries including Aerospace, Defence, Oil & Gas, Liquefied Natural Gas (LNG), Ships & Marine, Valves and Flow-control Power plants and turbines and Pulp & Paper machinery. It offers a wide range of materials which include Titanium Alloys, Alloy Steel, Stainless Steel, Duplex and Super Duplex Stainless Steel, Creep Resistant Steel, Heat Resistant Steel, Nickel-Based Alloys, Cobalt-Based Alloys, Austenitic Ductile Iron, Nickel Aluminium Bronze, etc.

MANUFACTURING PROCESS

The products manufactured by us has to go through various machines and undergo a number of processes, which are detailed below.

Quality control and tests at each stage at the manufacturing process:

The raw materials procured and the finished products manufactured are checked and inspected by the Quality Control facility to ensure that the desired quality is achieved. All the units have comprehensive testing facilities for assessing the quality parameters of raw-material/inputs, in process materials and finished goods. Corrective action, if any, is taken on the basis of the tests carried out to ensure that the final products adhere to the desired quality standards.

PLANT AND MACHINERY

The Company has invested in well-integrated manufacturing units. It has manufacturing facilities in Uttar Pradesh and Gujarat comprising 2 foundries, 2 CNC machine shops and a DSIR approved Research & Development lab.

Facilities at the foundries:

- Fully equipped with facilities for computerised methoding through solid modeling and casting simulation
- Invested in setting up a Design Unit, complete with high end designing software from SolidWorks® and Magma® along with qualified design engineers.
- Developed a large Robotic 7-Axis Machining Centre to machine patterns using Virtual Tooling forthe its RapidCast™ technology
- Installed fully- automated Robot assisted Shell Coating systems in both the plants for shelling and

moulding for consistency in quality, enhanced efficiency, shorter lead times and less wastage.

With a strong product portfolio backed by unmatched quality, PTC has reinforced its position globally and emerged stronger than ever with strong customer relationships coupled with specialized manufacturing capabilities. The Company has been sharpening its focus around technology and innovation that is opening up newer opportunities for the organization.

PTC manufactures products for various critical applications for a wide spectrum of industries including Aerospace, Defence, Oil & Gas, Liquefied Natural Gas (LNG), Ships & Marine, Valves and Flowcontrol, Power plants and turbines and Pulp & Paper machinery. It offers a wide range of materials which include Titanium Alloys, Alloy Steel, Stainless Steel, Duplex and Super Duplex Stainless Steel, Creep Resistant Steel, Heat Resistant Steel, Nickel-Based Alloys, Cobalt-Based Alloys, Austenitic Ductile Iron, Nickel Aluminium. Our vide customer base includes public as well as private sector buyers varying from railway industry, metal industry, defence industry and others.

Capacity Installed and Capacity Utilization

Set forth below is the detail of the installed and utilized capacity of our manufacturing unit for the last three financial years.

Sr. No.	Address	Category	Manufacturing / Storage Capacity (MT)	Utilized Capacity (MT)	% of Utilization
1.	**Lucknow** (AMTC, NH-25A, Sarai Shahjadi, Lucknow, Uttar Pradesh)	**Industrial** 2019-20 2020-21 **Titanium** 2019-20 2020-21	 1800 1800 25 25	 1258.89 1026.14 3.17 15.32	 69.94 57.01 12.70 61.28
2.	**Mehsana** (Rajpur, Taluka Kadi, District Mehsana, Gujarat, India)	**Industrial** 2019-20 2020-21	 600 600	 481.95 455.59	 80.33 75.93

Collaborations

The Company has a technical collaboration with the UK-based Castings Technology International (CTI), a research and technology organization with capabilities in castings design, materials development and selection, specifications, manufacturing technologies, quality control, testing and performance.

Marketing

- The defence industry is highly competitive and highly complex due to security and government involvement. The defence and security industries are very different, however both do marketing, for both the marketing is unique.

- PTC uses a wide range of marketing tools. This includes both on-line services and off-line services. As the defence sector is so diverse (land forces, air forces, marine and special forces) the kinds of promotion that are used are also varied. The websites of the company also play a big role in marketing.

- Public Relation of the company is a powerful and low cost tool that is very effective. PTC also participated in exhibitions and events around the country and world to showcase new products and take new orders.

- Marketing plan of the company is a strategic roadmap that use to organize, execute, and track marketing strategy over a given time period. Marketing plans can include separate marketing strategies for the various marketing teams across the company, but all of them work toward the same business goals.

- Most large buyers insist their suppliers maintain a certain certification level and implement a thorough quality control process. As organizations and customers grow increasingly more sensitive to environmental issues, buyers are more focused on finding environmentally-friendly partners.

Human Resources

PTC understands that its key differentiator is derived from the collective strength of its human capital. The Company takes multiple initiatives to strengthen its people capital. This includes sharpening of skills at regular intervals through well-defined learning and development initiatives and a host of employee engagement policies.

A healthy and safe environment is a pre-requisite for a company's people capital to thrive. It offers various health schemes, camps and voluntary movements to its employees and their families. The company has laid down foundations for a quality-centric work culture by involving its employees and ensuring a decent work environment.

PTC encourages open collaboration, engagement and involvement. The Company believes in providing equal opportunity and ensures a fair and diverse work environment. Diversity and Inclusion are important aspects of sustainable business growth and we call this the 'winning balance'.

The Company regularly imparts training to improve skills of its people. The Company has created an environment that fosters learning and development. The Company has been actively expanding its team to meet its growing demand. The Company enjoys outstanding relations with its workers and staff. It has excellent co-operation and support from the entire hierarchy of well-trained and experienced personnel.

The Company is also creating a sense of ownership and providing the workers and staff, with wealth creation opportunities while in the employment of the company by offering ESOPs under the scheme 'Abhilasha' - the PTC Employees Stock Option Scheme 2019 (PTC-ESOS 2019).

Competition

Some metal casters do have such a well-developed, differentiated, and protectable position that they have few competitors. However, in slow growth markets, there has been shut down of a number of foundries and consolidation of players as well. This can, and has, led to less competitive rivalry. On the other hand, the consolidation of the customer base, coupled with a proliferation of low-cost countries has kept competitive

rivalry high for foundries.

Again, PTC has maintained its competitive edge by investing in research and the latest and most advanced technologies which differentiate PTC from its competition. The creation of world class capabilities for manufacture of castings in difficult to cast higher alloys like titanium, zirconium, inconel, monel, super duplex stainless steel and other higher alloys makes PTC the ideal choice for customers across the world. PTC's strong commitment to quality and reduction of overall costs for its customers has led to its position as the preferred supplier for critical and super-critical cast components.

Health and Safety

The Company's standards for quality, safety, training, development, health and environment have always been kept at the highest level of importance. The Company has been employing the use of artificial intelligence, data analytics and latest software to continuously upgrade and maintain its safety and quality parameters. The Company facilities reinforce its commitment to providing a safe and reliable workplace to its employees. The usage of Personal Protective Equipment (PPE) and safety awareness of every employee is vital to an injury, hazard and accident free workplace. Hence, the Company focuses significantly on improving the efficiency of the operations through implementation of innovative technologies, and the use of global best practices to minimize its impact on the environment. The company continues to carry out comprehensive reviews of its health and safety principles and put in place improvement measures to ensure compliance with international standards.

Achievements

Following are the achievements of the Company in the past years:

- PTC was awarded the prestigious National Award for R&D Efforts in the Industry by the Department of Science and Industrial Research, Government of India in 2006 for successful indigenization and commercialization of the Replicast® technology.

- Forbes India, in 2014, identified PTC Industries as one of the sixteen 'Hidden Gems' of Indian industries.

- In 2017, PTC became the only foundry in India to receive the Special Jury Award at the 2017 Time India Awards by TIME India magazine for exhibiting overall competitiveness and pursuing innovation, and standing out for its remarkable export orientation, pioneering adoption of Industry 4.0 and focus on sustainable manufacturing.

- In 2018, PTC was adjudged the Most Innovative Company in the Medium Segment and was awarded the CII Industrial Innovation Award for that year.

- PTC has also been bestowed with the Total Cost Leadership Award by Rolls Royce – Marine, one its most esteemed customers.

- The company received Clearance Certificate for critical OLFs from Chief Executive (Air Worthiness and Certification) Shri APVS Prasad. These shall be made from expensive Titanium alloys for Defence applications using unique in-house Investment Casting & HIP capabilities available with very few companies worldwide.

- PTC formed a new subsidiary Aerolloy Technologies Limited with a focus on manufacture of high-quality cast components for the Defence and Aerospace industries for both indigenous and foreign consumption.

- Production of the first ever Titanium Castings commenced with the completion of the Phase II at the Advance Manufacturing and Technology Centre (AMTC). This creates a unique capability in the country which will lead the path to Self-Reliance in the manufacture of critical parts for a vast range of applications.

- In current year Aerolloy Technologies Limited, wholly owned subsidiary company has received certificate, Management system as per EN 9100:2018, an International Certification for manufacture of Titanium and Nickel Super Alloy Castings for Aerospace applications as per AS 9100 and EN 9100 form TUV NORD CERT GmbH.

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OUR MANAGEMENT

Our Articles of Association require us to have not less than three (03) and not more than fifteen (15) Directors. As on date of this Letter of Offer, we have ten (10) Directors on our Board, which includes, one (01) Managing Director, four (04) Executive Directors and five (05) Independent Directors, one of whom is also the woman director of our Company.

Set forth below are details regarding our Board as on the date of this Letter of Offer:

#	Name, designation, date of birth, term, period of directorship, DIN, occupation and address	Age (in years)	Other directorships
1.	**Mr. Sachin Agarwal** **Designation:** Chairman and Managing Director **Address:** Sarat Kunj, Plot No. - 4, 07, Way Lane, Jopling Road, Lucknow – 226001, Uttar Pradesh, India **Date of Birth:** 05/04/1972 **DIN**: 00142885 **Term:** 5 Years **Occupation:** Business **Nationality:** Indian	50	1. Mapple Commerce Pvt Ltd 2. Nirala Merchants Private Limited 3. E. Soft Technologies Private Limited 4. Viven Advisory Services Private Limited 5. Homelike Motels And Resorts Private Limited 6. Precision Overseas Private Limited 7. Aerolloy Technologies Limited
2.	**Mr. Alok Agarwal** **Designation:** Director (Quality &Technical) **Address:** B-51, Nirala Nagar, Lucknow – 226020, Uttar Pradesh, India **Date of Birth:** 29/08/1962 **DIN**: 00129260 **Term:** 5 Years **Occupation:** Business **Nationality:** Indian	60	1. Ikan Innovations and Technologies Private Limited 2. Aerolloy Technologies Limited
3.	**Ms. Priya Ranjan Agarwal** **Designation:** Director (Marketing) **Address:** B-93 Sector-C, Mahanagar, Lucknow – 226004, Uttar Pradesh, India **Date of Birth:** 15/08/1958 **DIN**: 00129176 **Term**: 5 Years **Occupation:** Business **Nationality:** Indian	64	1. Mapple Commerce Private Limited 2. Aerolloy Technologies Limited
4.	**Mr. Ashok Kumar Shukla** **Designation:** Wholetime Director **Address:** D/64 Vishal Residency, Opp. Devpriya Bunglow-2, Satellite Ahmedabad, Gujarat – 380015, India **Date of Birth:** 26/05/1968	54	None

#	Name, designation, date of birth, term, period of directorship, DIN, occupation and address	Age (in years)	Other directorships
	DIN: 08053171 **Term:** 5 Years **Occupation:** Business **Nationality:** Indian		
5.	**Ms. Smita Agarwal** **Designation:** Wholetime Director **Address:** Sarat Kunj, Plot No.-4, 07, Way Lane, Jopling Road, Lucknow – 226001, Uttar Pradesh, India **Date of Birth:** 15/04/1976 **DIN**: 00276903 **Term:** 5 Years **Occupation:** Business **Nationality:** Indian	46	1. Mapple Commerce Pvt Ltd 2. Nirala Merchants Private Limited 3. Viven Advisory Services Private Limited 4. Homelike Motels and Resorts Private Limited 5. Precision Overseas Private Limited 6. Aerolloy Technologies Limited
6.	**Mr. Krishna Das Gupta** **Designation:** Independent Director **Address:** Flat 104, Ratan Bhawan 7/108A, Swaroop Nagar, Kanpur – 208002, Uttar Pradesh, India **Date of Birth:** 07/10/1942 **DIN**: 00374379 **Term:** 5 Years **Occupation:** Professional **Nationality:** Indian	80	1. Ruchi Infrastructure Limited 2. Ema India Limited 3. Ruchi Renewable Energy Private Limited
7.	**Mr. Rakesh Chandra Katiyar** **Designation:** Independent Director **Address:** 236/C-1, Virendra Nikunj, Indira Nagar, Kanpur – 208026, Uttar Pradesh, India **Date of Birth:** 01/07/1956 **DIN**: 00556214 **Term:** 5 Years **Occupation:** Professional **Nationality:** Indian	66	None
8.	**Mr. Ajay Kashyap** **Designation:** Independent Director **Address:** 163-D, Sainik Farms, New Delhi – 110062, India **Date of Birth:** 11/08/1949 **DIN**: 00661344 **Term:** 5 Years **Occupation:** Business **Nationality:** Indian	73	1. Ark Industrial Products Private Limited 2. Green Powercell Technology Private Limited 3. Ark Fluid System Components Private Limited
9.	**Mr. Brij Lal Gupta**	71	None

#	Name, designation, date of birth, term, period of directorship, DIN, occupation and address	Age (in years)	Other directorships
	Designation: Independent Director **Address:** 18/49, Sector 18, Indira Nagar, Lucknow – 226016, Uttar Pradesh, India **Date of Birth:** 20/07/1951 **DIN**: 06503805 **Term:** 5 Years **Occupation:** Professional **Nationality:** Indian		
10	**Mr. Vishal Mehrotra** **Designation:** Independent Director **Address:** 158, Purana Quila, Cantt. Road, Lucknow – 226001, Uttar Pradesh, India **Date of Birth:** 13/04/1972 **DIN**: 08535647 **Term:** 5 Years **Occupation:** Professional **Nationality:** Indian	50	None

Brief profile of our Directors

Mr. Sachin Agarwal (Managing Director)

Mr. Sachin Agarwal, the Managing Director of PTC Industries Limited was born in Lucknow, UP where he spent his early years. He has done his MBA in Operations from the University of Tulsa, Oklahoma and has an M. Sc in Finance from Boston College, Massachusetts. He also co-founded e.Soft Technologies Limited, a software company with offices in Lucknow, Mumbai and New York. Sachin's determination led PTC to shed its mantle as just another foundry and become a world class leader in its domain as he worked extensively on the development of new technologies and metallurgies for production of critical metal components. Sachin's passion has been to bring about a real change in the future of manufacturing for metal parts and create a unique capability within the country for manufacture of components which were erstwhile never being sourced from a country like India. His resolve led to a number of new initiatives in the company including the acquisition of the Replicast® technology, the development of new path breaking technologies like forgeCAST™, RapidCast™, PowderForge, etc, and the setup of a capability to manufacture metal components at par with the best in the world. Due to his efforts, PTC became the only foundry in India to successfully indigenize the Replicast® technology and received the 'National Award for R&D Efforts in Industry' by DSIR which was presented to Mr. Sachin Agarwal by Dr. Krishnamurthy and Dr. Mashelkar, renowned personalities in the field of science and technology and advisors to the Prime Minister at that time. Sachin took some critical decisions like divesting out of nonvalue added, non-critical kind of businesses; consciously shifting the focus of the business to more demanding, difficult to- manufacture and critical-to-performance parts at a time when the company's reliance on a few select customers was very high.

He also braved the downturns in both the domestic and global economic environments at a time when a decision to invest further into technology and capability development required considerable courage and conviction. Sachin is Chairman of the Society for Indian Defence Manufacturers, Uttar Pradesh and is leading the effort to align industry and government initiatives to build a strong ecosystem for Defence

manufacturing in the State. He is also the Past Co-chairman of the CII Northern Region Defence and Aerospace Committee and Past Chairman for CII in UP and in this role he has worked tirelessly to showcase UP in many parts of the country. He was recognized for his achievements in a publication 'Small Big Bang' by Indian Institute of management (IIM) where he was recognized for his significant contribution to industry and his leadership qualities. He was also featured in Forbes India as leading one of the "16 Hidden Gems" of the country. In association with CII, he has been working towards policy advocacy for the industry. Within his own organization also, he institutes various welfare funds for the benefit of his workers thus providing support to them in times of need for education and their medical needs. He is committed to bringing an improvement in the lives of all the members of his company through creation of a better and safe work environment and better quality of life.

Mr. P. R. Agarwal (Director, Marketing)

Mr. Priya Ranjan Agarwal joined PTC in 1992 and has been working with the Company for the last 29 years. He is a Whole time director on the Board of the Company. He has made a substantial contribution in creation of a wide base of customers in the domestic market. Mr. Priya Ranjan Agarwal is a Bachelor of Engineering (Mechanical). He is primarily responsible for business development in key infrastructure projects and domestic marketing activities and has contributed largely for PTC to become a well-known and respected name in the country. He continues to lead PTC's marketing efforts by working tirelessly with government and non-government organizations. He has been instrumental in the execution of several large project orders received by PTC from domestic customers and the Indian government

Mr. Alok Agarwal (Director, Quality & Technical)

Mr. Alok Agarwal began working with PTC Industries in 1994, over 28 years ago. He is a Whole-time director designated as an Executive Director on the Board of the Company. Mr. Alok Agarwal has done his B.Tech from a premiere engineering institution, the Indian Institute of Technology (IIT), Kanpur. Over the years, he has held various senior positions in the Production, Quality, Technical and Co-ordination areas. Being a person with a strong penchant for analytical work and high technology skills, he manages the operational and quality related aspects of the business. He has done extensive work in improving the quality standards in the Plants and obtaining various ISO and other quality certifications for the Company. His responsibilities also include Environment, Health and Safety compliances for the Company.

Ms. Smita Agarwal (Director & Chief Financial Officer)

Ms. Smita Agarwal, Director and Chief Financial Officer, PTC Industries Limited qualified as a Chartered Accountant in 1997 and has worked with Price Water house Coopers in their New Delhi and London offices between 1994 to 1998. Smita has also completed her Diploma in Information Systems Audit fromICAI. Smita has successfully led various initiatives and projects at PTC including the infusion of an FDI investment into the company in 2013 and its listing on the Bombay Stock Exchange in 2015.

