JK Files & Engineering Limited

Formerly known as JK Files (India) Limited
A subsidiary of Raymond Limited

Our Company was originally incorporated as 'Raymond Steel Limited' at Mumbai as a public limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated February 18, 1997 issued by the Assistant Registrar of Companies, Mumbai. A certificate of commencement of business dated April 7, 1998 was issued to our Company by the Assistant Registrar of Companies, Mumbai RoC. Thereafter, our Company changed its name to 'Hindustan Files Limited' and a fresh certificate of incorporation was issued dated March 1, 2001 by the Deputy Registrar of Companies, Maharashtra, Mumbai. The files business of our Company was operating as a division of Raymond Limited which was transferred to our Company on August 31, 2009. Our Company further changed its name to JK Files (India) Limited and received a fresh certificate of incorporation dated October 5, 2009 from the Deputy Registrar of Companies, Maharashtra, Mumbai. Our Company further changed its name to 'JK Files & Engineering Limited' and received a fresh certificate of incorporation dated November 10, 2021 from Registrar of Companies, RoC - Mumbai. For further details in relation to changes in the name and the Registered and Corporate Office of our Company, see "*History and Certain Corporate Matters*" beginning on page 211.

Registered and Corporate Office: New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India
Contact Person: Akshat Chechani, Company Secretary and Compliance Officer
Tel: +91 22 6152 7000; **E-mail:** jkfiles.secretarial@raymond.in**; Website:** www.jkfilesandengineering.com
Corporate Identity Number: U27104MH1997PLC105955

OUR PROMOTER: RAYMOND LIMITED

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF JK FILES & ENGINEERING LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[•] PER EQUITY SHARE) AGGREGATING UP TO ₹8,000 MILLION THROUGH AN OFFER FOR SALE (THE "OFFER" OR "OFFER FOR SALE") , COMPRISING OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹8,000 MILLION BY RAYMOND LIMITED (REFERRED TO AS THE "PROMOTER SELLING SHAREHOLDER" AND EQUITY SHARES AS "OFFERED SHARES") THE OFFER AND THE NET OFFER SHALL CONSTITUTE [•]% AND [●]% RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE OFFER INCLUDES A RESERVATION OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION, FOR SUBSCRIPTION BY RAYMOND SHAREHOLDERS (AS DEFINED HEREINAFTER) (THE "SHAREHOLDERS RESERVATION PORTION"). THE EMPLOYEE RESERVATION PORTION SHALL NOT EXCEED 5% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL AND THE SHAREHOLDERS RESERVATION PORTION SHALL NOT EXCEED 10% OF THE OFFER SIZE. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION AND THE SHAREHOLDERS RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER", UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 2 EACH AND THE OFFER PRICE IS [•] TIMES THE FACE VALUE OF EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS, AND WILL BE INCLUDED IN THE RED HERRING PROSPECTUS OR BE ADVERTISED IN [•] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER, [•], [•] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER, [•] AND [•] EDITIONS OF THE MARATHI DAILY NEWSPAPER [•] (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the other Designated Intermediaries and the Sponsor Bank, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from the Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, are required to mandatorily utilize the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID (in case of Retail Individual Bidders), if applicable, in which the corresponding Bid Amounts will be blocked by the self-certified syndicate banks ("**SCSBs**") or under the UPI Mechanism, as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. See "*Offer Procedure*" beginning on page 422.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹2 each. The Floor Price, Cap Price and Offer Price and Price Band (determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs) and on the basis of the assessment of market demand of the Equity Shares by way of the Book Building Process, as stated under "*Basis of Offer Price*" on page 101 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (the "**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 27.

ISSUER'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Promoter Selling Shareholder accepts responsibility for and confirms the statements made or undertaken expressly by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to it and its Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to their letters dated [•] and [•], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [•]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with the Companies Act. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 458.

BOOK RUNNING LEAD MANAGERS			**REGISTRAR TO THE OFFER**
SBI Capital Markets Limited 202, Maker Tower 'E', Cuffe Parade, Mumbai – 400 005, Maharashtra, India **Tel:** +91 22 2217 8300 **E-mail:** jkfiles.ipo@sbicaps.com **Investor Grievance ID:** investor.relations@sbicaps.com **Website:** www.sbicaps.com **Contact Person:** Karan Savardekar / Sambit Rath **SEBI Registration Number:** INM000003531	**DAM Capital Advisors Limited** *(Formerly IDFC Securities Limited)* One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Maharashtra, India **Tel:** +91 22 4202 2500 **E-mail:** jkfiles.ipo@damcapital.in **Investor grievance e-mail:** complaint@damcapital.in **Website:** www.damcapital.in **Contact person:** Gunjan Jain **SEBI Registration No.:** MB/INM000011336	**HDFC Bank Limited** Investment Banking Group, Unit No. 401 & 402 4th Floor, Tower B Peninsula Business Park, Lower Parel Mumbai 400 013, Maharashtra, India **Tel**: +91 22 3395 8233 **E-mail**: jkfiles.ipo@hdfcbank.com **Investor grievance e-mail**: investor.redressal@hdfcbank.com **Website**: www.hdfcbank.com **Contact person**: Harsh Thakkar / Ravi Sharma **SEBI Registration No**: INM000011252	**KFin Technologies Private Limited** Selenium Tower-B, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032, Telangana, India **Tel**: +91 40 6716 2222 **Fax**: +91 40 2343 1551 **E-mail**: jkfiles.ipo@kfintech.com **Website**: www.kfintech.com **Investor Grievance ID**: einward.ris@kfintech.com **Contact Person**: M Murali Krishna **SEBI Registration Number**.: INR00000021

BID/OFFER PROGRAMME

BID/OFFER OPENS ON: [•][(1)]	**BID/OFFER CLOSES ON: [•]**[(2)]

[(1)] *Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date.*
[(2)] *Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless otherwise specified or the context otherwise indicates, requires or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be deemed to include all amendments, supplements, re-enactments and modifications thereto, from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder. The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Possible Special Tax Benefits", "Financial Information", "Basis for Offer Price", "History and Certain Corporate Matters", "Financial Indebtedness", "Other Regulatory and Statutory Disclosures", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of the Articles of Association" beginning on pages 110, 205, 104, 248, 101, 211, 325, 399, 383 and 445, respectively, shall have the respective meanings ascribed to them in the relevant section.