She was also the winner of the 2017 Women Achiever Awards by LMA in the corporate category. Recently, she was also recognised by NITI Aayog as one of the top 60 women entrepreneurs in the country at their Women Transforming India Awards 2018. She is the National Chairperson of CII Young Indians, India's premiere youth organization with over 3,800 members in 55 cities across India and in this role works to create widespread impact towards nation building and youth leadership in the country. She has served as Chairperson for CII Young Indians Northern Region, Project Masoom and their Lucknow Chapter and worked on creating social awareness in the country through many programs, workshops and awareness activities. She is also a member of the CII National Council and the CII UP State Council.

Mr. Ashok Kumar Shukla (Whole-time Director)
Mr. Ashok Kumar Shukla joined PTC in 2003 and has been working with the Company for the last 17 years in various capacities. He has taken up the position of an Executive Director of the Company around 2 years back. Mr. Shukla is a Bachelor of Technology (Mechanical) and has over 30 years of experience in the foundry industry with a specialization in investment castings. He has extensive experience working in many leading engineering and foundry-based companies and has an exceptional skill set for manufacturing and production management. He has made a substantial contribution for the implementation and achieving business plan directives, implementation of policy matters, boundary management, charting growth plans, increasing production, assets capacity and flexibility, while minimizing unnecessary costs and maintaining current quality standards in respect of the Mehsana Plant.

Mr. Ajay Kashyap (Independent Director)
Mr. Ajay Kashyap joined PTC in April 2007 and is an Independent Director on the Board of the Company. He is also a director on the Board of various other companies. Mr. Kashyap is a Bachelor in Technology (Chemistry) and has a Masters in Science (Chemistry). He has vast experience in the engineering Industry. Mr. Kashyap brings a lot of knowledge, capability and insight into the management of the company and takes a keen interest in supporting ideas and initiatives for overall improvement in operational and financial processes.

Dr. Rakesh Chandra Katiyar (Independent Director)
Dr. Rakesh Chandra Katiyar joined PTC in April 2007 and is an Independent Director on the Board of the Company. His educational qualifications include M.Com, Ph.D., FICWA, D.Litt. and he is a professor at the Chhatrapati Sahuji Maharaj University, Kanpur.

Mr. Krishna Das Gupta (Independent Director)
Mr. Krishna Das Gupta joined the Company in July 2008 as an Independent Director on the Board. His educational qualifications include M.Com, LLB, M.Phil and Masters in Public Administration. Mr. Gupta is an Ex-Chief Commissioner of Income-Tax with the Government of India.

Mr. Brij Lal Gupta (Independent Director)
Mr. Brij Lal Gupta's educational qualifications include B.Sc from Meerut University, IRDA and CAIIB. Mr. Brij Lal Gupta has retired as General Manager from Punjab National Bank after 42 years of experience in banking. He holds the position of panel head in the interview board of IBPS and serves as guest faculty in various Bank Training Colleges. He is presently also associated as Business Associate with BRICK (Risk Rating Company). His experience includes the areas of sales, marketing operations, control, strategic planning and banking operations, recovery in NPAs.

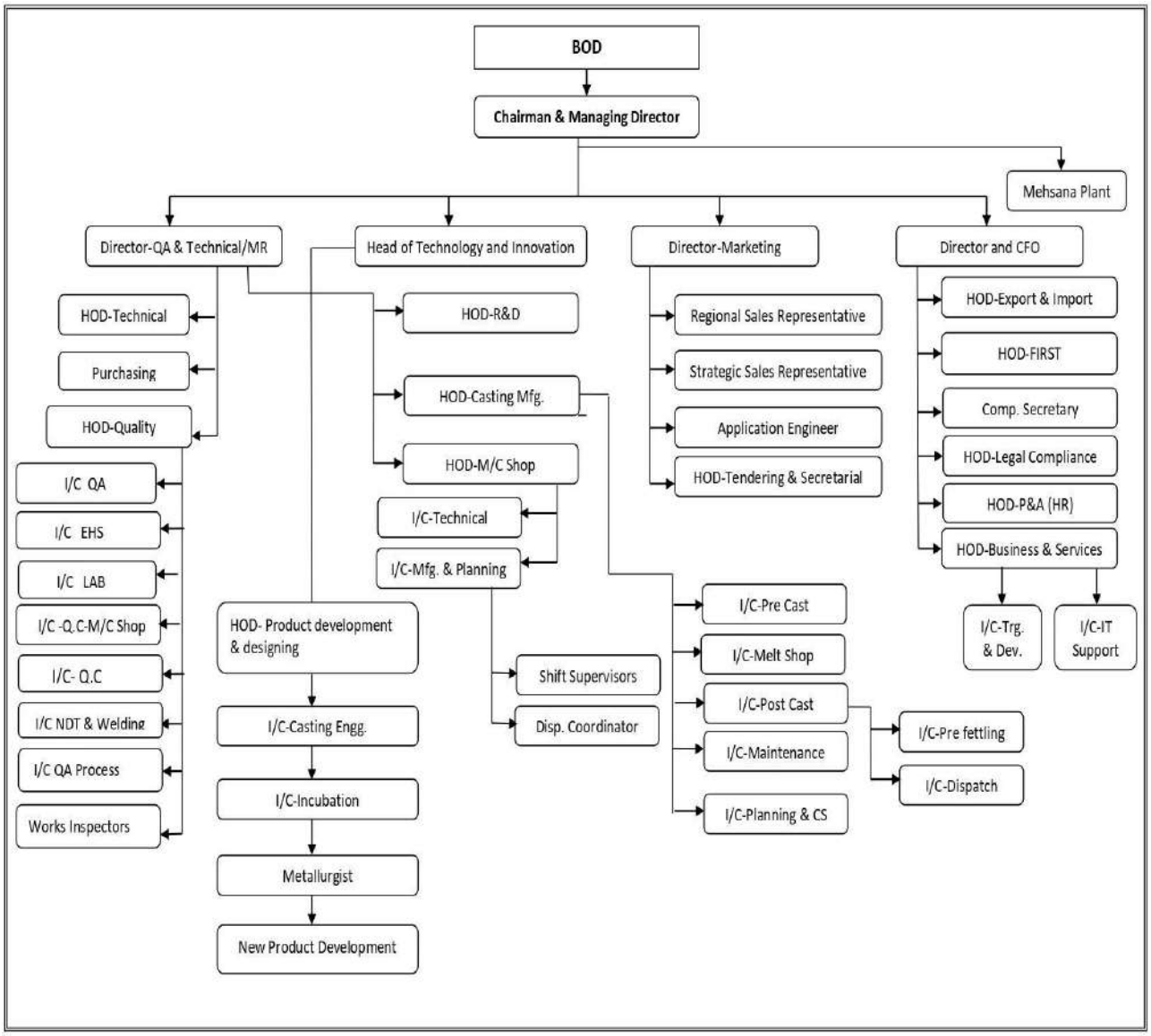
Mr. Vishal Mehrotra (Independent Director)
Mr. Vishal Mehrotra is an advocate by profession and has 23 years of experience of practice before Registration authorities, Revenue authorities, Commercial Tax authorities, Income Tax authorities, Appellate authorities and Hon'ble High Court. He is based in Lucknow (U.P.) and dealing in legal matters of leading private companies, non-corporate houses and renowned individuals.

Details of Senior Management and KMP

S. No.	Name	Designation	Age (Years)	Qualification	Experience	Area of Expertise

1	Mr. Sachin Agarwal	Chairman & Managing Director	50	MBA in Operations from the University of Tulsa, Oklahoma and has an M. Sc in Finance from Boston College, Massachusetts	More than 26 Years	Overall management of the affairs of the Company and making operational critical decisions.
2	Ms. Pragati Gupta Agrawal	Company Secretary & Compliance Officer	33	Members of Institute of Company Secretaries of India	5 Years	Secretarial, Legal and Corporate Governance
3	Ms. Smita Agarwal	Director & Chief Financial Officer	46	Member of Institute of Chartered Accountants of India	Over 24 Years	Accounts, Finance and Taxation

Current Organizational Structure



Confirmations:

1. None of our Directors' is or was a director of any listed company during the last five years immediately preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on any stock exchanges, during the term of their directorship in such company.

2. None of our Directors, is or was a director of any listed company which has been or was compulsorily delisted from the stock exchanges, during the term of their directorship in such company, in the last 10 years immediately preceding the date of filing of this Letter of Offer.

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SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Details	Page Number
1	Independent Auditors' Report on the audit of the Consolidated Financial Statements for financial year ended March 31, 2021.	F 1 to F 64
2	Independent Auditor's Report on Consolidated Annual Financial Results for the year ended March 31, 2022, of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (as amended).	F 65 to F 73

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Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
B-406A, 4th Floor
L&T Elante Office Building,
Industrial Area Phase I,
Chandigarh - 160 002
India

T +91 172 433 8000
F +91 172 433 8005

Independent Auditor's Report

To the Members of PTC Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of PTC Industries Limited ('the Holding Company') and its subsidiary "Aerolloy Technologies Limited' (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary, 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of inventories As disclosed in note 14 in the consolidated financial statements, as at 31 March 2021 the total value of Group holds inventory comprising of raw material, work-in-progress and manufactured finished goods as at 31 March 2021 amounting to INR 5,225.83 lacs represents 13.31% of the total assets. Out of the total inventory, INR 3,358.74 lacs pertains to inventory work-in-progress and manufactured finished goods. Such inventory is carried at cost, or net realisable value whichever is lower, as per the accounting policy disclosed in note 4 of the accompanying standalone/consolidated financial statements. Determination of cost of inventory involves allocation of various production and administration overheads incurred to bring the inventory to its present location and condition, which involves management judgement and estimation. Amongst the other overheads, fixed production overheads are allocated to the costs of conversion based on the normal capacity of the production facilities in accordance with the principles of Ind AS -2, Inventories. Further, at the end of each reporting period, the management of the Group also assesses whether there is any objective evidence that net realisable value of any item of inventory is below the carrying value. If so, such inventories are written down to their net realisable value in accordance with Ind AS 2, Inventories. In addition to the above, the complexities and judgement involved in inventory valuation includes: • Estimate involved in computing input-output ratio used for computing the average rate of overheads which is to be added to the cost of inventory. • Estimate involved in allocation of expenses through various stages of production. Inventory valuation was considered a risk of material misstatement because variable and fixed costs are allocated to inventory.	Our audit procedures included, but were not restricted to the following procedures: a) Obtained an understanding of the management's process of valuation of inventory. b) Evaluated the design and tested the operating effectiveness of key controls around valuation including around estimates, stage of completion and overhead computations and determination of net realizable value of inventory items. c) Evaluated the appropriateness of the Group's accounting policy and valuation method of inventory in accordance with the applicable accounting standards. d) Verified the expenses considered as cost of conversion including estimates for apportionment of the conversion on the different classes of finished goods and work in progress and recomputed the arithmetical accuracy thereof for calculating the conversion cost considered as part of the finished goods and work in progress. e) Recomputed the net realisable value of the finished goods and reviewed the management assessment for carrying inventory at lower of cost and net realisable value. f) Tested ageing of inventory items obtained through system reports, as applicable. g) Discussed with management the rationale supporting assumptions and estimates used in carrying out the inventory valuation and corroborated the same to our understanding of the business. Tested the computation of various overhead absorption rates by tracing the underlying data to audited historical operational results of the Group. h) Evaluated the appropriateness and adequacy of the disclosures made by the Group in accordance with the requirements as specified in the Ind AS-2 'Inventories' and Schedule III of the Companies Act, 2013.

Considering the aforesaid complexities, significant management judgements, and estimates involved and materiality of the amounts involved, this matter has been is determined to be as a key audit matter for the current year audit	

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a

guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, , to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of the subsidiary, whose financial statements reflects total assets of ₹ 1,338.55 lacs and net assets of ₹ 834.25 lacs as at 31 March 2021, total revenues of nil and net cash inflows amounting to ₹ 62.03 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. Asrequired by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the subsidiary company, since it is not a public company as defined under section 2(71) of the Act.

17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) In On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company, none of the directors of the Group companies

covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary Company, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 43 to the consolidated financial statements;

ii. the Holding Company, and its subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary Company, during the year ended 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership No.: 099410
UDIN: 21099410AAAACX6834

Place: Chandigarh
Date: 10 July 2021

Annexure I

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of PTC Industries Limited ('the Holding Company') and its subsidiary, Aerolloy Technologies Limited (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary Company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the Internal Financial Controls with reference to Financial Statements criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI established by the management of the Company. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary Company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary Company, the Holding Company and its subsidiary Company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the Internal Financial Controls with reference to Financial Statements criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI established by the management of the Company.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to the subsidiary Company, which are companies covered under the Act, whose financial statements reflect total assets of ₹1,338.55 lacs and net assets of ₹ 834.25 lacs as at 31 March 2021, total revenues of nil and net cash inflows amounting to ₹ 62.03 lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary Company have been audited by other auditors whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary Company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary Company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership No.: 099410
UDIN: 21099410AAAACX6834

Place: Chandigarh
Date: 10 July 2021

PTC Industries Limited

Consolidated Balance Sheet as at 31 March 2021

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	As at 31 March 2021
ASSETS		
Non-current assets		
Property, plant and equipment	5	20,840.75
Capital work-in-progress	6	3,709.80
Investment property	7	184.37
Other intangible assets	8	76.38
Financial assets		
(i) Investments		-
(ii) Loans	10(a)	114.12
(iii) Other financial assets	11(a)	34.45
Income tax assets (net)	12	303.41
Other non current assets	13	448.24
Total non-current assets		25,711.52
Current assets		
Inventories	14	5,225.83
Financial assets		
(i) Investments	9	7.72
(ii) Trade receivables	15	6,329.52
(iii) Cash and cash equivalents	16	209.07
(iv) Bank balances other than(iii) above	17	213.54
(v) Loans	10(b)	364.64
(vi) Others financial assets	11(b)	813.53
Other current assets	18	874.02
Total current assets		14,037.87
TOTAL ASSETS		39,749.39
EQUITY AND LIABILITIES		
Equity		
Equity share capital	19	523.91
Other equity	20	15,004.41
Total equity		15,528.32
Non-current liabilities		
Financial liabilities		
(i) Borrowings	21(a)	9,398.23
(ii) Other financial liabilities	22	7.50
Provisions	23	89.25
Deferred tax liabilities (net)	24	1,202.26
Other non-current liabilities	25	1,042.22
Total non-current liabilities		11,739.46
Current liabilities		
Financial liabilities		
(i) Borrowings	21(b)	7,172.90
(ii) Trade payables	26	
total outstanding dues of micro enterprises and small enterprises		93.61
total outstanding dues of creditors other than micro enterprises and small enterprises		2,602.80
(iii) Other financial liabilities	27	2,449.43
Other current liabilities	28	149.82
Provisions	23	13.05
Total current liabilities		12,481.61
TOTAL EQUITY AND LIABILITIES		39,749.39

Notes 1 to 52 form an integral part of these consolidated financial statements

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner
Membership No. 099410

Place: Chandigarh
Date: 10 July 2021

For and on behalf of the Board of Directors of PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No. : 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No. : 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS61754

Place: Lucknow
Date: 10 July 2021

PTC Industries Limited

Consolidated statement of Profit and Loss for the year ended 31 March 2021

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2021
Income		
Revenue from operations	29	16,334.99
Other income	30	519.61
Total income		**16,854.60**
Expenses		
Cost of materials consumed	31	3,694.05
Changes in inventories of finished goods and work-in-progress	32	409.05
Employee benefits expense	33	1,996.71
Research and development expense	34	181.09
Other expenses	35	6,562.84
Total expenses		**12,843.74**
Profit before finance cost, depreciation and amortisation and tax		**4,010.86**
Finance costs	36	1,343.26
Depreciation and amortisation expense	37	1,438.35
Profit before tax		**1,229.25**
Tax expense	38	
Current tax - earlier years		(244.86)
Deferred tax charge		81.14
Remeasurement of deferred tax recoverable on adoption of new tax regime (MAT credit)		957.48
Total tax expenses		**793.76**
Profit for the year		**435.49**
Other comprehensive income		
A) i) Items that will not be reclassified to profit or loss		32.44
ii) Income tax relating to items that will not be reclassified to profit or loss		(8.16)
B) i)Items that will be reclassified to profit or loss		-
ii)Income tax relating to items that will be reclassified to profit or loss		-
Other comprehensive income for the year (net of tax)		**24.28**
Total comprehensive income for the year		**459.77**
Earnings per equity share [Nominal value ₹10]	39	
Basic (₹)		8.31
Diluted (₹)		8.31

Notes 1 to 52 form an integral part of these consolidated financial statements

This is the consolidated statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Co. LLP**
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner
Membership No. 099410

Place: Chandigarh
Date: 10 July 2021

For and on behalf of the Board of Directors of PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No.: 00142885

Alok Agarwal
Director (Quality & Technical
DIN No. : 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No. : 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS61754

Place: Lucknow
Date: 10 July 2021

PTC Industries Limited

Consolidated statement of cash flows for the year ended 31 March 2021

(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	For the year ended 31 March 2021
A Cash flow from operating activities	
Net profit before tax	1,229.25
Adjustment for:	
Depreciation and amortisation expense	1,438.35
Unrealised foreign exchange fluctuation loss	50.28
Gain on disposal/discard of property plant and equipment (net)	(137.25)
Provision for doubtful debts, loans and advances	10.22
Bad debts written off	37.66
Amortisation of deferred income- government grant	(80.00)
Dividend income	(0.14)
Gain on MTM foreign exchange fluctuation	(160.09)
Interest paid	1,248.01
Remeasurement of defined benefit plan	32.44
Gain on investment at fair value through profit or loss (net)	(1.94)
Interest from assets valued at amortised cost	(13.97)
Provisions made no longer required written back	(39.22)
Operating profit before working capital changes (current and non- current)	**3,613.59**
Inflow and outflow on account of :	
Changes in trade receivables	(1,798.90)
Changes in inventories	(16.90)
Changes in other financial assets	(633.09)
Changes in other assets	(236.03)
Changes in financial assets-loans	(170.62)
Changes in provisions	(31.05)
Changes in trade and other payables	(71.88)
Changes in other financial liabilities	127.71
Changes in other liabilities	(149.84)
Cash generated from operations before tax	**633.00**
Income taxes paid (net)	(219.76)
Net cash generated from operating activities [A]	**413.24**
B Cash flow from investing activities	
Purchase of property, plant and equipment and intangible assets [including capital advances and creditors for capital goods]	(2,587.20)
Proceeds from disposal of property plant and equipment	590.50
Interest received	13.97
Other bank balances not considered as cash and cash equivalents [net]	(56.43)
Dividend received	0.14
Net cash used in investing activities [B]	**(2,039.02)**
C Cash flow from financing activities	
Proceeds from long-term borrowings	3,330.60
Repayment of long-term borrowings	(1,003.00)
Proceeds from short-term borrowings (net)	717.84
Finance cost paid	(1,362.68)
Net cash generated from financing activities [C]	**1,682.76**
D Net increase in cash and cash equivalents [A+B+C]	**56.98**
E Cash and cash equivalents at the beginning of the year	152.09
Closing balance of cash and cash equivalent [D+E]	**209.07**

	As at 31 March 2021
Components of cash and cash equivalents (refer note 16):	
Balances with banks	202.21
Cash on hand	6.86
	209.07

Notes 1 to 52 form an integral part of these consolidated financial statements

This is the consolidated statement of Cash Flow Statement referred to in our report of even date

For Walker Chandiok & Co. LLP
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner
Membership No. 099410

Place: Chandigarh
Date: 10 July 2021

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No.: 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No. : 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS61754

Place: Lucknow
Date: 10 July 2021

PTC Industries Limited

Consolidated statement of changes in equity as at 31 March 2021

(All amounts in ₹ lakhs, unless stated otherwise)

A Equity share capital

	No. of shares	Amount
Balance as at 1 April 2020	52,39,063	523.91
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	52,39,063	523.91

B Other equity

	Reserves and Surplus				Other reserve	
	Capital reserve	Securities premium	General reserve	Retained earnings	Equity instruments through other comprehensive income	Total
Balance as at 1 April 2020	1.75	4,120.72	4,624.17	5,797.98	0.01	14,544.64
Profit for the period	-	-	-	435.49	-	435.49
Remeasurement of defined benefit plan	-	-	-	24.28	-	24.28
Balance as at 31 March 2021	1.75	4,120.72	4,624.17	6,257.75	0.01	15,004.41

Refer note 20 for nature of reserves.

Notes 1 to 52 form an integral part of these consolidated financial statements

This is the consolidated statement of Changes in Equity referred to in our report of even date

For Walker Chandiok & Co. LLP
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner
Membership No. 099410

Place: Chandigarh
Date: 10 July 2021

For and on behalf of the Board of Directors of
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No. : 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No. : 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS61754

Place: Lucknow
Date: 10 July 2021

PTC Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ lakhs, unless stated otherwise)

5 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Factory building	Plant and machinery	Computers	Mould and dies	Vehicles	Furniture and fixtures	Office equipment	Research and development assets: Plant and machinery	Research and development assets: Computers	Research and development assets: Mould and dies	Research and development assets: Vehicles	Total
As at 1 April 2020	576.22	-	4,318.55	20,255.54	214.97	1,587.42	252.28	170.82	176.29	255.03	1.18	111.77	6.35	27,926.42
Additions	626.40	-	141.18	244.98	21.82	161.15	89.99	6.52	13.41	-	-	-	-	1,305.45
Disposals/assets written off	-	-	-	-	-	-	15.75			-	-	-	-	15.75
Balance as at 31 March 2021	**1,202.62**	**-**	**4,459.73**	**20,500.52**	**236.79**	**1,748.57**	**326.52**	**177.34**	**189.70**	**255.03**	**1.18**	**111.77**	**6.35**	**29,216.12**
Accumulated depreciation														
As at 1 April 2020	-	-	435.20	4,755.75	174.63	996.62	142.34	91.36	99.72	167.24	1.04	105.14	3.66	6,972.70
Charge for the year	-	-	130.42	1,099.62	13.25	109.95	25.05	10.90	19.26	8.83	0.02	1.05	0.06	1,418.41
Adjustments for disposals	-	-	-	-	-	-	15.75	-	-	-	-	-	-	15.75
Balance as at 31 March 2021	**-**	**-**	**565.62**	**5,855.37**	**187.88**	**1,106.57**	**151.64**	**102.26**	**118.98**	**176.07**	**1.06**	**106.19**	**3.72**	**8,375.36**
Net block as at 31 March 2021	**1,202.62**	**-**	**3,894.11**	**14,645.15**	**48.91**	**642.00**	**174.88**	**75.08**	**70.72**	**78.96**	**0.12**	**5.58**	**2.63**	**20,840.75**

Notes:

a) Refer note 46 "Assets pledged as security" for details regarding property, plant and equipment pledged as security.

b) Refer note 43(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) Plant and machinery includes assets amounting to ₹ 1,200 lakh, out of which ₹ 500 lakh was acquired under the Technology Development and Demonstration Programme (TDDP) project and ₹ 700 lakh was acquired under the Technology Acquisition and Fund Programme (TAFP) project. These assets have restricted use under their respective projects.

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6 Capital work-in-progress

Particulars	Amount
Balance as at 1 April 2020	**1,897.93**
Additions	1,811.87
Balance as at 31 March 2021	**3,709.80**

Note:
Additions to capital work in progress include interest of ₹ 143.53 lakh capitalised during the year.

7 Investment property

Particulars	Freehold land	Factory building	Total
Net carrying value			
Net block as at 1 April 2020	125.59	61.87	187.46
Depreciation charge for the year	-	3.09	3.09
Net block as at 31 March 2021	125.59	58.78	184.37

Notes:
(i) Amount recognised in statement of profit and loss for investment property

	As at 31 March 2021
Rental income	41.25
Depreciation and amortisation expense	3.09
Direct operating expenses that generated rental income	-
Direct operating expenses that did not generate rental income	-
Profit from leasing of investment property	**38.16**

(ii) The aforementioned investment property is leased to a tenant under short term operating lease agreement with rentals payable monthly. However, lease can be terminated by either of the parties during the term, hence considered as cancellable and accordingly no lease disclosure given, as required by Ind AS 116 "Leases".

(iii) Fair value of investment property

	As at 31 March 2021
Fair value	1,519.74

The Group obtains independent valuations for its investment property. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources such as current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

These valuations are based on valuations performed by accredited independent valuer. Fair value is based on market value approach. The fair value measurement is categorised in Level 3 of fair value hierarchy. There has been no restriction on disposal of property or remittance of income and proceeds of disposal.

8 Other intangible assets

Particulars	Software	Licenses	Research and development asset - Software	Total
Gross block				
As at 1 April 2020	189.82	39.70	4.72	234.24
Additions	17.53			17.53
Balance as at 31 March 2021	**207.35**	**39.70**	**4.72**	**251.77**
Accumulated amortisation				
At 1 April 2020	**114.40**	**39.70**	**4.44**	**158.54**
Charge for the year	16.85	-	-	16.85
Balance as at 31 March 2021	**131.24**	**39.70**	**4.44**	**175.39**
Net block as at 31 March 2021	**76.10**	**-**	**0.28**	**76.38**

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9 Current investments

	As at 31 March 2021
Quoted instruments	
Investment in mutual fund (at fair value through profit or loss)	
5,000 units of ₹ 10 each of UTI Equity Fund (Prev. Mastergain 1992 of UTI)	7.72
	7.72
Aggregate amount of quoted investments and market value thereof	7.72

Note:
Refer note 40 for disclosure of fair values in respect of financials asset measured at cost.

10(a) Non-current financial assets - loans

Unsecured, considered good	
Security deposits	114.12
	114.12

Note:
Refer note 40 for disclosure of fair values in respect of financials asset measured at cost.

10(b) Current financial assets - loans

Unsecured, considered good	
Loan to employees	73.45
Other loans and advances	291.19
	364.64

Note:
Refer note 40 for disclosure of fair values in respect of financials asset measured at cost.

11(a) Non-current financial assets - others

Deposits with banks with maturity more than 12 months*	34.45
	34.45

* The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits.

Note:
Refer note 40 for disclosure of fair values in respect of financial assets measured at cost.

11(b) Current financial assets - others

Export incentives receivable	459.06
Other financial assets*	354.47
	813.53

*includes amount recoverable from entities controlled by KMPs and/or their relatives (refer note 47)

Note:
Refer note 40 for disclosure of fair values in respect of financial assets measured at cost.

12 Income tax assets (net)

Advance income-tax (net of provision for taxation)	303.41
	303.41

13 Other non-current assets

Capital advances	448.24
	448.24

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14 Inventories

	As at 31 March 2021
(Valued at lower of cost or net realisable value)	
Raw materials	1,232.12
Work-in-progress	3,313.73
Finished goods	45.02
Stores and spares	564.45
Loose tools	70.51
	5,225.83

15 Trade receivables

- Unsecured, considered good	6,329.52
- Credit impaired	25.60
	6,355.12
Less: Provision for expected credit loss	(25.60)
	6,329.52

Movement in the provision for expected credit loss

Balance at the beginning of the year	15.38
Add: Allowance provided during the year (refer note 35 and 40)	10.22
Balance at the end of the year	**25.60**

16 Cash and cash equivalents

Balances with banks	202.21
Cash on hand	6.86
	209.07

Note:
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

17 Other bank balances

Deposits with original maturity more than 3 months but remaining less than 12 months*	213.54
	213.54

* The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits.

18 Other current assets

Prepaid expenses	51.10
Balances with statutory and government authorities	822.52
Gratuity asset	0.40
	874.02

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19 Equity share capital

	As at 31 March 2021	
	Number	Amount
Authorised:		
Equity shares of ₹ 10 each	89,75,000	897.50
Redeemable cumulative preference shares of ₹ 10 each	20,25,000	202.50
	1,10,00,000	**1,100.00**
Issued, subscribed and fully paid up:		
Equity shares of ₹ 10 each	52,39,063	523.91
	52,39,063	**523.91**

a) **Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:**

	Number	Amount
Outstanding at the beginning of the year	52,39,063	523.91
Add: Shares issued during the year	-	-
Outstanding at the end of the year	**52,39,063**	**523.91**

b) **Terms and rights attached to equity shares**

The Group has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of shareholders holding more than 5% of the equity share capital:**

	Number	% of holding
Sachin Agarwal	11,13,560	21.25%
Pragati India Fund Limited	-	0.00%
Mapple Commerce Private Limited	6,25,150	11.93%
Nirala Merchants Private Limited	4,60,200	8.78%
Priya Ranjan Agarwal	3,86,000	7.37%
Sachin Agarwal HUF	2,61,900	5.00%

d) **Information regarding issue of shares in the last five years**

i) The group has not issued any shares without payment being received in cash in the last five years.

ii) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

20 Other equity

	As at 31 March 2021
a. Capital reserve	
Balance at the beginning of the year	1.75
Add: Additions during the year	-
Balance at the end of the year	**1.75**
b. Securities premium	
Balance at the beginning of the year	4,120.72
Add: Additions during the year	-
Balance at the end of the year	**4,120.72**
c. General reserve	
Balance at the beginning of the year	4,624.17
Add: Additions during the year	-
Balance at the end of the year	**4,624.17**
d. Retained earnings	
Balance at the beginning of the year	5,797.98
Add: Additions during the year	459.77
Balance at the end of the year	**6,257.75**
e. Other comprehensive income	
Balance at the beginning of the year	0.01
Add: Additions during the year	-
Balance at the end of the year	**0.01**
Total	**15,004.41**

Nature and purpose of other reserves:

(a) **Capital reserve**
Capital reserve was created in respect of proceeds of forfeited shares.

(b) **Securities premium**
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(c) **General reserve**
General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(d) **Retained earnings**
Retained earnings are created from the profit / loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

21(a) Non-current borrowings

	As at 31 March 2021
Secured	
Term loans from banks	9,967.82
Term loans from financial institutions	307.04
Vehicle loans from banks and financial institutions	121.99
Special letter of credit - from banks	535.22
	10,932.07
Less: Current maturities of long term borrowings (refer note 27)	(1,533.84)
	9,398.23

Terms and conditions of the outstanding borrowings are as follows:

Particulars	Terms of repayment	Maturity	As at 31 March 2021
Term loan from State Bank of India	32 quarterly instalments	December 2025	1,519.61
Term loan from Punjab National Bank	36 quarterly instalments	March 2027	1,514.11
Term loan from HDFC Bank	12 half yearly instalments	April 2022	662.24
Term loan from Yes Bank	35 quarterly instalments	March 2027	2,682.38
Term loan from ICICI Bank	28 quarterly instalments	March 2026	1,032.98
Vehicle loan from Yes Bank	36 monthly instalments	January 2022	1.35
Vehicle loan from Yes Bank	36 monthly instalments	April 2021	0.38
Vehicle loan from Yes Bank	36 monthly instalments	January 2022	0.69
Vehicle loan from Yes Bank	35 monthly instalments	July 2022	6.56
Vehicle loan from HDFC Bank	36 monthly instalments	April 2019	-
Vehicle loan from HDFC Bank	60 monthly instalments	December 2023	30.51
Vehicle loan from ICICI Bank	36 monthly instalments	April 2020	-
Vehicle loan from Bank of Baroda	60 monthly instalments	March 2026	38.50
Vehicle loan from HDFC Bank	60 monthly instalments	April 2026	44.00
Term loan from Siemens Limited	48 monthly instalments	March 2022	100.57
Term loan from Siemens Limited	48 monthly instalments	September 2022	2.51
Term loan from Siemens Limited	48 monthly instalments	September 2022	11.09
Term loan from Tata Capital Financial Services Limited	60 monthly instalments	October 2025	192.87
GECL from State Bank of India	48 monthly instalments	December 2025	1,225.00
GECL from Punjab National Bank	48 monthly instalments	December 2025	400.00
GECL from Yes Bank	48 monthly instalments	December 2025	651.50
GECL loan from ICICI Bank	48 monthly instalments	December 2025	280.00

Notes:
1. Term loans from banks and financial institutions carrying interest rate ranging from 7.95 % to 11.00 % p.a.
Term loans from banks are secured by way of equitable mortgage on pari-passu basis on the land and building of Lucknow Plant 1 and AMTC Plant (at village Sarai Shahajadi) and first pari-passu charge on the plant and equipment of the Lucknow Plant 1 and AMTC Plant (at village Sarai Shahajadi) and plant and machinery purchased in Aerolloy Technologies Limited of the Group and second charge ranking pari-passu on the whole of the present and future current assets of the Group.

2. Further the term loans from banks are secured by way of personal guarantee of the Chairman and Managing Director of the Company.
3. Vehicle loans carry interest rates ranging from 7.15 % to 12.50% p.a and are secured by way of absolute charge on respective assets thus purchased.
4. Buyer's credit facility from banks carries interest 1.03% p.a.
5. Refer note 40 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.
6. In view of continuing disruptions on account of Covid-19, the Reserve Bank of India (RBI) has announced the moratorium facility on repayment of loans. The Company has opted for this facility for the months of March 2020 to August 2020.

21(b) Current borrowings

	As at 31 March 2021
Secured	
Loans repayable on demand- from banks	7,172.90
	7,172.90

Notes:
1. Working capital facilities from banks carry interest rates ranging from 7.00% to 11.00% p.a. and are repayable on demand.
These facilities are secured by way of first charge ranking pari-passu on the whole of the present and future current assets of the Group and further secured by second charge on equitable mortgage on pari-passu basis on the land and building of Lucknow Plant 1 and AMTC Plant (at village Sarai Shahajadi) and first second pari-passu charge on plant and equipment of the Lucknow Plant 1 and AMTC Plant (at village Sarai Shahajadi) and Aerolloy Technologies Limited of the Group.

2. Further the cash credit facilities and special letter of credit facility are secured by way of personal guarantee of the Chairman and Managing Director of the Group.
3. Refer note 40 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

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4. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non-current borrowings	Lease liabilities	Current borrowings	Interest accrued
As at 1 April 2020	**8,604.47**	-	**6,455.06**	**97.13**
Add: Non cash changes due to-				
- Interest expense debited to statement of profit and loss	-	-	-	1,248.01
- Interest expense capitalised to capital work-in-progress	-	-	-	138.19
Add: Cash inflows during the year				
- Proceeds from non-current borrowings	3,330.60	-	-	-
- Proceeds from current borrowings	-	-	717.84	-
Less: Cash outflow during the year				
- Repayment of non-current borrowings	1,003.00	-	-	-
- Interest paid	-	-	-	1,362.68
Closing balance as on 31 March 2021	**10,932.07**	-	**7,172.90**	**120.65**

22 Other financial liabilities

	As at 31 March 2021
Security deposit	7.50
	7.50

Note:
Refer note 40 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

23 Provisions

	Non-current As at 31 March 2021	Current As at 31 March 2021
Provision for employees benefits		
- Provision for gratuity	17.11	1.29
- Provision for compensated absences	72.14	11.76
	89.25	**13.05**

24 Deferred tax liabilities (net)

	As at 31 March 2021
Deferred tax liability arising on account of:	
Difference between book balance and tax balance of property, plant and equipment	1,236.40
	1,236.40
Deferred tax asset arising on account of:	
Brought forward losses and unabsorbed depreciation	38.14
Provision for employee benefits	29.84
Tax impact on allowance under tax exemptions/deductions	(40.28)
Provision for doubtful debts	6.44
	34.14
Minimum alternate tax credit entitlement	-
Net deferred tax liability	1,202.26

(A) Movement in deferred tax liabilities:

	As at 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised through balance sheet	As at 31 March 2021
Deferred tax liability arising on account of:					
Difference between book balance and tax balance of property, plant and equipment	1,587.44	(351.04)	-	-	1,236.40
	1,587.44	**(351.04)**	-	-	**1,236.40**
Deferred tax asset arising on account of:					
Provision for employee benefits	30.93	7.07	(8.16)	-	29.84
Provision for doubtful debts	4.28	2.16	-	-	6.44
Tax impact on allowance under tax exemptions/deductions	29.93	(70.21)	-	-	(40.28)
Brought forward losses and unabsorbed depreciation	409.34	(371.20)	-	-	38.14
	474.48	**(432.18)**	**(8.16)**	-	**34.14**
Minimum alternate tax credit entitlement	957.48	(712.62)	-	(244.86)	-
Net deferred tax liability	**155.48**	**793.76**	**8.16**	**244.86**	**1,202.26**

(B) Unrecognised deferred tax assets

	As at 31 March 2021	
	Gross amount	Tax effect
Brought forward long term capital losses	95.52	24.04
	95.52	**24.04**

During the current year ended 31 March 2021, the Company has decided to transition to new tax regime from financial year 2019-20 as per Taxation Laws (Amendment) Act, 2019 and revised the income tax return for FY 2019-20. Accordingly, current year tax movement includes remeasurement of deferred tax balances at new rate of 25.17% and reversal of entire MAT credit balance.