General Terms

Term	Description
"Our Company" or "the Company" or "the Issuer" or "JK"	JK Files & Engineering Limited, a company incorporated under the Companies Act, 1956, whose registered and corporate office is situated at New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India
"We" or "us" or "our"	Our Company along with the Subsidiaries (on a consolidated basis)

Company and Promoter Selling Shareholder Related Terms

Term	Description
"AoA" or "Articles" or "Articles of Association"	The articles of association of our Company, as amended
"Auditors" or "Statutory Auditors"	The statutory auditors of our Company, namely Price Waterhouse Chartered Accountants LLP
Audit Committee	The audit committee of our Board of Directors as described in "*Our Management*" beginning on page 220
"Board" or "Board of Directors"	The board of directors of our Company
Chairman	The chairman of the board of directors of our Company, Ravikant Uppal
"Company Secretary and Compliance Officer" or "Company Secretary" or "Compliance Officer"	Akshat Chechani, the company secretary and compliance officer of our Company
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board as described in "*Our Management*" beginning on page 220
"CRISIL Report"	A report dated December 2021, titled "Assessment of Indian and Global markets for specific precision engineered components in Tools & Hardware and Auto Components Industry " prepared by CRISIL Research, a division of CRISIL Limited, paid for and commissioned by our Company
Director(s)	The director(s) on our Board
Equity Shares	Equity shares of face value of ₹ 2 each of our Company
Executive Director	The executive Director on our Board
F&T Division	Raymond Limited's business of manufacturing of engineers' files and rasps, H.S.S. twist drills and bars and rods, at its facilities located in Ratnagiri and Chiplun in Maharashtra, Kolkata and Pithampur in Madhya Pradesh, being the business unit
Financial Information	Collectively, the Restated Consolidated Financial Information, and the Pro Forma Consolidated Financial Information
Group Companies	Our group companies, as disclosed in "*Our Group Companies*" beginning on page 242
Independent Director(s)	The independent Director(s) on our Board

Term	Description
IPO Committee	The IPO committee of our Board
JKFL Group	Our Company along with JKTL
JKTL	JK Talabot Limited
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act and as disclosed in "*Our Management*" beginning on page 220
Managing Director	The managing director of our Company, Balasubramanian Vishwanathan
Material Subsidiaries	Material subsidiaries as determined in accordance with the SEBI LODR Regulations being Ring Plus Aqua Limited, JK Talabot Limited and Scissors Engineering Products Limited
"MoA" or "Memorandum" or "Memorandum of Association"	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board as described in "*Our Management*" beginning on page 220
Parent	The parent company of our Company, Raymond Limited
Pro Forma Consolidated Financial Information	The pro forma consolidated financial information as presented in "*Financial Information – Pro Forma Consolidated Financial Information*" on page 311.
Promoter Group	The entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoter and Promoter Group*" beginning on page 238
Promoter	The promoter of our Company, namely, Raymond Limited
Promoter Selling Shareholder	Raymond Limited
RAL	Raymond Apparel Limited
Registered and Corporate Office	The registered and corporate office of our Company being, "New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India"
"Registrar of Companies" or "RoC"	The Registrar of Companies, Maharashtra at Mumbai
Restated Consolidated Financial Information	The restated consolidated financial information of the Company and JKTL as at and for the three months ended June 30, 2021 and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, comprising of restated consolidated statement of assets and liabilities of the Company and JKTL as at June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019; the restated consolidated statement of profit and loss for the three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019; restated consolidated statement of changes in equity for the three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019; restated consolidated statement of cash flows for three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019; and notes to restated consolidated financial information for the three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
Risk Management Committee	The risk management committee of our Board as described in "*Our Management*" beginning on page 220
RPAL	Ring Plus Aqua Limited
RLCL	Raymond Luxury Cotton Limited
SEPL	Scissors Engineering Products Limited
Shareholders	The holders of the Equity Shares, from time to time
SSAL	Silver Spark Apparel Limited
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in "*Our Management*" beginning on page 220
Subsidiaries	Subsidiaries of our Company being Ring Plus Aqua Limited, JK Talabot Limited and Scissors Engineering Products Limited
Whole Time Director	A whole time director on our Board
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
"Allotment" or "Allot" or "Allotted"	Allotment of the Equity Shares pursuant to the transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which allocation is done to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Allocation Price shall be determined by our Company and Promoter Selling Shareholder, in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and Promoter Selling Shareholder, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company and Promoter Selling Shareholder, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorize an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by Retail Individual Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of the UPI Mandate Request by Retail Individual Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders, for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a Retail Individual Bidder, which is blocked upon acceptance of a UPI Mandate Request made by the Retail Individual Bidder using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	Bidder(s), except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	The Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
Basis of Allotment	The basis on which Equity Shares shall be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" beginning on page 422
Bid	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus and the Bid cum application form. The term "Bidding" shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of the optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual

Term	Description
	Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of such Bid.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the case may be
Bid Lot	[•] Equity Shares and in multiples of [•] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which shall be notified in [•] editions of the English national daily newspaper [•], [•] editions of the Hindi national daily newspaper [•] and [•] editions of the Marathi daily newspaper [•] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation. Our Company and Promoter Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [•] editions of the English national daily newspaper [•], [•] editions of the Hindi national daily newspaper [•] and [•] editions of the Marathi daily newspaper [•] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, SBICAP, DAM Capital and HDFC Bank
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered among our Company, the Promoter Selling Shareholder, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to dematerialized account
Companies Act	Companies Act, 2013 read with the rules and regulations thereunder

Term	Description
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 issued by the SEBI
Cut-off Price	The Offer Price, finalized by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders, Eligible Employees under the Employee Reservation Portion and Raymond Shareholders Bidding under the Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000) are entitled to Bid at the Cut-off Price. Raymond Shareholders applying for the Bid Amount above ₹ 200,000 under the Shareholders Reservation Portion, respectively, and QIBs (including Anchor Investors) and Non-Institutional Investors, are not entitled to Bid at the Cut-off Price.
DAM Capital	DAM Capital Advisors Limited *(Formerly IDFC Securities Limited)*
Demographic Details	The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, or any such other website as may be prescribed by the SEBI
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of Retail Individual Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by Retail Individual Bidders by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by Retail Individual Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such Retail Individual Bidder, as the case may be, using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs. In relation to ASBA Forms submitted by QIBs NIIs, Eligible Employees, Raymond Shareholders Bidding under the Shareholders Reservation Portion, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[•]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated December 8, 2021 filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
EBIDTA	Earnings Before Interest, Depreciation, Taxation and Amortisation
Eligible Employees	All or any of the following: (a) a permanent employee of our Company, or the Subsidiaries, or our Promoter, working in India or outside India, (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company, or the Subsidiaries, or our Promoter, until the submission of the Bid cum Application Form; and

Term	Description
	(b) a director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a director of our Company, until the submission of the Bid cum Application Form, but not including Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000
Employee Reservation Portion	The portion of the Offer being up to [•] Equity Shares, aggregating up to ₹[•] million available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of our post-Offer Equity Share capital
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby
Escrow Account(s)	Account to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with the SEBI as a banker to an issue and with whom the Escrow Account(s) shall be opened, in this case being [•]
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted
"General Information Document" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
HDFC Bank	HDFC Bank Limited
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion, or [•] Equity Shares, which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less the Employee Reservation Portion and the Shareholders Reservation Portion
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer, or [•] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs
Offer Agreement	The agreement dated December 8, 2021 entered among our Company, the Promoter Selling Shareholder and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
"Offer" or "Offer for Sale"	The initial public offering of up to [•] Equity Shares for cash at a price of ₹[•] per Equity Share aggregating up to ₹8,000 million through an offer for sale of, up to [•] Equity Shares aggregating up to ₹8,000 million by the Promoter Selling Shareholder. The Offer