25 Other non-current liabilities

	As at 31 March 2021
Deferred income	1,042.22
(i) Reconciliation of deferred income	
Opening balance as at the beginning of the year	1,122.22
Less: Released to the statement of profit and loss	(80.00)
Closing balance as at the end of the year	**1,042.22**

(ii) The grants received are related to assets and have been presented by setting up the grant as deferred income. The grant set up as deferred income is recognised in the statement of profit or loss on a systematic basis over the useful life of the asset. There are no unfulfilled conditions or contingencies attached to these grants.

26 Trade payables

Due to :	
Total outstanding dues of micro enterprises and small enterprises*	93.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,602.80
	2,696.41

Note:
Refer note 40 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

*Dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), to the extent identified and information available with the Group pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details are mentioned below:

Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year	93.61
The amount of interest paid by the Group in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-

27 Current financial liabilities- others

Current maturities of long term borrowings [refer note 21(a)]	1,533.84
Interest accrued but not due on borrowings	120.65
Others	
- towards creditors for capital goods	391.59
- towards employee related payables*	247.56
- other payables	155.79
	2,449.43

*includes balance payable to Key Management Personnel (KMP) and relatives to KMP's (refer note 45)

Note:
Refer note 40 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

28 Other current liabilities

Advance received from customers	93.72
Statutory dues payable	56.10
	149.82

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29 Revenue from operations

	For the year ended 31 March 2021
Sale of products	15,766.82
Other operating revenues (refer (a) below)	568.17
Revenue from operations	16,334.99
(a) Other operating revenues	
Export incentives	525.37
Income from power generation	42.80
Total	**568.17**

30 Other income

Interest from assets valued at amortised cost	
- from banks	9.83
- from others	4.15
Rental income	42.62
Gain on foreign exchange fluctuation (net)	43.97
Fair value gain on investment at fair value through profit or loss (net)	1.94
Dividend income	0.14
Financial instruments measured at fair value	160.09
Amortisation of deferred income	80.00
Profit on sale of property, plant and equipment	137.25
Provisions made no longer required written back	39.22
Miscellaneous income	0.40
	519.61

31 Cost of materials consumed

Raw materials at the beginning of the year	832.26
Add: Purchases	4,113.04
Less: Closing stock	1,232.12
	3,713.18
Less: Raw material consumed for research and development	19.13
Cost of material consumed	**3,694.05**

32 Changes in inventories of finished goods and work-in-progress

Inventories at the beginning of the year	
Work-in-progress	3,722.78
Finished goods	45.02
	3,767.80
Inventories at the end of the year	
Work-in-progress	3,313.73
Finished goods	45.02
	3,358.75
Changes in inventories of finished goods and work-in-progress	**409.05**

33 Employee benefits expense*

Salaries, wages and bonus	1,735.78
Contribution to provident and other funds	128.38
Gratuity expense (refer note 41)	66.67
Staff welfare expenses	65.88
	1,996.71

*Employee benefit expenses excludes ₹ 23.50 lakhs towards research and development expenses (refer note 34)

34 Research and development expense

Raw materials consumed	19.13
Materials, stores and spares consumed	138.46
Salary and wages	23.50
	181.09

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35 Other expenses

	For the year ended 31 March 2021
Manufacturing expenses	
Stores and spares consumed*	2,057.76
Power and fuel	1,393.24
Repairs and maintenance	
- plant and machinery	367.04
- building	38.34
Packing and general consumables	207.40
Processing and work charges	984.83
Freight inward	25.47
Outsourced services	89.67
Testing and inspection charges	343.31
Sub-total (A)	5,507.06
Administrative, selling and other expenses	
Rent	23.79
Rates and taxes	16.31
Insurance expenses	67.47
Security expenses	91.98
Legal and professional expenses	99.29
Payment to auditors	23.09
Travelling and conveyance	96.86
Vehicle running and maintenance	114.44
Communication expenses	20.80
Printing and stationery	13.47
Training and recruitment	45.16
Seminar, conferences and exhibitions	14.38
Freight and clearing	204.04
Claim settlement expenses	55.36
Advertisement and promotion	2.85
Donation and charity	0.41
Computer expenses	34.56
Corporate social responsibility expenses [refer note 35 (b)]	21.21
Bad debts written off	37.66
Business promotion expenses	6.74
Provision for expected credit loss	10.22
Office upkeep and maintenance charges	40.60
Miscellaneous expenses	15.09
Sub-total (B)	1,055.78
Grand total (C=A+B)	6,562.84

*Stores and spares excludes ₹ 138.46 lakh towards research and development expenses (refer note 34)

35(a) Payment to auditors

As auditor:	
- Statutory audit (including limited reviews)	24.30
- Tax audit	-
In other capacity:	
- Certification	1.25
- Out of pocket expenses	0.40
	25.95

35(b) Corporate social responsibility expenses

	For the year ended 31 March 2021
Gross amount required to be spent under section 135 of the Act	21.21

Amount spent during the year ended 31 March 2021:	**In cash**	**Unspent amount**	**Total**
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	21.21	-	21.21
	21.21	**-**	**21.21**

36 Finance costs

Interest expense on borrowings measured at amortised cost	
- on working capital loans	467.76
- on term loans	760.20
Interest on others	20.05
Other borrowing cost	95.25
	1,343.26

37 Depreciation and amortisation expense

Depreciation on property, plant and equipment	1,418.41
Depreciation on investment property	3.09
Amortisation on intangible assets	16.85
	1,438.35

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38 Tax expense

(a) Income tax expenses recognised in profit and loss

	For the year ended 31 March 2021
Current tax:	
Current tax - earlier years	(244.86)
	(244.86)
Deferred tax:	
In respect of current year origination and reversal of temporary differences	81.14
Remeasurement of deferred tax recoverable on adoption of new tax regime (MAT credit)	957.48
	1,038.62
Total tax expense recognised in profit and loss	793.76

(b) Income tax expenses recognised in other comprehensive income

Deferred tax:	
Re-measurement of defined benefit obligations	(8.16)
Total tax expense recognised in other comprehensive income	(8.16)

(c) Numerical reconciliation between average effective tax rate and applicable tax rate :

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.17% and the reported tax expense in the statement of profit and loss are as follows:

Accounting profit before income-tax	1,229.25
At India's statutory income-tax rate of 25.17%	309.40
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	
Non deductible expenses	(5.00)
Tax on income at different rates	(42.42)
Tax impact for earlier years on account of change in tax rate retrospectively	534.24
Others	(2.46)
	793.76
Basis of computing Group's statutory income-tax rate:	
Base rate	22.00%
Add: Surcharge	2.20%
	24.20%
Add: Education cess	0.97%
	25.17%

During the current year ended 31 March 2021, the Group has decided to transition to new tax regime from financial year 2019-20 as per Taxation Laws (Amendment) Act, 2019 and revised the income tax return for FY 2019-20. Accordingly, current year tax movement includes remeasurement of deferred tax balances at new rate of 25.17% and reversal of entire MAT credit balance.

39 Earnings per share

Earnings per Share ('EPS') is determined based on the net profit attributable to the shareholders'. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Profit for the year attributable to equity shareholders	435.49
Weighted average number of equity shares (nos. in lakh)	52.39
Nominal value per share (₹)	10.00
Earnings per share - basic and diluted (₹)	8.31

The Group does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Group remain the same.

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40 Financial instrument and risk review

(A) Financial instruments

(i) Capital management

The Group manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital structure consists of debt which includes the borrowings as disclosed in note 21(a) and 21(b); cash and cash equivalents and current investments and equity attributable to equity holders of the Group, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. For the purpose of calculating gearing ratio, debt is defined as non-current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Group attributable to equity holders of the Group. The Group is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors.

The following table summarises the capital of the Group:

Particulars	As at 31 March 2021
Equity	**15,528.32**
Liquid assets (cash and cash equivalent and current investments) (a)	**216.79**
Current borrowings [note 21(b)]	7,172.90
Non- current borrowings [note 21(a)]	9,398.23
Current maturities of non current borrowings (refer note 27)	1,533.84
Interest accrued but not due on borrowings (refer note 27)	120.65
Total debt (b)	**18,225.62**
Net debt [c=(b) - (a)]	**18,008.83**
Total capital (equity + net debt)	**33,537.15**
Gearing ratio	
Debt to equity ratio	1.17
Net debt to equity ratio	1.16

(ii) Category of financial instruments

Particulars	Note no.	As at 31 March 2021		
		Amortised cost	FVTPL	FVOCI
Financial assets				
Investments	9	-	7.72	-
Loans	10(a),10(b)	478.76	-	-
Trade receivables	15	6,329.52	-	-
Cash and cash equivalents	16	209.07	-	-
Other bank balances	17	213.54	-	-
Other financial assets	11(a),11(b)	847.98	-	-
Total financial assets		**8,078.87**	**7.72**	**-**
Financial liabilities				
Borrowings	21(a),21(b)	16,571.14	-	-
Trade payables	26	2,696.41	-	-
Other financial liabilities	22, 27	2,456.93	-	-
Total financial liabilities		**21,724.48**	**-**	**-**

(iii) Fair value hierarchy:

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Particulars	As at 31 March 2021		
	Level 1	Level 2	Level 3
Financial assets- measured at fair value			
Financial investment at FVTPL			
- Quoted mutual fund	7.72	-	-
	7.72	**-**	**-**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of equity instruments which are traded in stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: This hierarchy includes financial instruments for which inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) have been used.

Level 3: This hierarchy includes financial instruments for which inputs used are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the years ended 31 March 2021

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Valuation techniques and significant unobservable inputs:

Financial instruments measured at fair value

Type	Valuation technique
Equity instruments	Quoted market price as at the reporting period
Mutual funds	Quoted closing NAV as at the reporting period

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents, other bank balances, other financial liabilities and other financial assets are considered to be the same as their fair values, due to their short-term nature.

In respect of other long-term financial assets/liabilities stated above as measured at amortised cost, their carrying values are not considered to be materially different from their fair values.

(B) Financial risk management

In the course of its business, the Group is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk. The Group is not engaged in speculative treasury activities but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.
The use of any derivative is approved by the management, which provide guidelines on the acceptable levels of interest rate risk, credit risk, foreign exchange risk and liquidity risk and the range of hedging requirement against these risks.

(i) Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Group is exposed to credit risk from trade receivables, cash and cash equivalents, short term investments, loans and advances and derivative financial instruments.

Trade receivables

The Group primarily sells cast metal components to selected customers comprising mainly in engineering industry in India and outside India. The Group extends credits to customers in normal course of the business. The Group considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customer. The Group monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdiction and industries and operate in large independent markets.
Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. The Group has a policy of accepting only credit worthy counter parties and defines credit limits for the customer which are reviewed periodically.
The Group does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Cash and cash equivalents and deposits with bank

The Group considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally the balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant deposit balances other than those required for its day to day operations. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Loans and advances

The Group provides loans to its employees and furnishes security deposits to various parties for electricity, communication, etc. The Group considers that its loans have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations or its own employees from whom the risk of default is low.

Investments

The Group has invested in quoted equity instruments and mutual funds. The management actively monitors the performance of the funds which affect investments. The Group does not expect the counterparty to fail to meet its obligations, and has not experienced any significant impairment losses in respect of any of the investments.

Exposure to credit risk

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

Particulars	As at 31 March 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	
Non-current loans	114.12
Other non-current financial assets	34.45
Cash and cash equivalents	209.07
Other bank balances	213.54
Current loans	364.64
Other current financial assets	813.53
	1,749.35
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)	
Trade receivables	6,329.52
	6,329.52

Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting periods in respect of these assets.

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(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Group has customers with strong capacity to meet the obligations and therefore the risk of default is negligible in respect of outstanding from customers. Further, management believes that the unimpaired amounts that are past due by more than 90 days are still collectable in full. However, the Group has recognised allowance for expected credit loss on the basis of its assessment of the credit loss from the past trend available with the Group.

Movement in the provision for expected credit loss

	As at 31 March 2021
Balance at the beginning of the year	15.38
Add: Allowance provided during the year	10.22
Balance at the end of the year	**25.60**

(c) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing	As at 31 March 2021
Less than 30 days	4,597.06
30-90 days	947.03
90-180 days	602.75
180-365 days	112.71
More than 365 days	97.69
	6,357.24

(ii) Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due.

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, cash and cash equivalents and the cash flow that is generated from operations to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

As at 31 March 2021, the Group had a working capital of ₹ 1,556.27 lakh including cash and cash equivalents of ₹ 209.07 lakh.

(a) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2021
Non- derivative financial liabilities	
Floating rate borrowings	
- Expiring within one year (bank overdraft and other facilities)	124.68
- Expiring beyond one year (term loan)	1,210.00
	1,334.68

(b) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual undiscounted cash flows:

31 March 2021

Particulars	Contractual cash flows			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities				
Non current borrowings	1,654.49	8,226.52	1,051.06	10,932.07
Current borrowings				
- Working capital loans	7,172.90	-	-	7,172.90
Trade payables	2,696.41	-	-	2,696.41
Other payables-non current	-	7.50	-	7.50
Other payables-current	794.94	-	-	794.94
	12,318.74	8,234.02	1,051.06	21,603.82

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(iii) Market risk

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

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

(a) Currency risk

The Group is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuation arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. Exchange rate exposures are managed within approved policy parameters utilising foreign exchange forward contracts.

Particulars	Currency	As at 31 March 2021
Financial assets		
Trade receivables	USD	27.20
	EURO	27.65
	GBP	3.16
Financial liabilities		
Special letter of credit (including interest)	JPY	(427.69)
Trade payables	USD	(0.20)
	EURO	(0.03)
	GBP	(0.19)
	JPY	(0.76)
Capital creditors	USD	(1.08)
	GBP	(0.36)

Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, EURO, JPY and GBP to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities are given below:

Particulars	Change in currency exchange rate	Effect on profit before tax As at 31 March 2021
USD	5%	1.30
	(5%)	(1.30)
EURO	5%	1.38
	(5%)	(1.38)
JPY	5%	(21.42)
	(5%)	21.42
GBP	5%	0.13
	(5%)	(0.13)

(b) Interest rate risk

The Group is exposed to interest rate risk arising mainly from non-current and current borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial liabilities is as follows:

Particulars	As at 31 March 2021
Variable rate instruments	
Term loan from banks	9,967.82
Vehicle loan	121.99
Term loans from financial institutions	307.04
Working capital loan	7,172.90
Special letter of credit	535.22
	18,104.97

Sensitivity analysis

The following table demonstrates the sensitivity in the interest rate with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the interest rates is given below :

Particulars	Change in interest rate	Effect on profit before tax As at 31 March 2021
Borrowings	50 bp	(90.52)
	(50) bp	90.52

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(c) **Price risk**

Group's exposure to price risk arises from investments made in quoted equity instruments and mutual funds and classified in the balance sheet either as fair value through OCI or at fair value through profit and loss.

To manage the price risk from quoted investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity analysis

Group's major quoted investment consists of investment in mutual funds which are measured at fair value through profit and loss. Investments made by the mutual fund includes investment in diversified instruments of Companies included in the market index. Also, the Group has made investments in quoted equity instruments which are measured at fair value through OCI.

The table below summarises the impact of sensitivity in the market index on the Group's profit for the year with all other variables held constant and the investment moved in line with the index.

Particulars	Change in market index	Effect on profit before tax
		As at 31 March 2021
Investment in mutual fund	5%	0.39
	(5%)	(0.39)

Profit for the period would increase/decrease as a result of gain/loss on investment classified as at fair value through profit and loss. Other components of equity would increase/decrease as a result of gain/loss on investments classified as at fair value through other comprehensive income.

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41 **Employee benefits**

(i) **Defined benefit plan**

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. In case of death while in service, the gratuity is payable irrespective of vesting. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Group makes contribution to recognised funds in India i.e. Life Insurance Corporation of India and Group Gratuity scheme.

Risk exposure:

(a) Discount rate: A decrease in discount rate in subsequent valuations can increase the plan's liability.

(b) Mortality rate: Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

(c) Investment risk: In case of funded plans, actual investment return on planned assets lower than the discount rate assumed at the last valuation date can impact the liability.

(d) Attrition: Actual withdrawals proving higher or lower than assumed withdrawals at subsequent valuations can impact plan's liability.

Details of the Group's defined benefit plans are as follows:

A. **Changes in the present value of obligations**

Particulars	As at 31 March 2021
Present value of the obligation at the beginning of the year	521.29
Recognised in profit and loss	
- Interest cost	52.25
- Current service cost	49.06
Recognised in other comprehensive income	
- Actuarial gain from changes in financial adjustments and experience adjustments	(36.44)
Benefits paid	(107.85)
Present value of the obligation at the end of the year	**478.31**

B. **Changes in the fair value of planned assets:**

Particulars	As at 31 March 2021
Fair value of plan assets at the beginning of the year	494.82
Expected return on plan assets	34.64
Contributions	42.70
Benefits paid	(107.85)
Actuarial loss on plan assets	(4.00)
Fair value of plan asset at the end of the year	**460.31**

C. **Net (asset)/liability recognised in the balance sheet**

Particulars	As at 31 March 2021
Present value of the obligation at the end of the year	478.31
Fair value of plan assets at end of year	460.31
Net liability recognised in balance sheet (refer note 23 and 18)	**18.00**

D. **Expenses recognised in profit and loss**

Particulars	For the year ended 31 March 2021
Interest cost	52.25
Current service cost	49.06
Expected return on plan asset	(34.64)
Amount recognised in profit and loss (refer note 33)	**66.67**

E. **Expenses recognised in other comprehensive income**

Particulars	For the year ended 31 March 2021
Actuarial (gain)/loss on obligation	(36.44)
Actuarial (gain)/loss on plan assets	4.00
	(32.44)

F. **Major category of plan asset as a % of total plan assets**

Category of asset (% allocation)	As at 31 March 2021	
	(%)	Amount
Insurance policies	100	460.31

G. **Actuarial assumptions**

Particulars	As at 31 March 2021
Discount rate	7.00%
Expected rate of return	7.00%
Salary growth rate	6.00%
Withdrawal rate (per annum)	
18 - 30 years	5.00%
31 - 44 years	3.00%
45 - 58 years	2.00%
Normal retirement age (years)	58
Mortality	IALM 2012-14

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

H. **Sensitivity analysis**

Particulars	As at 31 March 2021	
	Change in assumption	Effect on obligation
Discount rate	1.00%	65.36
	(1.00%)	(8.20)
Salary growth rate	1.00%	(8.20)
	(1.00%)	66.06
Withdrawal rate	1.00%	29.13
	(1.00%)	33.36

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. The above sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the balance sheet.

I. **Expected maturity profile of defined benefit obligation (undiscounted cash flows)**

Period	31 March 2021
Less than 1 year	32.31
Between 1-2 years	30.50
Between 2-5 years	78.87
Over 5 years	336.63

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years.
Expected contribution to defined benefit plans in the next year is ₹ 42.18 lakh.

(ii) **Other long-term benefits**

A. **Actuarial assumptions**

Particulars	As at 31 March 2021
Discount rate	7.00%
Expected rate of return	7.00%
Salary growth rate	6.00%
Withdrawal rate (per annum)	
18 - 30 years	5.00%
31 - 44 years	3.00%
45 - 58 years	2.00%
Normal retirement age (years)	58
Mortality	IALM 2012-14

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Compensated absences- unfunded

Particulars	As at 31 March 2021
Amounts recognised in balance sheet	
Current (refer note 23)	11.76
Non-current (refer note 23)	72.14
	83.90

	As at 31 March 2021
Amounts recognised in statement of profit and loss	
Interest cost	7.39
Current service cost	13.06
Actuarial loss	(0.22)
	20.23
Changes in benefit obligations	
Present value of the obligation at the beginning of the year	105.60
Interest cost	7.39
Current service cost	13.06
Benefits paid	(41.93)
Actuarial loss	(0.22)
Present value of the obligation at the end of the year	**83.90**

(iii) Defined contribution plan

The Group makes fixed contribution towards Employee provident fund and Employee state insurance(ESI) to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Group is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. Similarly, the contribution is made in ESI at a specified percentage of payroll cost.

The Group recognised ₹ 128.37 lakh in respect of provident fund contributions and ESI contribution in the Statement of Profit and Loss and included in "Employee benefits expense" in note 33. The contribution payable to these plans by the Group is at rates specified in the rules of the schemes.

42 Leases

The Group has adopted Ind AS 116 "Leases" effective from 1 April 2019, as notified by the Ministry of Corporate Affairs(MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The Group's lease agreements are short term leases and therefore they do not fall under Ind AS 116. Thus, the adoption of this standard did not have any material impact on the profit of the current year.

Group as a lessee

The Group has entered into operating leases for its guest houses and employees' residences that are renewable on a periodic basis and are cancellable at Group's option. Total lease payments recognised in the statement of profit and loss with respect to aforementioned premises is ₹ 23.79 lakh

A The following are amounts recognised in profit or loss:

	31 March 2021
Depreciation expense of right-of-use assets	-
Interest expense on lease liabilities	-
Rent expense*	23.79
Total	**23.79**

*Rent expense in case of short term leases

B Total cash outflow for leases for the year ended 31 March 2021 was ₹ 23.79 lakh.

C The Group does not have any liability to make variable lease payments.

D The Group has not sublet any of the assets.

E The Group has not entered into any sale and leaseback transactions

F The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Carrying amount as at 31 March 2020	Additions during the year	Carrying amount as at 31 March 2021
Nil	-	-	-

Group as a lessor

The Group has entered into operating leases for part of its premises at Plant 1, Lucknow; that is renewable and is cancellable at either party's option. Total lease receipts recognised in the statement of profit and loss with respect to aforementioned premises is ₹ 41.25 lakh.

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43 **Contingent liabilities and commitments**

(i) **Capital commitment:**

	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	62.03

(ii) **Contingent liabilities**

Guarantees excluding financial guarantees:	
In respect of non fund-based working capital facilities from banks:	
- Bank guarantees	1060.77
- Letter of credit	307.22
Other contingent liabilities	
Disputed amounts for sales tax and entry tax [gross of amount paid under protest amounting to ₹ 10.28 lakh]	10.28
Disputed amounts for goods and service tax [gross of amount paid under protest amounting to ₹ 14.89 lakh]	16.59

44 **Segment information**

The Chairman and Managing Director has been identified as the Chief Operating Decision Maker ('CODM') as they monitors the results for the purpose of making decisions about resource allocation and performance assessment and responsible for all major decisions w.r.t. preparation of budget, planning, expansion, alliance, joint venture, merger and acquisitions, and expansion of new facility.

Accordingly, there is only one reportable segment for the Company which is "Engineering and allied activities", hence no specific disclosures have been made.

Entity wide disclosures:

(a) **Information about products and services**

The Group is engaged in the business of manufacturing and selling of high precision metal castings. Group operates in one product line, therefore product wise revenue disclosure is not applicable.

(b) **Information about geographical area**

The Group's sales to its customers includes sales to customers which are domiciled in India and outside India. Below is the details of Group's revenue from customers domiciled in India and outside India:

	For the year ended 31 March 2021
Revenue from external customers	
- domiciled in India	3,488.23
- domiciled outside India	12,278.59
	15,766.82

(c) **Information about major customers**

Revenues of ₹ 5162.62 lakh, ₹ 1992.81 lakh and ₹ 1417.95 lakh are derived from three external customers.

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45 **Related party disclosures**

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

(i) **Name of the related parties and description of relationship:**

Relationship	Name of related party
Entities controlled by KMPs and/or their relatives	PTC Foundation Sachin Agarwal HUF
Subsidiary Company	Aerolloy Technologies Limited
Key Management Personnel ("KMP")	Mr. Sachin Agarwal, Chairman and Managing Director Mr. Priya Ranjan Agarwal , Director Mr. Alok Agarwal, Director Mr. Ashok Kumar Shukla, Director Mrs. Smita Agarwal, Chief Financial Officer and Director Mr. Brij Lal Gupta, Independent Director Mr. Ajay Kashyap, Independent Director Mr. Rakesh Chandra Katiyar, Independent Director Mr. Krishna Das Gupta, Independent Director Mr. Vishal Mehrotra, Independent Director
Relatives of Key Management Personnel	Ms. Kanchan Agarwal Mrs. Anshoo Agarwal Mrs. Reena Agarwal Mrs. Sangita Shukla

(ii) **Disclosure of related parties transactions:**

Particulars	For the year ended 31 March 2021		
	Enterprises controlled by KMP/ relatives	Key management personnel (KMP)	Relatives of KMPs
Transactions during the year			
1. Rent paid	-	-	9.00
2. Corporate social responsibility expenses	21.21	-	-
Amounts paid during the year to KMP's and relatives of KMP's			
1. Managerial remuneration *	-	318.21	-
2. Salary and allowances	-	-	45.79
3. Sitting fees to independent directors	-	2.55	-

* Exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done on Group as a whole.

(iii) **Balance outstanding at the year end:**

Particulars	As at 31 March 2021
Outstanding balance (Amount payable)	
Key management personnel	
Managerial remuneration	72.07
Relative of KMP's	
Salary and allowances	3.86
Rent	0.68
Outstanding balance (Amount receivable)	
Entities controlled by KMPs and/or their relatives	
Amount recoverable on sale of property	35.00

(iv) **Compensation to Key Managerial Personnel (KMP)**

The details of compensation to the members of key managerial personnel during the year was as follows:

Particulars	For the year ended 31 March 2021
Short-term employee benefits (refer note a)	309.60
Post-employment benefits	
- Defined contribution plan (refer note b)	11.16
- Defined benefit plan	*refer note (c)
- Other long-term benefits	*refer note (c)
	320.76

Note (a) Includes salary, commission, sitting fees and any other perquisites on accrual basis.

Note (b) Including contribution to provident fund and any other benefit

Note (c) As the liability for gratuity and leave encashment are provided on actuarial basis for the Group as a whole, amounts accrued pertaining to key managerial personnel are not included above.

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46 Assets pledged as security:

	As at 31 March 2021
Non-current borrowings:	
Equitable mortgage	
Land	1,202.62
Building	3,769.29
First charge	
Other movable property, plant and equipment	14,689.75
	19,661.66
Current borrowings:	
First charge	
Current assets	14,037.87
Second charge	
Land	1,202.62
Building	3,769.29
Other movable property, plant and equipment	14,689.75
	33,699.53
	53,361.19

47 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

i) Identify the contract(s) with customer;
ii) Identify separate performance obligations in the contract;
iii) Determine the transaction price;
iv) Allocate the transaction price to the performance obligations; and
v) Recognise revenue when a performance obligation is satisfied

a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue from operations	31 March 2021		
	Goods	Other operating revenues	Total
Revenue by geography			
Domestic	3,488.23	42.80	3,531.03
Export	12,278.59	525.37	12,803.96
Total	**15,766.82**	**568.17**	**16,334.99**

b) Assets and liabilities related to contracts with customers

	As at 31 March 2021	
	Non Current	Current
Trade receivables	-	6,329.52
Advance from customers	-	93.72
Total	**-**	**6,423.24**

48 Particulars of guarantees given as required by clause (4) of Section 186 of the Companies Act, 2013:

Name	Nature	Amount outstanding as at 31 March 2021	Rate of interest (p.a.)	Purpose for which the loan/security/guarantee is utilized
Aerolloy Technologies Limited	Guarantee	215.52	11.00%	Capital expenditure

49 Consequent to the outbreak of Covid-19 pandemic, the Indian government had announced lockdown in March 2020 and subsequently, the lockdown was lifted by the government in a phased manner. However, the second wave of Covid-19 in April 2021 has significantly increased the number of Covid cases in India, resulting in re-imposition of localised lockdowns / restrictions in various states. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of Covid-19 is not material to these consolidated financial statements and expects to recover the carrying amount of its assets. The impact of Covid-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of Covid-19.

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50 Group information

The Parent's subsidiary at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Parent, and the proportion of ownership interests held equals the voting rights held by the Parent. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	Country of incorporation	Ownership interest held by the Group	Ownership interest held by Non-controlling interest
			31 March 2021	31 March 2021
			%	%
Aerolloy Technologies Limited	Manufacture of metal components for critical and super critical applications	India	100	-

51 Additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets*	Amount (INR)	As % of consolidated profit or loss*	Amount (INR)	As % of consolidated other comprehensive income*	Amount (INR)	As % of consolidated net assets*	Amount (INR)
Parent								
PTC Industries Limited	94.90%	15,531.53	100.74%	438.70	100.00%	24.28	100.70%	462.98
Subsidiary								
Aerolloy Technologies Limited	5.10%	834.25	-0.74%	(3.21)	0.00%	-	-0.70%	(3.21)

*The above amounts / percentage of net assets and net profit or (loss) in respect of PTC Industries Limited and its subsidiary are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments.

52 The Group has incorporated the subsidiary, Aerolloy Technologies Limited, on 17 February 2020. There were no material transactions in the subsidiary during the year ended 31 March 2020 which were inconsequential to the overall Group's financial statements. Therefore consolidated financial statements of the Group were not furnished for the year ended 31 March 2020. Thus, the requirement to present comparative consolidated financial statements for the year ended 31 March 2020 is not applicable.

For **Walker Chandiok & Co. LLP**
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sandeep Mehta
Partner
Membership No. 099410

Place: Chandigarh
Date: 10 July 2021

For and on behalf of the Board of Directors of PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No. : 00129260

Smita Agarwal
Director and Chief Financial Officer
DIN No. : 00276903

Pragati Gupta Agarwal
Company Secretary
Mem. No.: ACS61754

Place: Lucknow
Date: 10 July 2021

PTC Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

1. Company information

PTC Industries Limited (the 'Company') is a public limited company incorporated in India. The registered office and corporate office of the Company is situated in Lucknow, Uttar Pradesh, India. The Company is a leading manufacturer of metal components for critical and super critical applications. The Company's shares are listed on the Bombay Stock Exchange (BSE) in India.

2. General information and statement of compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements of PTC Industries Limited as at and for the year ended 31 March 2021 (including comparatives) were approved and authorised for issue by the Board of Directors on 10 July 2021.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs and two decimals thereof, unless otherwise indicated.

3. Basis of preparation and presentation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value.
- Defined benefit liabilities are measured at present value of defined benefit obligation.

4. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarized below.

a) Current/non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

1) It is expected to be realised in, or is intended to be sold or consumed in, the Company's normal operating cycle;
2) It is held primarily for the purpose of being traded;
3) It is expected to be realised within twelve months after the reporting date; or
4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
1) It is expected to be settled in the Company's normal operating cycle;
2) It is held primarily for the purpose of being traded;
3) It is due to be settled within twelve months after the reporting date; or
4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

b) Property, plant and equipment

Recognition, measurement and de-recognition

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Foreign currency exchange differences are capitalized as per the policy stated in note 4(h) below.

Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, the Company have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Particulars	Management estimate of useful life (years)
Factory and non-factory buildings	30 – 60
Plant and machinery	2 – 15
Furniture and fixtures	10
Vehicles	8 – 10
Office equipments	5
Computers	3 – 6
Electrical installations	10

Leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

c) Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

d) Intangible assets

Recognition, measurement and de-recognition

Intangible assets are stated at cost less accumulated amortisation and impairment losses (if any). Cost related to technical assistance for new projects are capitalised.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure related to an item of intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Amortisation

Intangible assets include software that are amortised over the useful economic life of 6 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

e) Non-current assets held for sale

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Company's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

f) Impairment

(i) Impairment of financial assets

The Company recognises loss allowance for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the issuer or the borrower;
- a breach of contract such as a default in payment within the due date;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any) is held.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the Cash Generating Unit (CGU) is estimated. If such recoverable amount of the asset or CGU to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Statement of Profit and Loss. An asset is deemed impaired when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency.

g) Inventories

Inventories are stated at the lower of cost and net realisable value.

Raw materials, packing material, stores and spares and loose tools: The cost of inventories is calculated on first in and first out basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Work-in-progress and manufactured finished goods: Cost includes raw material costs and an appropriate share of fixed production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item by item basis/contract basis depending on the nature of work.

h) Foreign exchange transactions

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities if any that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All exchange differences relating to foreign currency items are dealt with in the Statement of Profit and Loss in the year in which they arise.

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i) Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed/encashed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

j) Revenue

i. Sale of goods

Revenue arises mainly from the sale of goods. To determine whether to recognise revenue, the Company follows a 5-step process:

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(i) Identifying the contract with a customer
(ii) Identifying the performance obligations
(iii) Determining the transaction price
(iv) Allocating the transaction price to the performance obligations
(v) Recognising revenue when/as performance obligation(s) are satisfied.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

iii. Dividend income

Dividend income is recognized at the time when the right to receive is established by the reporting date.

iv. Income from power generation:

Income from power generation from windmill located in district Kutch is recognised on the basis of the terms of the contract.

v. Export benefits/incentives

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

k) Borrowings

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds and also include exchange differences to the extent regarded as an adjustment to the same. Borrowing costs directly attributable to the acquisition and/ or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

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l) Government grants

Government grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received.
Grants related to assets is recognized as deferred income which is recognized in the Statement of Profit and Loss on systematic basis over the useful life of the assets.

m) Right of use assets and lease liabilities

For all existing and new contract on or after 01 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The Company as a lessee

Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

n) Financial instruments

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

ii. Subsequent measurement

Financial assets

i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:

• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Financial assets at fair value

• Investments in equity instruments other than above –Investments in equity instruments which are held for trading are generally classified as at fair value through profit or loss ("FVTPL"). For all other equity instruments, the Company makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income ("FVOCI") or fair value through profit or loss FVTPL.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40 details how the Company determines whether there has been a significant increase in credit risk.

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For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability.
The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

o) Fair value measurement

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

p) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the cash Management.

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

r) Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly with in the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Company and requires interpretation of laws and past legal rulings.

s) Taxation

Tax expense recognized in the statement of profit and loss comprises the sum of deferred tax and current tax not recognized in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognise MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognises MAT Credit as an asset, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. The MAT Credit Entitlement is disclosed under the head 'Deferred tax liabilities (net).

Deferred tax liabilities are generally recognized in full for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted

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at the reporting date. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Managing Director has been identified as being the Chief Operating Decision Maker ('CODM') and evaluates the Company's performance and allocates resources based on analysis of the various performance indicators of the Company as a single unit i.e. Engineering and Allied Activities. The Company's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable business segment i.e., manufacturing and selling of metal components for critical and super critical applications. The geographical information analyses the Company's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers. Refer note 46 for segment information presented.

u) Research and development costs

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred. Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

v) Derivative financial instruments

The Company holds derivative financial instruments in the form of future contracts to mitigate the risk of changes in exchange rates on foreign currency exposure. The counterparty for these contracts are scheduled commercial banks / regulated brokerage firms. Although these derivatives constitute hedges from an economic perspective, they do not qualify for hedge accounting under Ind AS 109 'Financial Instruments' and consequently are categorized as financial assets or financial liabilities at fair value through profit or loss. The resulting exchange gain or loss is included in other income / expenses and attributable transaction costs are recognized in the Statement of Profit and Loss when incurred.

w) Measurement of EBITDA

As permitted by the Schedule III of Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

x) Significant accounting judgements, estimates and assumptions

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

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Significant judgements:

(i) Evaluation of indicators for impairment of non-financial assets

The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(ii) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

(iii) Contingent liabilities

The Company is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Sources of estimation uncertainty:

(i) Provisions

At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding guarantees. However, the actual future outcome may be different from management's estimates.

(ii) Fair valuation of financial instruments

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

(iii) Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

y) Standards issued but not effective

Ministry of Corporate Affairs "MCA" notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

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PTC Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

1. Company information

PTC Industries Limited (the 'Company') is a public limited company incorporated in India. The registered office and corporate office of the Company is situated in Lucknow, Uttar Pradesh, India. The Company is a leading manufacturer of metal components for critical and super critical applications. The Company's shares are listed on the Bombay Stock Exchange (BSE) in India.

2. General information and statement of compliance with Ind AS

These consolidated financial statements of PTC Industries Limited ('the Holding Company') and its subsidiary, Aerolloy Technologies Limited (the Holding Company and its subsidiary together referred to as 'the Group') have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements of PTC Industries Limited as at and for the year ended 31 March 2021 (including comparatives) were approved and authorised for issue by the Board of Directors on 10 July 2021.