Term	Description
	comprises the Net Offer, Employee Reservation Portion and Shareholders Reservation Portion.
Offer Price	The final price at which Equity Shares will be Allotted to successful Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and the Prospectus
Offer Proceeds	The proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholder. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 98
Offered Shares	Up to [•] Equity Shares aggregating up to ₹8,000 million being offered for sale by the Promoter Selling Shareholder in the Offer for Sale
Price Band	Price band of a minimum price of ₹[•] per Equity Share (i.e., the Floor Price) and the maximum price of ₹[•] per Equity Share (i.e., the Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and Promoter Selling Shareholder, in consultation with the BRLMs and shall be advertised in [•] editions of the English national daily newspaper [•], [•] editions of the Hindi national daily newspaper [•] and [•] editions of the Marathi daily newspaper [•] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date
Pricing Date	The date on which our Company and Promoter Selling Shareholder, in consultation with the BRLMs, will finalize the Offer Price
Prospectus	The prospectus for the Offer to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act and the SEBI ICDR Regulations, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	'No-lien' and 'non-interest-bearing' bank account opened in accordance with Section 40(3) of the Companies Act, with the Public Offer Account Bank to receive money from the Escrow Account(s) and the ASBA Accounts maintained with the SCSBs on the Designated Date
Public Offer Account Bank	The bank(s) which are clearing members and registered with the SEBI as bankers to an issue and with which the Public Offer Account shall be opened, being [•]
QIB Portion	The portion of the Offer being not more than 50% of the Net Offer, or not more than [•] Equity Shares, which shall be available for allocation on a proportionate basis to QIBs, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and Promoter Selling Shareholder, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price, as applicable
"Qualified Institutional Buyers", "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Raymond Shareholders	Public equity shareholders of our Promoter (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as on the date of the Red Herring Prospectus
"Red Herring Prospectus" or "RHP"	The red herring prospectus for the Offer to be issued by our Company in accordance with Section 32 of the Companies Act and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	Account opened with the Refund Bank(s) from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with which Refund Account(s) shall be opened, being [•]
Registered Brokers	The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 with SEBI and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of the circular (No. CIR/CFD/14/2012) dated October 4, 2012 issued by the SEBI
Registrar Agreement	The agreement dated December 8, 2021 entered among our Company, the Promoter Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer

Term	Description
RTAs	Registrar and share transfer agents registered with the SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of the BSE and NSE, and the UPI Circulars
"Registrar to the Offer" or "Registrar"	KFin Technologies Private Limited
"Retail Individual Bidders" or "RIBs"	Individual Bidders who have Bid for Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through the *karta* and Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer, or [•] Equity Shares, which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Forms. QIBs and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date
SBICAP	SBI Capital Markets Limited
SCSBs	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Shareholders	The holders of the Equity Shares, from time to time
Shareholders Reservation Portion	Reservation of up to [•] Equity Shares, aggregating up to ₹[•] million, available for allocation to Raymond Shareholders, on a proportionate basis. Such portion shall not exceed 10% of the Offer size.
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [•]
Share Escrow Agreement	Share escrow agreement dated [•] between our Company, Promoter Selling Shareholder and the Share Escrow Agent, in connection with the transfer of the Offered Shares by the Promoter Selling Shareholder and credit of such Equity Shares to the demat account of the Allottee in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate will accept ASBA Forms from the Bidders
Sponsor Bank	[•], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars
"Syndicate" or "Members of the Syndicate"	The BRLMs and the Syndicate Members, collectively
Syndicate Agreement	The agreement to be entered into among the BRLMs, the Syndicate Members, the Promoter Selling Shareholder and our Company in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, being [•]

Term	Description
Systemically Important NBFCs	In the context of a Bidder, a non-banking financial company registered with the RBI and as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[•]
Underwriting Agreement	The agreement among the Underwriters, the Promoter Selling Shareholder and our Company to be entered into on or after the Pricing Date but prior to the filing of the Prospectus with the RoC
"Unified Payments Interface" or "UPI"	An instant payment mechanism developed by the NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI and any other governmental authority in this regard
UPI ID	An ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Working Day(s)	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Industry/Business Related Terms

Term	Description
B2B	Business-to-business
B2C	Business-to-consumer
CAGR	Compound annual growth rate
CSR	Corporate Social Responsibility
CNC	Computer numerical control
CV	Commercial vehicles
EV	Electric vehicle
GDP	Gross domestic product
ICE	Internal combustion engine
ID	Inner diameter
ISO	International Organization for Standardization
mm	Millimetre
OD	Outer diameter
OEM	Original equipment manufacturers
OHSAS	Occupational health and safety assessment series
PPE	Personal protective equipment
PV	Passenger vehicles
R&D	Research and development
RFQs	Request for quote
SBD	Shaft bearing division

Term	Description
SGB	Starter gear division
SKUs	Stock keeping units
STICE	Sinnar Taluka Industrial Co-op Estate Limited
Tier-1	A company that supplies components directly to an OEM
QCD	Quality, cost and delivery capabilities

Conventional Terms/Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AGM	Annual general meeting
"Alternative Investment Funds" or "AIFs"	Alternative investment funds as defined in, and registered under, the SEBI AIF Regulations
"AS" or "Accounting Standards"	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
Bn	Billion
CAGR	Compounded Annual Growth Rate
Category I FPIs	FPIs registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II FPIs	FPIs registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CC	Cash credit
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CIN	Corporate identity number
"Companies Act" or "Companies Act, 2013"	The Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 1956	The Companies Act, 1956, read with the rules, regulations, clarifications and modifications thereunder
Competition Act	The Competition Act, 2002
Copyright Act	The Copyright Act, 1957
COVID-19	Pandemic caused due to the worldwide spread of the novel coronavirus disease
CSR	Corporate social responsibility
CY	Calendar Year
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
Design Act	The Designs Act, 2000
DIN	Director identification number
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's identification number
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EGM	Extraordinary general meeting
EP Act	Environment Protection Act, 1986
EPC	Export packing credit
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with the rules and regulations thereunder

Term	Description
"FEMA Non-debt Instruments Rules" or the "FEMA NDI Rules"	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 2021
Finance Bill	Finance Bill, 2021
FI	Financial Institution
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPIs	Foreign portfolio investors as defined in, and registered with, the SEBI under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined in, and registered with, the SEBI under the SEBI FVCI Regulations
Gazette	Official Gazette of India
GDP	Gross domestic product
GoI	Government of India
GST	Goods and services tax
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HR	Human resources
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Income-tax Act	The Income-tax Act, 1961
Ind AS	The Indian Accounting Standards referred to and notified in the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
Indian GAAP	The Generally Accepted Accounting Principles in India
Indian Penal Code	The Indian Penal Code, 1860
Insurance Act	Insurance Act, 1938
IPC	Indian Penal Code, 1860
IPO	Initial public offering
IRDA	Industries (Development and Regulation) Act, 1951
IST	Indian standard time
IT	Information technology
IT Act	The Information Technology, 2000
KYC	Know Your Customer
LIBOR	London inter bank offered rate
Legal Metrology Act	Legal Metrology Act, 2009
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds based lending rate
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
National Investment Fund	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India
N.A.	Not applicable
NAV	Net asset value
NBFC	Non-Banking Financial Company
NCLT	National Company Law Tribunal
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P&L	Profit and loss
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the Income-tax Act
PAT	Profit after tax
PCB	Pollution control boards
PCFC	Pre shipment credit in foreign currency
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
R&D	Research and development
Regulation S	Regulation S under the U.S. Securities Act
RoCE	Return on capital employed