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs and two decimals thereof, unless otherwise indicated.

3. A) Basis of preparation and presentation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The consolidated financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value.
- Defined benefit liabilities are measured at present value of defined benefit obligation.

B) Basis of consolidation

Subsidiary is the entity over which the holding Company has control. Control exists when the holding Company has power over the entity, is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. The financial statements of subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the holding Company and the subsidiary Company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Indian Accounting Standard (Ind AS) 110 - "Consolidated Financial Statements".

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

Consolidated financial statements include consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement, consolidated statement of changes in equity and the summary of significant accounting policies and other explanatory information that form an integral part thereof.

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Consolidated subsidiary is having consistent reporting date of 31 March 2021.

Following are the details of the subsidiary consolidated in these financial statements:

Name of the entity	Country of incorporation	Principal activities	Interest (in %)	
			31 March 2021	31 March 2020
Aerolloy Technologies Limited	India	Manufacturer of metal components	100%	100%

4. Summary of significant accounting policies

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarized below.

a) Current/non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:
1) It is expected to be realised in, or is intended to be sold or consumed in, the Group's normal operating cycle;
2) It is held primarily for the purpose of being traded;
3) It is expected to be realised within twelve months after the reporting date; or
4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
1) It is expected to be settled in the Group's normal operating cycle;
2) It is held primarily for the purpose of being traded;
3) It is due to be settled within twelve months after the reporting date; or
4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

b) Property, plant and equipment

Recognition, measurement and de-recognition

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.The Group identifies and determines separate useful lives for each major component of the

property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Foreign currency exchange differences are capitalized as per the policy stated in note 4(h) below.

Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, the Group have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Particulars	Management estimate of useful life (years)
Factory and non-factory buildings	30 – 60
Plant and machinery	2 – 15
Furniture and fixtures	10
Vehicles	8 – 10
Office equipments	5
Computers	3 – 6
Electrical installations	10

Leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

c) Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

d) Intangible assets

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Recognition, measurement and de-recognition

Intangible assets are stated at cost less accumulated amortisation and impairment losses (if any). Cost related to technical assistance for new projects are capitalised.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure related to an item of intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Amortisation

Intangible assets include software that are amortised over the useful economic life of 6 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

e) Non-current assets held for sale

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets, assets arising from employee benefits and deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

f) Impairment

(i) Impairment of financial assets

The Group recognises loss allowance for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the issuer or the borrower;
- a breach of contract such as a default in payment within the due date;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

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The Group measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information. The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any) is held.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the Cash Generating Unit (CGU) is estimated. If such recoverable amount of the asset or CGU to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Statement of Profit and Loss. An asset is deemed impaired when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency.

g) Inventories

Inventories are stated at the lower of cost and net realisable value.

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Raw materials, packing material, stores and spares and loose tools: The cost of inventories is calculated on first in and first out basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Work-in-progress and manufactured finished goods: Cost includes raw material costs and an appropriate share of fixed production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item by item basis/contract basis depending on the nature of work.

h) Foreign exchange transactions

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities if any that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All exchange differences relating to foreign currency items are dealt with in the Statement of Profit and Loss in the year in which they arise.

i) Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting

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the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed/encashed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

j) Revenue

i. Sale of goods

Revenue arises mainly from the sale of goods. To determine whether to recognise revenue, the Group follows a 5-step process:

(i) Identifying the contract with a customer
(ii) Identifying the performance obligations
(iii) Determining the transaction price
(iv) Allocating the transaction price to the performance obligations
(v) Recognising revenue when/as performance obligation(s) are satisfied.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

iii. Dividend income

Dividend income is recognized at the time when the right to receive is established by the reporting date.

iv. Income from power generation:

Income from power generation from windmill located in district Kutch is recognised on the basis of the terms of the contract.

v. Export benefits/incentives

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

k) Borrowings

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds and also include exchange differences to the extent regarded as an adjustment to the same. Borrowing costs directly attributable to the acquisition and/ or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

l) Government grants

Government grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received.
Grants related to assets is recognized as deferred income which is recognized in the Statement of Profit and Loss on systematic basis over the useful life of the assets.

m) Right of use assets and lease liabilities

The Group as a lessee

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

n) Financial instruments

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

ii. Subsequent measurement

Financial assets

i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:

• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Financial assets at fair value

• Investments in equity instruments other than above –Investments in equity instruments which are held for trading are generally classified as at fair value through profit or loss ("FVTPL"). For all other equity instruments, the

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Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income ("FVOCI") or fair value through profit or loss FVTPL.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of financial assets
A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Impairment of financial assets
The Group assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities
Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability.
The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

o) Fair value measurement

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

p) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the cash Management.

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

r) Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly with in the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Group and requires interpretation of laws and past legal rulings.

s) Taxation

Tax expense recognized in the statement of profit and loss comprises the sum of deferred tax and current tax not recognized in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-

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tax Act, 1961. Current tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognise MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognises MAT Credit as an asset, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. The MAT Credit Entitlement is disclosed under the head 'Deferred tax liabilities (net).

Deferred tax liabilities are generally recognized in full for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Managing Director has been identified as being the Chief Operating Decision Maker ('CODM') and evaluates the Group's performance and allocates resources based on analysis of the various performance indicators of the Group as a single unit i.e. Engineering and Allied Activities. The Group's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Group operates in one reportable business segment i.e., manufacturing and selling of metal components for critical and super critical applications. The geographical information analyses the Group's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers. Refer note 44 for segment information presented.

u) Research and development costs

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred. Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

v) Derivative financial instruments

The Group holds derivative financial instruments in the form of future contracts to mitigate the risk of changes in exchange rates on foreign currency exposure. The counterparty for these contracts are scheduled commercial banks

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/ regulated brokerage firms. Although these derivatives constitute hedges from an economic perspective, they do not qualify for hedge accounting under Ind AS 109 'Financial Instruments' and consequently are categorized as financial assets or financial liabilities at fair value through profit or loss. The resulting exchange gain or loss is included in other income / expenses and attributable transaction costs are recognized in the Statement of Profit and Loss when incurred.

w) Measurement of EBITDA

As permitted by the Schedule III of Companies Act, 2013, the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Group does not include depreciation and amortisation expense, finance costs and tax expense.

x) Significant accounting judgements, estimates and assumptions

When preparing the consolidated financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

(i) Evaluation of indicators for impairment of non-financial assets

The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(ii) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

(iii) Contingent liabilities

The Group is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Sources of estimation uncertainty:

(i) Provisions

At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding guarantees. However, the actual future outcome may be different from management's estimates.

(ii) Fair valuation of financial instruments

Management applies valuation techniques to determine the fair value of financial instruments (where active market

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quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

(iii) Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

y) Standards issued but not effective

Ministry of Corporate Affairs "MCA" notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2021.

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
B-406A,4th floor
L&T Elante office Building,
Industrial Area, Phase I,
Chandigarh -160 002
India

T +91 172 433 8000
F +91 172 433 8005

Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of PTC Industries Limited

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of PTC Industries Limited ('the Holding Company') and its subsidiary, Aerolloy Technologies Limited (the Holding Company and its subsidiary together referred to as 'the Group'), for the year ended 31 March 2022, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor on separate audited financial statements of the subsidiary, as referred to in paragraph 11 below, the Statement:

   (i) includes the annual financial results of the Aerolloy Technologies Limited;

   (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and

   (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2022.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us together with the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 11 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit and other comprehensive income, and other financial information of the Group in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.The respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

5. In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

6. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

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8. As part of an audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
   - Obtain sufficient appropriate audit evidence regarding the financial results/ financial information/ financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entity included in the Statement, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

9. We communicate with those charged with governance of the Holding Company, 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.

10. 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.

Other Matters

11. We did not audit the annual financial statements of subsidiary included in the Statement, whose financial information reflects total assets of ₹ 3,329.59 lacs as at 31 March 2022, total revenues of ₹ 760.13 lacs, total net profit after tax of ₹ 330.99 lacs, total comprehensive income of ₹ 332.27 lacs, and cash flows (net) of ₹ 24.07 lacs for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditor and whose audit report has been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the audit report of such other auditor and the procedures performed by us as stated in paragraph 8 above.

    Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other auditor.

12. The Statement includes the consolidated financial results for the quarter ended 31 March 2022, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership No. 099410
UDIN: 22099410AJUPCC6442

Place: Gurugram
Date: 28 May 2022

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(Regd.Off.: NH 25A, Sarai Shahjadi, Lucknow- 227101, Ph: 0522-711 1017, Fax : 0522-711 1020)
(Website: www.ptcil.com; email: ptc@ptcil.com; CIN: L27109UP1963PLC002931)

Statement of consolidated assets and liabilities as at 31 March 2022

(₹ in lakhs, unless otherwise stated)

Particulars	As at 31 March 2022 (Audited)	As at 31 March 2021 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	23,444.01	20,840.75
(b) Capital work-in-progress	2,255.09	3,709.80
(c) Investment property	183.06	184.37
(d) Other intangible assets	68.33	76.38
(e) Financial assets		
(i) Other financial assets	189.42	148.57
(f) Non-current tax assets (net)	347.45	303.41
(f) Other non-current assets	830.45	448.24
Total non current assets	**27,317.81**	**25,711.52**
Current assets		
(a) Inventories	6,480.75	5,225.83
(b) Financial assets		
(i) Investments	7.21	7.72
(ii) Trade receivables	6,149.82	6,329.52
(iii) Cash and cash equivalents	134.76	209.07
(iv) Bank balances other than (iii) above	260.41	213.54
(v) Loans	68.56	73.49
(vi) Other financial assets	488.60	813.53
(c) Other current assets	1,690.63	1,165.17
Total current assets	**15,280.74**	**14,037.87**
TOTAL ASSETS	**42,598.55**	**39,749.39**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	523.91	523.91
(b) Other equity	16,328.28	15,004.41
Total equity	**16,852.19**	**15,528.32**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	9,366.08	9,398.23
(ii) Other financial liabilities	314.54	7.50
(b) Provisions	75.88	89.25
(c) Deferred tax liabilities (net)	1,375.41	1,202.26
(d) Other non current liabilities	901.67	1,042.22
Total non-current liabilities	**12,033.58**	**11,739.46**
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	10,257.14	8,706.74
(ii) Trade payables		
A) Total outstanding dues of micro enterprise and small enterprises	233.17	93.61
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,640.72	2,602.80
(iii) Other financial liabilities	1,139.72	915.59
(b) Provision	44.68	13.05
(c) Other current liabilities	390.05	149.82
(d) Current tax liabilities (net)	7.30	-
Total current liabilities	**13,712.78**	**12,481.61**
TOTAL EQUITY AND LIABILITIES	**42,598.55**	**39,749.39**

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Statement of audited consolidated financial results for the quarter and year ended 31 March 2022

(₹ in lakhs, except per share data)

	Particulars	3 months ended 31 March 2022	Preceding 3 months ended 31 December 2021	Corresponding 3 months ended in the previous year 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
		(Audited) (Refer note 4)	(Unaudited)	(Audited) (Refer note 4)	(Audited)	(Audited)
1	**Income**					
	(a) Revenue from operations	5,070.50	4,490.29	5,303.35	17,895.48	16,334.99
	(b) Other income	195.46	140.43	320.45	627.99	519.61
	Total income	**5,265.96**	**4,630.72**	**5,623.80**	**18,523.47**	**16,854.60**
2	**Expenses**					
	(a) Cost of materials consumed	1,340.06	1,769.69	1,213.23	5,066.82	3,694.05
	(b) Changes in inventories of finished goods and work-in-progress	(204.64)	(806.73)	118.23	(759.47)	409.05
	(c) Employee benefits expense	585.20	573.63	518.64	2,085.16	1,996.71
9	(d) Research and development expense	45.69	94.90	47.41	181.94	181.09
	(e) Finance costs	412.42	361.09	356.19	1,516.58	1,343.26
	(f) Depreciation and amortisation expense	366.07	371.26	357.16	1,462.99	1,438.35
	(g) Other expenses	2,114.98	1,955.35	2,190.36	7,110.87	6,562.84
	Total expenses	**4,659.78**	**4,319.19**	**4,801.22**	**16,664.89**	**15,625.35**
3	**Profit before tax and exceptional items (1-2)**	**606.18**	**311.53**	**822.58**	**1,858.58**	**1,229.25**
4	**Exceptional items (Refer note 6)**	-	156.79	-	156.79	-
5	**Profit before tax (3-4)**	**606.18**	**154.74**	**822.58**	**1,701.79**	**1,229.25**
6	**Tax expense:**					
	(a) Current tax	71.54	33.86	(72.32)	247.32	-
	(b) MAT credit entitlement	-	-	72.32	-	-
	(c) Current tax-earlier years	-	-	(244.86)	-	(244.86)
	(d) Deferred tax	72.39	5.08	(35.58)	173.32	81.14
	(e) Remeasurement of deferred tax recoverable on adoption of new tax regime (MAT credit)	-	-	957.48	-	957.48
	Total tax expense	**143.93**	**38.94**	**677.04**	**420.64**	**793.76**
7	**Profit for the period (5-6)**	**462.25**	**115.80**	**145.54**	**1,281.15**	**435.49**
8	Other comprehensive income					
	(i) Items that will not be reclassified to the statement of profit and loss	(24.97)	8.11	54.94	(0.65)	32.44
	(ii) Income-tax relating to items that will not be reclassified to the statement of profit and loss	6.29	(2.04)	(14.43)	0.16	(8.16)
	Total other comprehensive income	**(18.68)**	**6.07**	**40.51**	**(0.49)**	**24.28**
9	**Total comprehensive income for the period (comprising profit and other comprehensive income for the period) (7+8)**	**443.57**	**121.87**	**186.05**	**1,280.66**	**459.77**
10	Paid-up equity share capital (₹ 10 per share)	523.91	523.91	523.91	523.91	523.91
11	Other equity as per balance sheet				16,328.28	15,004.41
12	**Earnings per share (Face value of ₹ 10/- each):**					
	(a) Basic*	8.82	2.21	2.78	24.45	8.31
	(b) Diluted*	8.82	2.21	2.78	24.44	8.31

* not annualised (except for year ended 31 March 2022 and 31 March 2021)

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Statement of consolidated cash flow for the year ended 31 March 2022

(₹ in lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2022 (Audited)	Year ended 31 March 2021 (Audited)
A. Cash flow from operating activities		
Net profit before tax	1,701.78	1,229.25
Depreciation and amortisation expense	1,462.99	1,438.35
Unrealised foreign exchange fluctuation loss	(86.49)	50.28
(Gain)/loss on disposal of property plant and equipment (net)	(0.13)	(137.25)
Provision for doubtful debts, loans and advances	(3.01)	10.22
Bad debts written off	-	37.66
Trade payables written off	(29.29)	-
Amortisation of deferred income- government grant	(51.67)	(80.00)
Dividend income	(0.22)	(0.14)
(Gain)/loss on MTM foreign exchange fluctuation	(28.05)	(160.09)
Interest charges	1,368.98	1,248.01
ESOP expenses	43.21	-
Remeasurement of defined benefit plan	(0.65)	32.44
(Gain)/loss on investment at fair value through profit or loss (net)	-	(1.94)
Liabilities no longer required, written back	(0.00)	(39.22)
Interest from assets valued at amortised cost	(15.25)	(13.97)
Operating profit before working capital changes (current and non- current)	**4,362.20**	**3,613.59**
Changes in trade receivables	285.89	(1,798.90)
Changes in inventories	(1,254.92)	(16.90)
Changes in other financial assets	312.12	(633.09)
Changes in other assets	(525.45)	(236.02)
Changes in financial assets-loans	4.93	(170.62)
Changes in provisions	18.26	(31.05)
Changes in trade and other payables	(809.91)	(71.88)
Changes in other financial liabilities	524.48	127.71
Changes in other liabilities	(148.66)	(149.84)
Cash generated from operations before tax	**2,768.94**	**633.00**
Income taxes paid (net)	(284.06)	(219.76)
Net cash generated from operating activities [A]	**2,484.88**	**413.24**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets [including capital advances and creditors for capital goods]	(2,818.57)	(2,587.20)
Proceeds from sale of property plant and equipments	-	590.50
Investments purchased	0.51	-
Interest received	15.25	13.97
Other bank balances not considered as cash and cash equivalents (net)	(46.87)	(56.43)
Dividend received	0.23	0.14
Net cash used in investing activities [B]	**(2,849.45)**	**(2,039.02)**
C. Cash flow from financing activities		
Proceeds from long-term borrowings	2,248.79	3,330.60
Repayment of long-term borrowings	(1,538.62)	(1,003.00)
Proceeds from government grant	300.00	-
Proceeds from short-term borrowings (net)	808.09	717.84
Finance costs paid	(1,528.00)	(1,362.68)
Net cash generated from financing activities [C]	**290.26**	**1,682.76**
D. Net increase/(decrease) in cash and cash equivalents [A+B+C]	**(74.31)**	**56.98**
E. Cash and cash equivalents at the beginning of the year	209.07	152.09
Closing balance of cash and cash equivalent [D+E]	**134.76**	**209.07**

Components of cash and cash equivalents:

Balances with banks	123.27	202.21
Cash on hand	11.49	6.86
	134.76	**209.07**

PTC INDUSTRIES LIMITED LUCKNOW

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PTC INDUSTRIES
ASPIRE • INNOVATE • ACHIEVE

(Regd.Off.: NH 25A, Sarai Shahjadi, Lucknow- 227101, Ph: 0522-711 1017, Fax : 0522-711 1020)
(Website: www.ptcil.com; email: ptc@ptcil.com; CIN: L27109UP1963PLC002931)

Notes:

1. The above consolidated financial results of PTC Industries Limited ('the Holding Company') and its subsidiary, Aerolloy Technologies Limited (the Holding Company and its subsidiary together referred to as 'the Group'), have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard, Rules,2015, as amended, as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.

2. The consolidated financial results of the Group for the year ended 31 March 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28 May 2022. The statutory auditors have expressed an unmodified conclusion on these results.

3. The Group's primary business segment is reflected based on principal business activities carried on by the Group. The Chairman and Managing Director has been identified as being the Chief Operating Decision Maker ('CODM') and evaluates the Group's performance and allocates resources based on analysis of the various performance indicators of the Group as a single unit i.e. Engineering and Allied Activities. Consequently, the information presented in these consolidated financial results represent this segment and as such there are no separate reportable segments as per the Indian Accounting Standards 108, 'Operating Segments'.

4. The figures for the quarter ended 31 March 2022, as reported in these consolidated financial results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures upto the end of third quarter of the current financial year, which are subjected to limited review.

5. Consequent to the outbreak of Covid-19 pandemic, the Indian government had announced lockdown in March 2020 and subsequently, the lockdown was lifted by the government in a phased manner. However, the second and third wave of Covid-19 during the year has significantly increased the number of Covid cases in India, resulting in re-imposition of localised lockdowns / restrictions in various states. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial results and believes that the impact of Covid-19 is not material to these consolidated financial results and expects to recover the carrying amount of its assets. The impact of Covid-19 on the consolidated financial results may differ from that estimated as at the date of approval of these consolidated financial results owing to the nature and duration of Covid-19.

6. The Code on Social Security, 2020 ('Code') relating to employee benefits, during employment and post-employment benefits, has received the Presidential assent in September 2020. This Code has been published in the Gazette of India. However, the effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. The Group will evaluate the impact of the Code and will give appropriate impact in the financial results in the period in which the Code becomes effective and the related rules are published.

7. The Group had adopted 'PTC Employees Stock Option Scheme 2019 ('Plan') in shareholders Annual General Meeting on September 28, 2019, and obtained an in-principal approval from BSE limited on 7 September 2021. The Compensation Committee (Nomination & Remuneration Committee) at its meeting held on September 15, 2021, had approved grant of 10,965 Stock Options (convertible into 10,965 Equity shares of the Holding Company, upon exercise) to certain Eligible Employees in terms of the Plan. Vesting will be made in maximum of four years (FY 2023 to FY 2026), after the statutory period of one year from the date of grant of option. During the year, the Group has recognized stock option expense of Rs 43,20,517.

8. The Group had received a grant in September 2011 with some conditions. During the year, the Holding Company has received request from NRDC for the repayment of the original amount of grant along with Royalty of 26% of original grant amount. The Group has computed present value of grant and royalty liability and the difference between carrying value of grant and present value has been charged to profit and loss account and disclosed as Exceptional Items.

9. The CEO and CFO have certified these results under Regulation 33(2) of SEBI (LODR) Regulations, 2015.

10. Previous period figures have been re-grouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1 April 2021.

For and on behalf of the Board of Directors

(Sachin Agarwal)
Chairman and Managing Director

Place: Lucknow
Date: 28 May 2022

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

PTC INDUSTRIES LIMITED
Advanced Manufacturing & Technology Centre
NH 25A, Sarai Shahjadi, Lucknow 227 101
Uttar Pradesh, India

Annexure - 3

To,
BSE Limited
P.J. Towers, Dalal Street,
Mumbai 400 001, India.

Subject: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Scrip code: 539006)

I, Sachin Agarwal, Chairman and Managing Director of PTC Industries Limited having its Registered Office at NH25, Sarai Sahjadi Lucknow-227101, Uttar Pradesh, India, hereby declare that, in terms of the provision of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, I confirm and declare that the Statutory Auditors of the Company, Walker Chandiok& Co LLP, Chartered Accountants, have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company (Standalone & Consolidated) for the quarter and year ended on March 31, 2022.

Kindly take this declaration on your records.

Thanking You,

For **PTC Industries Limited**

Sachin Agarwal

Chairman and Managing Director

DIN: 00142885

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements included in "Financial Statements".

(On the basis of consolidated financials)

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Year ended at		
	31/03/2022	31/03/2021	31/03/2020
Basic and Diluted Earnings Per Share (₹)			
Basic Earnings Per Share (Basic EPS)			
Net profit after tax, attributable to equity shareholders	949.65	435.49	1,050.59
Weighted average number of Equity Shares outstanding	52.39	52.39	52.39
Basic EPS in ₹	**18.13**	**8.31**	**20.05**
Face value in ₹	**10**	**10**	**10**
Diluted Earnings Per Share (Diluted EPS)			
Net profit after tax, attributable to equity shareholders	949.65	435.49	1,050.59
Weighted average number of shares considered for Calculating Diluted EPS	52.43	52.39	52.39
Diluted EPS in ₹	**18.11**	**8.31**	**20.05**
Face value in ₹	**10**	**10**	**10**
Net Asset Value Per Equity Share (₹)			
Net Asset Value (Net-worth),	16,522.75	15528.32	15068.55
Number of equity shares outstanding at the year end	52.39	52.39	52.39
No. of adjusted equity shares outstanding at the year end	52.39	52.39	52.39
Net Assets Value per equity share (₹)	**315.38**	**296.39**	**287.62**
***Return on Net worth**			
Net Profit after tax,	949.65	435.49	1,050.59
Net worth	16,522.75	15,531.53	15,068.55
Return on net worth	**5.74**	**2.80**	**6.97**
EBITDA			
Profit/(loss) after tax (A)	949.65	435.49	1,050.59
Income tax expense (B)	347.16	793.76	339.23
Finance costs (C)	1,505.52	1343.26	1138.93
Depreciation and amortization expense (D)	1,453.93	1438.35	1021.23
Exceptional item	156.79		-
EBITDA (A+B+C+D)	**4,413.05**	**- 4010.86**	**3549.98**

The ratios have been computed as per the following formulae:

(i) **Basic and Diluted Earnings per Share**

$$\frac{\text{Net Profit after tax, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

(ii) **Net Assets Value (NAV)**

$$\frac{\text{Net Asset Value, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

(iii) **Return on Net worth (%)**

$$\frac{\text{Net Profit after tax, attributable to equity shareholders}}{\text{Net worth (excluding revaluation reserve), at the end of the year}}$$

Net-worth (excluding revaluation reserve), means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss.

(iv) **EBITDA**

Profit/(loss) after tax for the period adjusted for income tax, expense, finance costs, depreciation and amortization expense, as presented in the standalone statement of profit and loss.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the period ended March 31, 2022 and 2021. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" and the chapter titled "Financial Information" on page 97 of the Letter of Offer. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 20 of this Letter of Offer. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" on page 16 of this Letter of Offer. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to PTC Industries Limited, our Company. Unless otherwise indicated, financial information included herein are based on our standalone and Consolidated financial statements ended on March 31, 2022 and March 31, 2021, included in this Letter of Offer beginning on page 97 of this Letter of Offer.

BUSINESS OVERVIEW

PTC Industries Limited ("Company" or "Issuer") was originally incorporated as 'Precision Tools & Castings Private Limited' on March 20, 1963 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Kanpur, Uttar Pradesh and consequently a certificate of incorporation dated March 20, 1963 was issued to our Company. The status of our Company was changed from private company to public company to 'Precision Tools & Castings Limited', pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated August 27, 1994 and a fresh certificate of incorporation dated October 25, 1994, consequent to such change was issued to our Company by the Registrar of Companies, Kanpur, Uttar Pradesh and the name of our Company was changed to 'Precision Tools & Castings Limited'. Further, the name of our Company was changed to 'PTC Industries Limited', pursuant to special resolution of our shareholders passed in an Extra-Ordinary General Meeting dated December 28, 1998 and a fresh certificate of incorporation dated January 22, 1999, consequent to such change was issued to our Company by the Registrar of Companies, Kanpur, Uttar Pradesh. The registered office of our Company was shifted from Malviya Nagar, Aishbagh, Lucknow – 226004, Uttar Pradesh, India to Advanced Manufacturing & Technology Centre, NH 25A, Sarai Shahjadi, Lucknow 227 101, Uttar Pradesh, India with effect from August 29, 2017.

PTC Industries started as a modest small scale industry in 1963 (named as Precision Tools & Castings Private Limited), and has evolved into an internationally acclaimed foundry. PTC was amongst the first investment casting foundry in India. When PTC started its operations, Indian foundries had no standing in USA and Europe, and South Korean companies dominated the castings market. Export was a matter of pride for any unit, more so for a Foundry as Indian technology was not developed up to the level of International Standards.

Over the years, PTC has grown to become a prominent supplier of castings solutions, machined components and fabricated parts to many of the world's most reputed companies.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 20. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in Uttar Pradesh;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units;
- Our ability to maintain and enhance our brand image;
- Our reliance on third party suppliers for our products;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interstate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

DISCUSSION ON RESULT OF OPERATION

Overview of Revenue & Expenditure

Our revenue and expenses are reported in the following manner:

Revenues

- **Revenue of operations**
  The company is mainly in the business of Casting of engineering components for various critical and super-critical applications.

- **Other Income**
  Our other income mainly consists of interest from banks and commission.

Expenditure

Our total expenditure primarily consists of stock in trade, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

- **Input Services, Material etc.**

  The Company is into the businesses of casting of critical engineering components and the Company requires various types of metal alloys of copper, aluminium and zinc etc.

- **Employment Benefit Expenses**

  It includes Salaries, Allowances and Director's Remuneration.

- **Other Expenses**

  It mainly includes Business Promotion expenses, Cartage, Lodging, and Freight, Commission, selling and distribution expenses and other expenses.

- **Finance Costs**

  Our finance costs mainly include Bank charges and interest and other borrowing costs.

- **Depreciation**

  Depreciation has been provided as per the useful life prescribed under schedule II of the Companies Act, 2013 on Written down Value (WDV) Method on pro rata basis.

RESULTS OF OUR OPERATION ON THE BASIS OF CONSOLIDATED BASIS

(₹ in Lakh)

Particulars	**31-03-22**	**31-Mar-21**
Incomes:		
Revenue from Operations	17895.48	16,334.99
% of total revenue	96.61%	96.92%
% Increase/(Decrease)	10%	
Other income	627.99	519.61
% of total revenue	12.39%	3.08%
% Increase/(Decrease)	21%	
Total Revenue	**18523.47**	**16854.6**

Particulars	31-03-22	31-Mar-21
Expenses:		
Cost of Material Consumed	5066.82	3,694.05
% of total revenue	27.35%	21.92%
% Increase/(Decrease)	37%	
Changes in Inventories of stock in trade	-759.47	409.0500
% of total revenue	-	2.43%
% Increase/(Decrease)	-286%	
Other Expenses	7292.81	6,743.93
% of total revenue	39.37%	40.01%
% Increase/(Decrease)	8%	
Employee Benefit expenses	2085.16	1996.71
% of total revenue	11.26%	11.85%
% Increase/(Decrease)	4%	
Total Expense	**13,685.32**	**12,843.74**
% of total revenue	**73.88%**	**76.20%**
% Increase/(Decrease)	7%	
Profit before Interest, Depreciation and Tax	**4,838.15**	**4,010.86**
% of total revenue	**26.12%**	**23.80%**
Depreciation and amortization expenses	1462.99	1438.35
% of total revenue	7.90%	8.53%
% Increase/(Decrease)	2%	
Profit before Interest and Tax	**3,375.16**	**2,572.51**
% of total revenue	18.22%	15.26%
Financial Charges	1516.58	1343.26
% of total revenue	8.19%	7.97%
% Increase/(Decrease)	13%	
Exceptional Item	**156.79**	**-**
% of total revenue	1%	0
Profit/(Loss) before tax	**1,701.79**	**1,229.25**
% of total revenue	**9.19%**	**7.29%**
% Increase/(Decrease)	38%	
Total tax expenses	**420.64**	**793.76**
% of total revenue	**2.27%**	**4.71%**
Profit/(loss) after Tax	**1,281.15**	**435.49**
% of total revenue	6.92%	2.58%
% Increase/(Decrease)	194%	

FISCAL YEAR ENDED MARCH 31, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021

Income

Total revenue has increased by ₹ 1,668.87 Lakhs and 9.90 % from ₹ 16,854.6 Lakhs in the fiscal year ended March 31, 2021 to ₹ 18,523.47 Lakhs in the fiscal year ended March 31, 2022. The increase in revenue is on account of increase in operation.

Expenditure

Total Expenditure increased by ₹ 841.58 Lakhs and 6.55%%, from ₹ 12,843.74 Lakhs in the fiscal year ended March 31, 2021 to ₹ 13,685.32 Lakhs in the fiscal year ended March 31, 2022.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by ₹ 88.45 Lakhs and 4.43% % from ₹ 1,996.71 Lakhs in the fiscal year ended March 31, 2021 to ₹ 2,085.16 Lakhs in the fiscal year ended March 31, 2022.

Other Expenses

Other Expenses in terms of value and percentage increased by ₹ 548.88 Lakhs and 8.14 % from ₹ 6,743.93 Lakhs in the fiscal year ended March 31, 2021 to ₹ 7,292.81 Lakhs in the fiscal year ended March 31, 2022.

Profit before Tax

Profit before Tax has increased by ₹ 472.54 Lakhs and 38.44 % from ₹ 1,229.25 Lakhs in the fiscal year ended March 31, 2021 to ₹ 1,701.79 Lakhs in the fiscal year ended March 31, 2022.

Finance Costs

Finance Costs in terms of value and percentage increased by ₹ 173.32 Lakhs and 12.90 % from ₹ 1,343.26 Lakhs in the fiscal year ended March 31, 2021 to ₹ 1,516.58 Lakhs in the fiscal year ended March 31, 2022.

Depreciation & Amortization Expenses

Depreciation in terms of value increased by ₹ 24.64 Lakhs and 1.71 % from ₹ 1,438.35 Lakhs in the fiscal year ended March 31, 2021 to ₹ 1,462.99 Lakhs in the fiscal year ended March 31, 2022.

Net Profit after Tax and Extraordinary items

Net Profit has increased by ₹ 845.66 Lakhs and 194.19 % from profit of ₹ 435.49 Lakhs in the fiscal year ended March 31, 2021 to profit of ₹ 1,281.15 Lakhs in the fiscal year ended March 31, 2022.

RESULTS OF OUR OPERATION ON THE BASIS OF STANDALONE BASIS

(₹ in Lakh)

Particulars	**31-03-22**	**31-Mar-21**
Incomes:		
Revenue from Operations	17,893.51	16,334.99
% of total revenue	96.28%	96.92%
% Increase/(Decrease)	9.54%	
Other income	690.53	519.61
% of total revenue	3.72%	3.08%
% Increase/(Decrease)	32.89%	
Total Revenue	**18584.04**	**16,854.60**
Expenses:		
Cost of Material Consumed	5564.71	3,694.05
% of total revenue	29.94%	21.92%

% Increase/(Decrease)	50.64%	
Changes in Inventories of stock in trade	-553.77	409.0500
% of total revenue	-2.98%	2.43%
% Increase/(Decrease)	-235%	
Other Expenses	7157.49	6,740.72
% of total revenue	38.51%	39.99%
% Increase/(Decrease)	6.18%	
Employee Benefit expenses	2002.56	1996.71
% of total revenue	10.78%	11.85%
% Increase/(Decrease)	0.29%	
Total Expense	**14,170.99**	**12,840.53**
% of total revenue	**76.25%**	**76.18%**
% Increase/(Decrease)	10.36%	
Profit before Interest, Depreciation and Tax	**4,413.05**	**4,014.07**
% of total revenue	**23.75%**	**23.82%**
Depreciation and amortization expenses	1453.93	1438.35
% of total revenue	7.82%	8.53%
% Increase/(Decrease)	1.08%	
Profit before Interest and Tax	**2,959.12**	**2,575.72**
% of total revenue	15.92%	15.28%
Financial Charges	1505.52	1343.26
% of total revenue	8.10%	7.97%
% Increase/(Decrease)	12.08%	
Exceptional Item	**156.79**	**-**
% of total revenue	0.84%	0
Profit/(Loss) before tax	**1,296.81**	**1,232.46**
% of total revenue	**6.98%**	**7.31%**
% Increase/(Decrease)	5.22%	
Total tax expenses	**347.16**	**793.76**
% of total revenue	**1.87%**	**4.71%**
Profit/(loss) after Tax	**949.65**	**438.70**
% of total revenue	5.11%	2.60%
% Increase/(Decrease)	116.47%	

FISCAL YEAR ENDED MARCH 31, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021

Income

Total revenue has increased by ₹ 1,729.44 Lakhs and 10.26% from ₹ 16,854.60 Lakhs in the fiscal year ended March 31, 2021 to ₹ 18,584.04 Lakhs in the fiscal year ended March 31, 2022. The increase in revenue is on account of increase in operation.

Expenditure

Total Expenditure increased by ₹ 1330.46 Lakhs and 10.36%, from ₹ 12,840.53 Lakhs in the fiscal year ended March 31, 2021 to ₹ 14,170.99 Lakhs in the fiscal year ended March 31, 2022.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by ₹ 5.85 Lakhs and 0.29% from ₹ 1,996.71 Lakhs in the fiscal year ended March 31, 2021 to ₹ 2,002.56 Lakhs in the fiscal year ended March 31, 2022.

Other Expenses

Other Expenses in terms of value and percentage increased by ₹ 416.77 Lakhs and 6.18% from ₹ 6,740.72 Lakhs in the fiscal year ended March 31, 2021 to ₹ 7157.49 Lakhs in the fiscal year ended March 31, 2022.

Profit before Tax

Profit before Tax has increased by ₹ 64.35 Lakhs and 5.22% from ₹ 1,232.46 Lakhs in the fiscal year ended March 31, 2021 to ₹ 1,296.81 Lakhs in the fiscal year ended March 31, 2022.

Finance Costs

Finance Costs in terms of value and percentage increased by ₹ 162.26 Lakhs and 12.08% from ₹ 1,343.26 Lakhs in the fiscal year ended March 31, 2021 to ₹ 1,505.52 Lakhs in the fiscal year ended March 31, 2022.

Depreciation & Amortization Expenses

Depreciation in terms of value increased by ₹ 15.58 Lakhs and 1.08 % from ₹ 1,438.35 Lakhs in the fiscal year ended March 31, 2021 to ₹ 1,453.93 Lakhs in the fiscal year ended March 31, 2022.

Net Profit after Tax and Extraordinary items

Net Profit has increased by ₹ 510.95 Lakhs and 116.47% from profit of ₹ 438.70 Lakhs in the fiscal year ended March 31, 2021 to profit of ₹ 949.65 Lakhs in the fiscal year ended March 31, 2022.

****

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company and its Subsidiaries are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as disclosed below there are no outstanding litigation involving our Company and/or our Subsidiaries with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries, (ii) material violations of statutory regulations by our Company and/or our Subsidiaries, (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries, (iv) any matters which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company and/or our Subsidiaries.