Term	Description
RoNW	Return on net worth
RTGS	Real time gross settlement
SC & ST Act	Scheduled Caste and Scheduled Tribes (Prevention of Atrocities) Act, 1989
SCORES	A centralized web based complaints redressal system launched by SEBI vide circular no. CIR/OIAE/1/2014 dated December 18, 2014
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
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 BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
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 SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
State Government	The government of a State of India
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TDS	Tax deducted at source
Trade Marks Act	Trade Marks Act, 1999
"U.S." or "USA" or "United States"	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"USD" or "US$"	United States Dollars
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act of 1933
"U.S." or "USA" or "United States"	United States of America
"USD" or "US$"	United States Dollars
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Water Act	Water (Prevention and Control of Pollution) Act, 1974
"Year" or "calendar year"	Unless the context otherwise requires, shall mean the twelve month period ending December 31

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus 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 in "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoter and Promoter Group", "Financial Information","Offer Procedure", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of the Articles of Association" beginning on pages 27, 68, 85, 98, 110, 162, 238, 248, 422, 383, and 445, respectively.

Summary of the primary business of our Company

We are engaged in the manufacturing of precision engineered components for tools and hardware (files and drills) and marketing of hand tools, power tool accessories and power tool machines and manufacturing of auto components and engineering products (ring gears, flexplates and water pump bearings). Our Company has the largest installed manufacturing capacity and was the second largest supplier globally of steel files (2020) (*Source: CRISIL Report*). RPAL is amongst the key global ring gear players and has the highest volume share in terms of supply to OEMs for domestic production of PV and CV in Fiscal 2021 (*Source: CRISIL Report*).

Summary of the industry in which our Company operates

The domestic market for files is expected to grow at a CAGR of 4%-5% between Fiscals 2022 and 2027, while the global files market size is expected to grow at a CAGR of 3%-4% during 2021 and 2026 (in volume). The domestic demand for drills, hand tools and power tools markets are expected to grow at a CAGR of 5%-7%, 6%-8% and 5%-6%, respectively, between Fiscals 2022 and 2027. Further, the Indian ring gear and flexplates industries are expected to grow at a CAGR of 13% to 15% and 18% to 20% between Fiscals 2021 to 2026. (*Source: CRISIL Report*)

Our Promoter

Our Promoter is Raymond Limited. For details, see "*Our Promoter and Promoter Group*", beginning of page 238.

Offer Size

The following table summarizes the details of the Offer size:

Offer of Equity Shares(1)(2)(3)	Up to [•] Equity Shares aggregating up to ₹ 8,000 million
of which:	
Offer for Sale(2)	Up to [•] Equity Shares aggregating up to ₹8,000 million by the Promoter Selling Shareholder
Of which	
Employee Reservation Portions(3)	Up to [•] Equity Shares aggregating to ₹ [•] million
Shareholder Reservation Portion(4)	Up to [•] Equity Shares aggregating to ₹ [•] million

(1) The Offer has been authorised by our Board of Directors pursuant to its resolution dated November 30, 2021. Further, our Board has taken on record the consent of the Promoter Selling Shareholder for participation in the Offer for Sale on December 1, 2021.

(2) Promoter Selling Shareholder has confirmed that its Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of the Promoter Selling Shareholder in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 399.

(3) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹500,000), shall be added to the Net Offer.

(4) The Shareholder Reservation Portion shall not exceed 10% of the post-Offer paid-up Equity Share Capital.

Objects of the Offer

The objects of the Offer are to (i) to carry out the Offer for Sale by the Promoter Selling Shareholder; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges.

For further details, see "*Objects of the Offer*" beginning on page 98.

Aggregate pre-Offer Shareholding of our Promoter, Promoter Group, and the Promoter Selling Shareholder

a) Promoter and Promoter Group

S. No.	Category of Shareholders	No. of Equity Shares	% of total pre-Offer paid up Equity Share capital
	Promoter		
1.	Raymond Limited(1)	52,443,948	100
Total		52,443,948	100

(1) The shareholding of our Company is held by Raymond Limited which includes 350 Equity Shares in aggregate held by Raymond Limited jointly with 6 joint holders viz. Arun Agarwal, Thomas Fernandes, Priti Alkari, Akshat Chechani, Ankita Sharma and Reshma Ramchandani.

b) Promoter Selling Shareholder

S. No.	Category of Shareholders	No. of Equity Shares	% of total pre-Offer paid up Equity Share capital
	Promoter Selling Shareholder		
1.	Raymond Limited(1)	52,443,948	100
Total		52,443,948	100

(1) The shareholding of our Company is held by Raymond Limited which includes 350 Equity Shares in aggregate held by Raymond Limited jointly with 6 joint holders viz. Arun Agarwal, Thomas Fernandes, Priti Alkari, Akshat Chechani, Ankita Sharma and Reshma Ramchandani.

Summary of Restated Consolidated Financial Information

The following details are derived from the Restated Consolidated Financial Information:

(in ₹ million other than share data)

Particulars	As at and for the three months period ended June 30, 2021	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020	As at and for the Financial Year ended March 31, 2019
Equity Share capital	87.41	87.41	87.41	87.41
Equity attributable to owners of the Company	1121.73	1026.30	788.34	644.45
Total income	1118.80	3496.63	3820.47	4038.05
EBITDA	160.46	477.62	390.19	472.96
Restated profit for the period / year attributable to owners of the Parent	95.86	254.60	140.72	165.76
Basic and diluted earnings per share (₹ / share)				
- Basic (in ₹)	1.83	4.85	2.68	3.16
- Diluted (in ₹)	1.56	4.13	2.28	2.69
Net asset value per Equity Share (basic) (in ₹)	17.19	15.37	10.84	8.09
Net asset value per Equity Share (diluted) (in ₹)	18.21	16.66	12.80	10.46
Total borrowings*	120.38	148.13	385.67	583.76

Notes:

* ***Total borrowings (Restated Consolidated Financial Information)***

Particulars	***As of June 30, 2021***	***As of March 31, 2021***	***As of March 31, 2020***	***As of March 31, 2019***
	(₹ million)			
Borrowings-Current liabilities (A)	120.38	148.13	385.67	240.98
Borrowings-Non-current liabilities (B)	-	-	-	342.78
Total borrowings (C=A+B)	120.38	148.13	385.67	583.76

For details, see "*Restated Consolidated Financial Information*" on page 249.

Summary of Pro Forma Consolidated Financial Information

Particulars	As at and for the three months period ended June 30, 2021	As at and for the Financial Year ended March 31, 2021
Equity share capital	87.41	87.41
Equity attributable to the owners	2571.79	2407.16
Total income	1842.64	5532.97
EBITDA	293.43	880.58
Profit for the period / year attributable to owners of the Parent	165.37	454.99
Basic and diluted earnings per share (₹ / share)		
- Basic (in ₹)	3.15	8.68
- Diluted (in ₹)	2.68	7.39
Net asset value per Equity Share (basic) (in ₹)	44.84	41.70
Net asset value per Equity Share (diluted) (in ₹)	41.74	39.07
Total borrowings*	221.52	256.70

Notes:

* ***Total borrowings (Pro Forma Consolidated Financial Information)***

Particulars	*As of June 30, 2021*	*As of March 31, 2021*
	(₹ million)	
Borrowings-Current liabilities (A)	221.52	255.73
Borrowings-Non-current liabilities (B)	-	0.97
Total borrowings (C=A+B)	**221.52**	**256.70**

For details, see "*Pro Forma Consolidated Financial Information*" on page 311.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications in the audit reports that require adjustments in the Restated Consolidated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, its Subsidiaries, Promoter, Directors and Group Companies as on the date of this Draft Red Herring Prospectus, is provided below:

Nature of cases	Number of outstanding cases	Amount involved (in ₹ million)*
Litigation involving our Company		
Litigation filed against our Company		
Material civil proceedings	22	Not quantifiable
Criminal proceedings	1	Not quantifiable
Litigation filed by our Company		
Material civil proceedings	1	21.96
Criminal proceedings	12	4.29
Action taken by statutory and regulatory authorities involving the Company	7	0.69
Direct Tax matters involving the Company	10	10.27
Indirect Tax matters involving the Company	10	18.72
Litigation involving our Directors		
Litigation against our Directors		
Criminal proceedings	5	Not quantifiable
Material civil proceedings	3	Not quantifiable
Litigation filed by our Directors		
Criminal proceedings	1	0
Material civil proceedings	Nil	0
Action taken by statutory and regulatory authorities involving the Directors	5	Not quantifiable

Nature of cases	Number of outstanding cases	Amount involved (in ₹ million)*
Direct Tax matters involving the Directors	Nil	0
Indirect Tax matters involving the Directors	Nil	0
Litigation Involving our Promoter		
Litigation against our Promoter		
Criminal proceedings	2	Not quantifiable
Material civil proceedings	11	1960.00
Litigation filed by our Promoter		
Criminal proceedings	15	4.79
Material civil proceedings	4	Not quantifiable
Action taken by statutory and regulatory authorities involving the Promoter	6	526.69
Disciplinary actions including penalty imposed by SEBI or the Stock Exchanges against the Promoters in the last five Financial Years	1	0.70
Direct Tax matters involving the Promoter	45	1678.91
Indirect Tax matters involving the Promoter	45	930.90
Litigation Involving our Subsidiaries		
Litigation against our Subsidiaries		
Criminal proceedings	Nil	0
Material civil proceedings	3	74.64
Litigation filed by our Subsidiaries		
Criminal proceedings	3	19.25
Material civil proceedings	Nil	0
Action taken by statutory and regulatory authorities involving the Subsidiaries	5	0
Direct Tax matters involving the Subsidiaries	4	2.80
Indirect Tax matters involving the Subsidiaries	8	31.17
Legal proceedings involving our Group Company which have a material impact on the Company	Nil	0
Total	**229**	**5285.78**

***** *To the extent quantifiable*

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 383.

Risk Factors

For details in relation to certain risks applicable to us, see "*Risk Factors*" beginning on page 27.

Summary of contingent liabilities

The details of our contingent liabilities as per Ind AS 37 as at June 30, 2021 are set forth in the table below:

(in ₹ million)

S.No.	Contingent liability	As of and for the three months period ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
1.	Claims against JKFL Group not acknowledged as debts in respect of				
	Income tax matters	10.27	11.07	11.07	12.88
	Sales tax matters	20.90	34.78	29.92	25.44
	Excise and service tax matters	2.64	2.64	2.64	2.84
	Other matters(1)	13.01	13.01	11.60	8.99

(1) Amount pertains to various labour related matters

Notes:

1) *The amount shown in respect of above items represent the best possible estimates arrived at on basis of available information. The uncertainties are dependent on the outcome of different legal process. The timing of cash flows will be determinable only on receipt of judgement / decisions pending with various forums / authorities.*
2) *The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organization and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. JKFL Group will evaluate its position and act as clarity emerges on impact of the ruling.*

For further details of our contingent liabilities as per Ind AS 37 – Provision, Contingent Liabilities and Contingent Assets, see "*Restated Consolidated Financial Information – Note 35*" beginning on page 287.

Summary of Related Party Transactions

A summary of related party transactions as per the requirements under Ind AS 24 entered into by our Company with related parties as at and for the three months' period ended June 30, 2021 and the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 are as follows:

(in ₹ million)

Particulars			**Year ended**		
Name of Related Party	**Nature of Transaction**	**As of and for the three months period ended June 30, 2021**	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Silver Spark Apparel Limited	Purchase of DEPB license	-	-	6.10	-
Ring Plus Aqua Limited.	Sale of products and services	0.09	0.60	0.60	0.27
PT Jaykay Files Indonesia	Sale of products and services	-	-	-	4.76
Ring Plus Aqua Limited.	Sale of property, plant and equipment	-	0.09	0.09	-
Raymond Apparel Limited	Interest income on inter-company loan	4.64	2.57	2.05	8.34
Raymond Luxury Cottons Limited	Interest income on inter-company loan	1.31	8.53	-	-
Raymond UCO Denim Private Limited	Interest income on inter-company loan	2.12	8.50	8.61	-
Ray Global Consumer Trading Limited	Interest income on inter-company loan	0.02	0.02	-	-
Ganeshkumar Subramanian	Short term employee benefits	-	2.26	25.08	22.89
Ganeshkumar Subramanian	Post employment benefits	-	0.16	1.04	0.99
Hukumchand Lakhotiya	Short term employee benefits	3.55	3.57	-	-
Hukumchand Lakhotiya	Post employment benefits	0.14	0.14	-	-
Raymond Limited	Finance cost: Interest expense on inter-company loan	-	-	21.96	43.49
Raymond Limited	Rent expenses	3.64	14.54	14.54	14.54
Raymond Limited	Facility charges	12.00	34.64	48.00	48.00
Ravikant Uppal	Legal and professional expenses	0.40	1.30	1.60	-
Narayan Ramalingam	Director sitting fees	-	-	0.50	0.25
Ramchandra Anant Prabhudesai	Director sitting fees	-	-	0.40	0.25
Rashmi Mundada Brijgopal	Director sitting fees	0.03	0.15	0.35	0.25
Ravikant Uppal	Director sitting fees	0.03	0.15	0.25	-
J K Helene Curtis Limited	Sales promotion expenses	0.03	-	0.10	0.06
Raymond Apparel Limited	Sales promotion expenses	-	-	-	0.22