For the purpose of point (iv) above, the Company shall consider the following criteria for determining the materiality of the events

(a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

(b) The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;

(c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event / information may be treated as being material if in the opinion of the Board of Directors, the event or information is considered material.

A. LITIGATIONS INVOLVING OUR COMPANY

(I) Litigations filed against our Company

a. Matters involving issues of moral turpitude or criminal liability on the part of our Company

There are no matters involving issues of moral turpitude or criminal liability on the part of our Company.

b. Matters involving material violations of Statutory Regulations by our Company

There are no matters involving material violations of Statutory Regulations by our Company.

c. Economic Offences where proceedings have been initiated against our Company

There are no economic offences where proceedings have been initiated against our Company

d. Other proceedings involving our Company which are material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

Civil Matters

Nil

Tax Proceedings

Nil

II. Litigations filed by our Company

Civil Matters

Nil

Tax Proceedings

Sl. No.	Particulars	Number of Cases	Amount Involved in Lakh
Indirect taxes			
1	U.P. Vat Act-2008	3	0.83
2	Entry Tax	2	9.46
3	GST Act-2017	3	16.59

B. LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES

(I) Litigation filed against our subsidiary companies

(a) Matters involving issues of moral turpitude or criminal liability on the part of our Subsidiary Companies

There are no issues of moral turpitude or criminal liability on part of our Subsidiary Companies.

(b) Matters involving material violations of Statutory Regulations by our Subsidiary Companies

There are no material violations of Statutory Regulations by our Subsidiary Companies.

(c) Economic Offences where proceedings have been initiated against our Subsidiary Companies

There are no matters involving economic offences where proceedings have been initiated against our Subsidiaries.

(d) Other proceedings involving our subsidiary companies which are material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Subsidiaries.

Civil Matters

Nil

Tax Proceedings

Nil

(II) Litigations filed by our Subsidiaries.

Civil Matters

Nil

Tax Proceedings

Nil

Other Disclosures

- Our Company, its Promoters, Promoter Group, Directors or any companies with which the Directors of our Company are associated as directors or promoters have not been prohibited from accessing the capital markets under any order or direction passed by SEBI which is still in force.

- Promoters and Directors of our Company are not declared as fugitive economic offender.

- Neither our Company, our Directors nor our Promoters are or have been declared as willful defaulters or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines issued by RBI.

Material development since the date of the last audited accounts

In the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Letter of Offer and which materially and adversely affect or is likely to affect within the next twelve months except authorization by the Board of Directors to raise the funds by way of Rights Issue of Security.

GOVERNMENT APPROVALS OR LICENSING ARRANGEMENTS

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 Letter of Offer, there are no material pending government and regulatory approvals pertaining to the Objects of the Issue.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

This Issue has been authorized by a resolution of our Board passed at its meeting held on August 13, 2021 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

The Listing Committee of Board of Directors of our Company in its meeting held on March 30, 2022 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at an Issue Price of ₹ 10/- per Rights Equity Share, in the ratio of 3:2 i.e., 3 (three) Rights Equity Shares for every 2 (Two) Equity Shares, as held on the Record Date.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in this Issue vide letter dated June 07, 2022.

Our Company will also make applications 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 INE596F20018 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "Terms of the Issue" on page 115.

Prohibition by SEBI

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or 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 Letter of Offer.

The companies with which our Promoters or our Directors are associated as promoters or directors have not been debarred from accessing the capital market by SEBI. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Eligibility for this Issue

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

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make application for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for this Issue.

Applicability of the SEBI ICDR Regulations:

The present Issue being of less than ₹ 50 Crores. Our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations, to the extent applicable and our Company will file the copy of this Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e., www.sebi.gov.in.

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 Listing Agreement or the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the SEBI and until date.

2. The reports, statements and information referred to above are available on the websites of stock exchanges.

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 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 Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations. The Company has obtained a certificate from M/s Amit Gupta & Associates, Company Secretaries dated April 11, 2022 certifying that the Company is in compliance with Clause (1) 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 clauses from our Company

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 anyone placing reliance on any other source of information would be doing so at his own risk.

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

Disclaimer with respect to jurisdiction

This 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 Uttar Pradesh, India only.

Designated Stock Exchange

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

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of Offer is set out below:

"BSE Limited (the "Exchange") has given, vide its letter dated **June 07, 2022,** permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed.

The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the letter of offer has been cleared or approved by BSE Limited, nor does it certify the correctness or completeness of any of the contents of the letter of offer. The investors are advised to refer to the letter of offer for the full text of the Disclaimer clause of the BSE Limited.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to

independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Filing

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is less than ₹ 50 Crores which does not require issuer to file Letter of Offer with SEBI. Issuer has filed letter of offer with BSE for obtaining in-principle approval.

Investor Grievances and Redressal System

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 may be addressed to the Registrar, 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), and copy of the e- acknowledgement (in case of normal process). For details on the ASBA process see "Terms of the Issue" on page 115. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue
Link Intime India Private Limited
C – 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India
Telephone: +91 22 4918 6200, **Facsimile**: +91 22 4918 6195
E-mail: ptc.rights@linkintime.co.in **Website:** www.linkintime.co.in
Contact person: Sumeet Deshpande
Investor grievance: ptc.rights@linkintime.co.in
CIN: U67190MH1999PTC118368
SEBI Registration No: INR000004058

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/Refund Orders etc.

Ms. Pragati Gupta Agrawal, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

Advanced Manufacturing & Technology Centre, NH 25A,
Sarai Shahjadi, Lucknow 227 101, Uttar Pradesh, India
Telephone: +91 522 7111017 | **Fax:** +91 522 2265302 |
Email: companysecretary@ptcil.com | **Website:** www.ptcil.com

SECTION VII : OFFERING INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circular, Investors proposing to apply in this Issue can apply only through ASBA. Investors are requested to note that application in this Issue can only be made through ASBA, in case of Eligible Equity Shareholders.

OVERVIEW

The Issue and 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, Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing 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 SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

1) *Dispatch and availability of Issue materials:*

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circular, our Company will send / dispatch, at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights 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 jurisdiction 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, this Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the 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 the 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.

Investors can access this 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 at www.ptcil.com
b) the Registrar to the Issue at www.linkintime.co.in
c) the Stock Exchanges at www.bseindia.com ; and

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.ptcil.com).

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company and the Registrar 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. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

2) *Facilities for Application in this Issue:*

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use 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 127.

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.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, titled "Procedure for Application through the ASBA Process" on page 127.

Please note that subject to SCSBs complying with the requirements of SEBI Circular 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 CIR/CFD/DIL/1/2013 dated January 2, 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". 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, refer chapter titled "Application on Plain Paper under ASBA process".

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 (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account (namely, "LIIPL PTC RIGHTS 2022 ESCROW DEMAT ACCOUNT") opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c)the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

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, valid address proof 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 Wednesday, August 10, 2022, being two Working Days prior to the Issue Closing Date, i.e., Friday, August 12, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts by Thursday, August 11, 2022 being one day before the Issue Closing Date, i.e., Friday, August 12, 2022. 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 facilitate the aforementioned transfer.

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. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form" on page 134 in "Terms of the Issue".

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 143.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "*Procedure for Application through the ASBA process*" on page 127 of this Letter of Offer.

6) Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

(a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in
(b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: www.linkintime.co.in
(c) Updation of demat account details by resident Eligible Equity Shareholders holding shares in physical form: www.linkintime.co.in

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, 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 August 13, 2021

pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Listing Committee of Board of Directors of our Company in its meeting held on March 30, 2022 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at ₹ 10/- per Rights Equity Share, in the ratio of 3:2 i.e., 3 (three) Rights Equity Share for every 2 (Two) 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 June 07, 2022.

Basis for the 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 the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form 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 Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., Friday, July 22, 2022, are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (www.ptcil.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. If the 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, 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. 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 will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the email addresses as well as to the physical addresses of 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.

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. The Letter of Offer, the Abridged

Letter of Offer and the Application Form may also be accessed on the websites of the Registrar and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchanges' websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, and the Registrar 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.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ 10 per Rights Equity Share in the Issue. The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations. The Listing

Committee, at its meeting held on March 30, 2022, has determined the Issue Price.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 3 (Three) Rights Equity Share(s) for every 2 (Two) Equity Share(s) held 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 ₹ 10 per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 3(Three) Rights Equity Shares for every 2 (Two) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 2 Equity Share(s) or not in the multiple of 2, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds 5 Equity Shares, such Shareholder will be entitled to 6 Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than 2 Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the 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 no.INE596F20018 for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE596F01018 on BSE (Scrip Code: 539006). 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 Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter no. DCS/RIGHT/KK/FIP/2291/2022-23 dated June 07, 2022. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within seven working days from the finalization of the Basis of Allotment. Our Company will apply to 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 the Issue will trade after the listing thereof.

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.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

For details of trading and listing of Rights Equity Shares, please refer to the heading "*Terms of Payment*" at page 115 of this Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue* " on page 60.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with the applicable provisions of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, through email and speed post, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all 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. 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.

Further, our Company will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID- 19 situation. However, our Company, and the Registrar 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.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India. The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, refer "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" on page 115.

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 email address of the 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.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email and speed post at least three days before the Issue Opening Date. 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 email to email 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.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, and the Registrar 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.

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 email 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.

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 at www.ptcil.com

b) the Registrar to the Issue at www.linkintime.co.in; and
c) the Stock Exchanges at **www.bseindia.com.**

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.ptcil.com).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis 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. Further, in accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date i.e. August 12, 2022, after which they can apply through ASBA facility.

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 (i) 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.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) 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

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 115. 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 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 115.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue atwww.linkintime.co.in and link of the same would also be available on the website of our Company at (www.ptcil.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement 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 No. 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 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. 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 Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

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 130.

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. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectorial caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue*" on page 115. 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 143.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favor of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favor of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

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. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the

resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation. 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 byte Investors.

a) 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 Exchanges 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 Exchanges under ISIN - INE596F20018 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., August 03, 2022 to August 08, 2022 (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 - INE596F20018 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 Exchanges and the SEBI.

b) 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 Renouncees 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 - INE596F20018, 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.

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.

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.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue, Manager to the Issuer or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "***PTC Industries Limited – Rights Issue***" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

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. may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "*Modes of Payment*" on page 115 in Chapter "Terms of the Issue".

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 Issuer, being PTC Industries Limited;
- 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 Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ 10 per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and 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 the Issue. Documentary evidence for exemption to be provided by the applicants;
- 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);
- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("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 ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. 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 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 said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us 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 us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) 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 Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with 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 or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

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. 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.

Last date for Application

The last date for submission of the duly filled in Application Form is August 12, 2022. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date. If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "*Terms of the Issue - Basis of Allotment*" on page 143.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the

Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement 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 ptc.rights@linkintime.co.in

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As regards Applications 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 or 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 their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, 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.

- 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.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for 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.

Resident 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:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail 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 e-mail, 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;

2. 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;

3. The remaining procedure for Application shall be same as set out in "Application on Plain Paper under ASBA process" beginning on page 130.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE 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 ADVICES/ REFUND ORDERS" ON PAGE 143.

General instructions for Investors

(a) Please read this Letter of Offer, Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.

(b) In accordance with the SEBI Rights Issue Circulars, the resident 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, 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.

(c) Please read the instructions on the Application Form sent to you.

(d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(e) Application should be made only through the ASBA facility or using.

(f) 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 this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.

(g) 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 115 of the Chapter "Terms of the Issue".

(h) 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.

(i) 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.

(j) 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,

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore. Cash payment or payment by cheque or demand 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.

(p) 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.

(q) 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.

(r) 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 in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(s) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

(t) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. 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.

(u) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 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.

(v) 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.

Additional general instructions for Investors in relation to making of an Application

(a) Please read the instructions on the Application Form sent to you. 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.

(b) 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 applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID 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. Therefore, 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. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail 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 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) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(c) By signing the Application Forms, 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.

(d) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(e) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(f) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(g) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(h) Do not pay the Application Money in cash, by money order, pay order or postal order.

(i) Do not submit multiple Applications.

(j) No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

(k) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

(a) Ensure that the Application Form and necessary details are filled in.

(b) 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.

(c) 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.

(d) 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:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

(a) 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(g) 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:

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), and 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.

c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (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. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(e) Account holder not signing the Application or declaration mentioned therein.

(f) Submission of more than one Application Form for Rights Entitlements available in a particular Demat account.

(g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(h) 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).

(i) 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.

(j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(l) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand s.

(n) 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.

(o) 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 and QPs) or other jurisdictions where the offer and sale of the 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) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non- U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

(p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(q) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED 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 or the 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 s are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "*Investment by Mutual Funds*" below on page 115 of the Chapter "Terms of the Issue".

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in *Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue* " on page 60).

Underwriting

The Issue is not underwritten.

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, may withdraw their Application post the Issue Closing Date.

Issue schedule

Last Date for credit of Rights Entitlements:	July 28, 2022
Issue Opening Date:	August 03, 2022
Last Date for On Market Renunciation[#]:	August 08, 2022
Issue Closing Date*:	August 12, 2022
Finalization of Basis of Allotment (on or about):	August 23, 2022
Date of Allotment (on or about):	August 24, 2022
Date of credit (on or about):	August 29, 2022
Date of listing (on or about):	August 30, 2022

[#]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.

**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, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

(b) As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored, therefore those Equity Shareholders holding less than 2 (Two) Equity Shares would be entitled to 'Zero' Rights Equity Shares under this Issue, Application Form with 'Zero' entitlement will be send to such shareholders. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the allotment of 1 (One) Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for. Allotment under this head shall be considered if there

are any un- subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than 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.

(c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall 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 unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

(f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders

Our Company will send/dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary account (only in dematerialized mode) or in a demat suspense account or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay requisite interest as specified under applicable law from the expiry of such 15 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 unblocking amounts blocked using ASBA facility.

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

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending 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 Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN\ BE ALLOTTED ONLY IN DEMATERIALISED 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 THE ISSUE CLOSING DATE, AS THE CASE MAY BE, 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, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ 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 EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic 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 each such holding. 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 whose Equity Shares are 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.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form 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, shall not be able to apply in this Issue for further details, please refer to "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 115 of the Chapter "Terms of the Issue"

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which

means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA 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, only Category I FPIs, 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 securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA 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.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("**SEBI VCF Regulations**") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("**SEBI FVCI Regulations**") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("**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 / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised 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.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made. In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) 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.

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 Issue.

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:

(i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 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 which shall not be less than six months extending up to ten 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. Where such fraud (i) involves 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 imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements dated October 06, 2005 and March 15, 2021 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE596F01018.

Disposal of Applications 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 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 case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. 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.

Utilization of Issue Proceeds

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

(c) Details of all unutilized monies out of the Issue, 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; and

(d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

(i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

(ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

(iii) 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.

(iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

(v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-

listing, under subscription etc.

(vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

(vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.

(viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

(ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.

(x) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Filing

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is less than ₹ 50 Crores which does not require issuer to file Letter of Offer with SEBI. Issuer has filed letter of offer with BSE for obtaining in-principle approval.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Company, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

Important

Please read this 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 the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "*Risk Factors*" on page 20.

All enquiries in connection with this Letter of Offer, the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "***PTC Industries Limited – Rights Issue***" on the envelope to the Registrar at the following address:

Link Intime India Private Limited
C – 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India
Telephone: +91 22 4918 6200 **Facsimile**: +91 22 4918 6195
E-mail: ptc.rights@linkintime.co.in**Website:** www.linkintime.co.in
Contact person: Sumeet Deshpande
Investor grievance: ptc.rights@linkintime.co.in
CIN: U67190MH1999PTC118368
SEBI Registration No: INR000004058

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.linkintime.co.in . Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 (22) 4918 6200.

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 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 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular. 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 Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

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 falls 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 sectorial 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 and are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

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 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.ptcil.com from the date of this Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

(i) Registrar Agreement dated June 08, 2022 entered into amongst our Company and the Registrar to the Issue.
(ii) Escrow Agreement dated June 03, 2022 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 August 13, 2021 in relation to the Issue.
(iii) Resolution of our Listing Committee dated March 30, 2022, finalizing the terms of the Issue including Issue Price and the Rights Entitlement Ratio.
(iv) Resolution of our Listing Committee dated July 15, 2022, finalizing the terms of the Issue and 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 Letter of Offer in their respective capacities.
(vi) Statement of Tax Benefits dated March 24, 2022 from the Statutory Auditor included in this Letter of Offer.
(vii) Tripartite Agreement dated July 15, 2002 between our Company, NSDL and the Registrar to the Issue.
(viii) Tripartite Agreement dated September 02, 2014 between our Company, CSDL and the Registrar to the Issue.
(ix) In principle listing approval dated June 07, 2022 issued by BSE.

Any of the contracts or documents mentioned in this 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.

DECLARATION

I 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR

Sd/-
Sachin Agarwal
DIN : 00142885
Managing Director

Date : July 15, 2022
Place : London

DECLARATION

I 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR

Sd/-
Priya Ranjan Agarwal
DIN : 00129176
Whole-time Director

Date : July 15, 2022
Place : Lucknow

DECLARATION

I 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR

Sd/-
Alok Agarwal
DIN : 00129260
Whole-time Director

Date : July 15, 2022
Place : Lucknow

DECLARATION

I 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR

Sd/-
Smita Agarwal
DIN : 00276903
Whole-time Director and Chief Financial Officer

Date : July 15, 2022
Place : London

DECLARATION

I 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR

Sd/-
Krishna Das Gupta
DIN : 00374379
Independent Director

Date : July 15, 2022
Place : Kanpur

DECLARATION

I 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR

Sd/-
Rakesh Chandra Katiyar
DIN : 00556214
Independent Director

Date : July 15, 2022
Place : Kanpur

DECLARATION

I 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR

Sd/-
Ajay Kashyap
DIN : 00661344
Independent Director

Date : July 15, 2022
Place : Delhi

DECLARATION

I 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR

Sd/-
Brij Lal Gupta
DIN : 06503805
Independent Director

Date : July 15, 2022
Place : Lucknow

DECLARATION

I 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR

Sd/-
Ashok Kumar Shukla
DIN : 08053171
Executive Director

Date : July 15, 2022
Place : Ahmedabad

DECLARATION

I 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 Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR

Sd/-
Vishal Mehrotra
DIN : 08535647
Independent Director

Date : July 15, 2022
Place : Lucknow