Particulars			Year ended		
Name of Related Party	Nature of Transaction	As of and for the three months period ended June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Raymond Limited	Reimbursement of expenses: electricity charges	0.67	1.68	4.89	9.39
Raymond Limited	Legal and professional expenses	0.20	1.55	3.66	4.36
Raymond Limited	Reimbursement of expenses: Miscellaneous expenses	1.56	5.70	5.54	4.88
Employees Gratuity Scheme (JK Files Trust)	Employees gratuity fund	-	7.51	2.54	14.90
Ring Plus Aqua Limited	Other receipts: cost of shared manpower	0.21	-	-	8.54
Raymond Ltd		-	-	0.33	0.79
PT Jaykay Files Indonesia		-	-	-	0.39
Raymond Limited	Reimbursement of expenses	14.88	62.39	97.91	79.91
Ring Plus Aqua Limited		0.05	0.14	0.35	1.33
PT Jaykay Files Indonesia		-	-	0.02	-
Raymond Limited	Loan from related party received	-	-	305.00	350.00
Raymond Limited	Loan from related party repaid	-	-	647.78	350.00
Raymond Apparel Limited	Inter corporate loan given	110.00	90.00	30.00	300.00
Raymond Luxury Cottons Limited		-	200.00	-	-
Raymond UCO Denim Private Limited		-	-	175.00	-
Ray Global Consumer Trading Limited		-	1.00	-	-
Raymond Apparel Limited	Inter corporate loan repayment received	-	-	100.00	200.00
Raymond UCO Denim Limited		-	-	75.00	-
Raymond Luxury Cottons Limited		200.00	-	-	-

For details of the related party transactions and as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Note 41*" on page 294.

Issuances of Equity Shares made in the last one year for consideration other than cash

Except as disclosed below, our Company has not issued any Equity Shares through bonus issue or for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Pursuant to resolutions of our Board and Shareholders dated October 25, 2021 and October 28, 2021, respectively, our Company issued 8,740,658 Equity Shares through a bonus issue in the ratio 1 Equity Share for every 5 Equity Shares held in the Company.

For details, see "*Capital Structure- Equity Share Capital history of our Company"* on page 85

Financing Arrangements

There have been no financing arrangements whereby the Promoter, members of the Promoter Groups, our Directors, and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by the Promoter in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which the Equity Shares were acquired by the Promoter in the one year preceding the date of this Draft Red Herring Prospectus is:

a) Promoter

S. No.	Name of the Promoter	Number of Equity Shares acquired	Weighted average price of acquisition per Equity Share (in ₹)*
1.	Raymond Limited	8,740,658#	Nil

 # Pursuant to resolutions passed by the Board of Directors and Shareholders dated September 27, 2021 and October 28, 2021 respectively, 8,740,658 bonus Equity Shares of face value ₹2 were issued to Raymond Limited

**As certified by S D T & Co., Chartered Accountants, by way of their certificate dated December 8, 2021.*

b) Promoter Selling Shareholder

S. No.	Name of the Promoter Selling Shareholder	Number of Equity Shares acquired	Weighted average price of acquisition per Equity Share (in ₹)*
	Promoter Selling Shareholder		
1.	Raymond Limited	8,740,658#	Nil

 # Pursuant to resolutions passed by the Board of Directors and Shareholders dated September 27, 2021 and October 28, 2021 respectively, 8,740,658 bonus Equity Shares of face value ₹2 were issued to Raymond Limited

**As certified by S D T & Co., Chartered Accountants, by way of their certificate dated December 8, 2021.*

Average Cost of Acquisition for Promoter and Promoter Selling Shareholder

The average cost of acquisition per Equity Share acquired by our Promoter, as on the date of this Draft Red Herring Prospectus is:

a) Promoter

S. No.	Name of the Promoter	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)*
1.	Raymond limited	52,443,948	2.33

**As certified by S D T & Co., Chartered Accountants, by way of their certificate dated December 8, 2021.*

b) Promoter Selling Shareholder

S. No.	Name of the Promoter Selling Shareholder	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)*
	Promoter Selling Shareholder		
1.	Raymond Limited	52,443,948	2.33

**As certified by S D T & Co., Chartered Accountants, by way of their certificate dated December 8, 2021.*

Details of pre-IPO placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

Split or Consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to resolutions passed by our Board and the Shareholders in the meetings each held on September 27, 2021 and October 28, 2021 respectively, our Company has sub-divided its authorised equity share capital, such that 17,000,000 equity shares of face value of ₹10 each aggregating to ₹170,000,000 were sub-divided as 85,000,000 Equity Shares of ₹2 each aggregating to ₹170,000,000. Therefore, the cumulative number of authorised Equity Share Capital pursuant to the sub-division was 85,000,000 Equity Shares of ₹2 each. For details, see "*Capital Structure – Equity Share capital history of our Company*" on page 85.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "U.S.", "USA" or the "United States" are to the United States of America and its territories and possessions, including any state of the United States of America, Europe and United Kingdom.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

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

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from the restated consolidated financial information of the Company and JKTL as at and for the three months ended June 30, 2021 and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, comprising of restated consolidated statement of assets and liabilities of the Company and JKTL as at June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019; the restated consolidated statement of profit and loss for the three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019; restated consolidated statement of changes in equity for the three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019; restated consolidated statement of cash flows for three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019; and notes to restated consolidated financial information for the three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time (the "**Restated Consolidated Financial Information**"). For further information, see "*Financial Information – Restated Consolidated Financial Information*" beginning on page 249.

We have included in this Draft Red Herring Prospectus, the Pro Forma Consolidated Financial Information (to be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Basis of Preparation of the Pro Forma Consolidated Financial Information*" on page 335) as at and for the year ended March 31, 2021 and as at and for the three months ended June 30, 2021. See "*Financial Information – Pro Forma Consolidated Financial Information*" on page 311. Also, see "*History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years*" on page 215; and "*Risk Factors - We have recently completed the SEPL and RPAL Transfer after the period covered by the Restated Consolidated Financial Information, due to which the Restated Consolidated Financial Information may not be indicative of our future performance, and we may face administrative and operational difficulties as well as be unable to successfully integrate and manage SEPL and RPAL into our Company, which may expose us to business and financial risk. The Pro Forma Consolidated Financial Information may also not be indicative of our actual results of operations for the indicated periods*" on page 29.

Ind AS, U.S. GAAP and IFRS differ in certain significant respects from other accounting principles and standards with which investors may be more familiar. We have not made any attempt to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS or any other accounting principles or standards. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, see "*Risk Factors— Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*" on page 61. Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

All figures, including financial information, in decimals (including percentages) have been rounded off to two decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Unless stated or the context requires otherwise, any percentage amounts, as disclosed in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 27, 162 and 330, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information.

Non-GAAP Financial Measures

We use a variety of financial and operational performance indicators to measure and analyze our financial and operational performance from period to period, and to manage our business. In addition to our management, such measures may also be frequently used by securities analysts, investors and others within the industry or manufacturing industry to evaluate a company's financial and operating performance. Presentation of these non-GAAP financial measures and key performance indicators should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Consolidated Financial Information.

These non-GAAP financial measures are not defined under Ind AS, are not presented in accordance with Ind AS and have limitations as analytical tools which indicate, among other things, that they do not reflect our cash expenditures or future requirements for capital expenditure or contractual commitments; changes in, or cash requirements for, our working capital needs; and the finance cost, or the cash requirements necessary to service our debt. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements. These non-GAAP financial measures may differ from similar titled information used by other companies, including peer companies, who may calculate such information differently and hence their comparability with those used by us may be limited. Therefore, these non-GAAP financial measures and key performance indicators should not be viewed as substitutes for performance or profitability measures under Ind AS or as indicators of our operating performance, liquidity or profitability.

The key financial and operational performance indicators and ratios presented in this Draft Red Herring Prospectus include EBITDA, EBITDA Margin, PAT Margin, Net Debt to Equity, Net Debt to EBITDA, RoE, RoCE and Operating RoCE in sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 27, 162 and 330, respectively.

Currency and Units of Presentation

All references to "₹" or "Rupees" or "Rs." or "Re" or "INR" are to Indian Rupees, the official currency of the Republic of India.

All references to "U.S. $" or "USD" are to United States Dollars, the official currency of the United States of America.

All references to "EUR" or "€" are to EURO, the official currency of the Eurozone.

All references to "GPB" or "£" are to Pound Sterling, the official currency of the United Kingdom of Great Britain and Northern Ireland.

Certain numerical information has been presented in this Draft Red Herring Prospectus in "million" units. 1,000,000 represents one million and 1,000,000,000 represents one billion or in whole numbers where the numbers have been too small to represent in such units. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The table below sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies.

	Exchange Rate* as of			
Currency	**June 30, 2021 (₹)**	**March 31, 2021 (₹)**	**March 31, 2020 (₹)**	**March 31, 2019* (₹)**
1 USD	74.35	73.50	75.39	69.17
1 Euro	88.50	86.10	83.05	77.70
1 GBP	102.95	100.95	93.02	90.48

Source: RBI reference rate and www.fbil.org.in
**Exchange rate as on March 29, 2019 considered as exchange rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus, including the information in "*Industry Overview*", "*Risk Factors",* "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 110, 27, 162 and 330, respectively, have been obtained or derived from publicly available information as well as industry publications and sources such as a report dated December 2021 and titled "Assessment of Indian and Global markets for specific precision engineered components in Tools and Hardware and Auto Components Industry" that has been prepared by CRISIL ("**CRISIL Report**"), which report has been commissioned and paid for, by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. For risks in relation to commissioned reports, see "*Risk Factors— Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks*" on page 57.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy, adequacy, completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. 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 and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" beginning on page 27. Accordingly, no investment decision should be solely made on the basis of such information.

Disclaimer of CRISIL

This Draft Red Herring Prospectus contains data and statistics from certain reports and the CRISIL Report, which is subject to the following disclaimer:

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In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" beginning on page 101 includes information relating to our peer group companies. Such information has been derived from publicly available sources. Accordingly, no investment decision should be made solely on the basis of such information. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" beginning on page 27.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "seek", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India and other overseas jurisdictions in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- We are dependent on the sale of our products to certain key customers. The loss of any of these customers or loss of revenue from sales to these customers could have a material adverse on our business, financial conditions, results of operations and cash flows.

- Our tools and hardware business is dependent on the sale of our products through distribution networks in India and globally. Our inability to expand or effectively manage our growing distribution network or any disruptions in our supply or distribution infrastructure may have an adverse effect on our business, results of operations and financial condition.

- We have recently completed the SEPL and RPAL Transfer after the period covered by the Restated Consolidated Financial Information, due to which the Restated Consolidated Financial Information may not be indicative of our future performance, and we may face administrative and operational difficulties as well as be unable to successfully integrate and manage SEPL and RPAL into our Company, which may expose us to business and financial risk. The Pro Forma Consolidated Financial Information may also not be indicative of our actual results of operations for the indicated periods.

- The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.

- Our businesses are dependent on the performance of the certain end-segment. Economic cyclicality coupled with reduced demand in these end-segments, in India or globally, could adversely affect our business, results of operations and financial condition.

For further details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 27, 162 and 330, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoter, our Directors, the Promoter Selling Shareholder, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Book Running Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

In accordance with regulatory requirements including requirements of SEBI and as prescribed under applicable law, the Promoter Selling Shareholder shall, ensure that the Bidders in India are informed of material developments, in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself and the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares. We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industries in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with the sections titled "Industry Overview", "Our Business", "Key Regulations and Policies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 110, 205, 162 and 330, respectively, as well as other financial and statistical information contained in this Draft Red Herring Prospectus. To the extent the COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks described in this section. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

*Our Promoter, Raymond Limited, transferred by way of delivery, its entire shareholding in Scissors Engineering Products Limited ("**SEPL**") to our Company at nil consideration with effect from October 31, 2021 and subsequently, SEPL transferred by way of delivery, its shareholding in Ring Plus Aqua Limited ("**RPAL**") to our Company at nil consideration with effect from November 11, 2021. As a result, SEPL and RPAL became subsidiaries of our Company with effect from October 31, 2021 and November 11, 2021, respectively, and the auto components and engineering products business was consolidated with the tools and hardware business. Accordingly, our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus relates to periods prior to the SEPL and RPAL Transfer and therefore only include the consolidated financial results of our Company (i.e. our tools and hardware business). We have included in this Draft Red Herring Prospectus, the Pro Forma Consolidated Financial Information (to be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations – Basis of Preparation of the Pro Forma Consolidated Financial Information" on page 335) as at and for the year ended March 31, 2021 and as at and for the three months ended June 30, 2021. See "Financial Information – Pro Forma Consolidated Financial Information" on page 311. Also, see "Financial Information – Restated Consolidated Financial Information" for our financial position prior to the SEPL and RPAL Transfer and "History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years" on page 215 for more details on the SEPL and RPAL Transfer. Also, see "- We have recently completed the SEPL and RPAL Transfer after the period covered by the Restated Consolidated Financial Information, due to which the Restated Consolidated Financial Information may not be indicative of our future performance, and we may face administrative and operational difficulties as well as be unable to successfully integrate and manage SEPL and RPAL into our Company, which may expose us to business and financial risk. The Pro Forma Consolidated Financial Information may also not be indicative of our actual results of operations for the indicated periods." on page 29.*

Unless otherwise indicated or the context requires otherwise, the financial information for Fiscals 2019, 2020 and 2021 and the three months ended June 30, 2021 included herein is based on our Restated Consolidated Financial Information. Our Fiscal ends on March 31 of each year, and references to a particular Fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated or the context requires otherwise, in this section, references to "we", "us" or "our" refers to JK Files & Engineering Limited together with our Subsidiaries, on a consolidated basis, reflecting the effects of the SEPL and RPAL Transfer and references to "the Company" or "our Company" refers to JK Files & Engineering

Limited on a standalone basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Assessment of Indian and Global markets for specific precision engineered components in Tools & Hardware and Auto Components Industry", December 2021 ("**CRISIL Report**") prepared exclusively for the Offer and released by CRISIL Research, a division of CRISIL Limited and commissioned and paid by us in connection with the Offer. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data" on page 21.*

Internal Risk Factors

1. We are dependent on the sale of our products to certain key customers. The loss of any of these customers or loss of revenue from sales to these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are dependent on certain key OEM and Tier-1 suppliers in the automotive sector in our auto components and engineering products business. In Fiscal 2021 and the three months ended June 30, 2021, revenue from our top 10 customers of our auto components and engineering products business was ₹923.97 million and ₹354.62 million, respectively, accounting for 50.81% and 54.92%, respectively, of our total revenue from operations generated from the auto components and engineering products. However, in Fiscal 2021, none of our customers individually contributed more than 10% of our revenue from operations from the auto components and engineering products business. In addition, in our tools and hardware business, we have entered into strategic alliances with various global files and drills companies for providing end-to-end manufacturing solution for files through white-label. Accordingly, our revenues depend on the sale of products to such customers. In Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, revenue from sale of products in the B2B business of our tools and hardware business was ₹786.22 million, ₹663.40 million, ₹868.55 million and ₹343.63 million, respectively, accounting for 19.59%, 17.64%, 25.23% and 31.10%, respectively, of our total revenue from operations generated from our tools and hardware business. For further information on our key customers in both of our businesses, see "*Our Business – Our Strengths – Long term and well established relationships with distributors and marquee domestic and global OEMs supported by an extensive distributor network*" see page 173.

While we have developed long-term relationships with certain of these customers, there can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. The loss of one or more of these significant customers or a significant decrease in business from any such key customer, for any reason (including, due to loss of contracts or failure to negotiate acceptable terms in contract renewal negotiations, loss of market share of these customers, lack of commercial success of key products that we manufacture, disputes with customers, adverse change in the financial condition of such customers, including due to possible bankruptcy or liquidation or other financial hardship, merger or decline in their sales, reduced or delayed customer requirements, plant shutdowns, labour strikes or other work stoppages affecting production by such customers, or adverse market conditions affecting the industries in which these customers operate or the economic environment generally, such as the COVID-19 pandemic) and/or, reduction of prices to these customers, could have an adverse impact on our business, results of operations, financial condition and cash flows. As a result, the volume of sales to our customers may vary due to changes in our customers sourcing strategies. We cannot assure you that we will be able to significantly reduce customer concentration in the future.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future.

2. Our tools and hardware business is dependent on the sale of our products through distribution networks in India and globally. Our inability to expand or effectively manage our growing distribution network or any disruptions in our supply or distribution infrastructure may have an adverse effect on our business, results of operations and financial condition.

We primarily rely on third party distributors in India and the international markets to sell our tools and hardware products through our own brands to retailers who place our products in the market. As of June 30, 2021, our distribution network included over 730 active distributors with a retail reach of over 150,000 outlets spread across more than 600 towns in India. In addition, our Company had over 135 active distributors in the international markets, as of June 30, 2021, which has enabled us to establish presence in over 55 countries across regions in Latin America, Africa, Asia-Pacific, Europe and North America. In Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, revenue from sale of products in the B2C business of our tools and hardware business was ₹3,051.53 million, ₹2,935.70 million, ₹2,465.74 million and ₹713.24 million, respectively, accounting for 76.03%, 78.08%, 71.63% and 64.56%, respectively, of our total revenue from operations generated from our tools and hardware business. While we have developed long-term relationships with our distributors (see "*Our Business – Our Strengths – Long term and well established relationships with distributors and marquee domestic and global OEMs supported by an extensive distributor network*" see page 173), there can be no assurance that our distributors in the past will continue to place similar orders with us in the future. The loss of one or more of these distributors or a significant decrease in business from any key distributor, whether due to circumstances specific to such distributor or adverse market conditions affecting the end-segment industry or the economic environment generally, such as the COVID-19 pandemic, may materially and adversely affect our business, results of operations and financial condition.

We primarily rely on purchase orders with our distributors and do not typically enter into long-term supply agreements. We usually negotiate terms of purchase with our distributors. These terms of purchase outline standard conditions and delivery requirements. Our ability to expand and grow our product reach significantly depends on the reach and effective management of our distribution network. We continuously seek to increase the penetration of our products by appointing new distributors to ensure wide distribution network targeted at different customer groups and regions. We cannot assure you that we will be able to successfully identify or appoint new distributors or effectively manage our existing distribution network. As we sell and distribute our products through distributors, any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition, cash flows and results of operations:

- failure to renew agreements with distributors;
- failure to maintain relationships with our existing distributors;
- failure to establish relationships with new distributors on favorable terms;
- inability to timely identify and appoint additional or replacement distributors upon the loss of one or more of our distributors;
- fraud or negligence by our distributors or any litigation faced by our distributors, which could hamper their ability to distribute our products;
- reduction, delay or cancellation of orders from one or more of our distributors; and
- disruption in delivering of our products by distributors.

We may not be able to compete successfully against larger and better-funded distribution networks of some of our current or future competitors, especially if these competitors provide their distributors with more favorable arrangements. If the terms offered to such distributors by our competitors are more favourable than those offered by us, distributors may decline to distribute our products and terminate their arrangements with us. We cannot assure you that we will not lose any of our distributors to our competitors, which could cause us to lose some or all of our favorable arrangements with such distributors and may result in the termination of our relationships with other distributors. Any such event may have a material adverse effect on our results of operations.

3. We have recently completed the SEPL and RPAL Transfer after the period covered by the Restated Consolidated Financial Information, due to which the Restated Consolidated Financial Information may not be indicative of our future performance, and we may face administrative and operational difficulties as well as be unable to successfully integrate and manage SEPL and RPAL into our Company, which may expose us to business and financial risk. The Pro Forma Consolidated Financial Information may also not be indicative of our actual results of operations for the indicated periods.

Raymond Limited, our Promoter, transferred by way of delivery under Section 123 of the Transfer of Property Act, 1882, its entire shareholding in SEPL to our Company at nil consideration with effect from October 31, 2021. Subsequently, SEPL transferred by way of delivery under Section 123 of the Transfer of Property Act, 1882, its shareholding (aggregating to 89.07% of the equity share capital of RPAL) in RPAL to our Company at nil consideration with effect from November 11, 2021. As a result, SEPL has become a wholly owned subsidiary of our Company and RPAL has become a subsidiary of our Company with effect from October 31, 2021 and November 11, 2021, respectively, and the auto components and engineering products business was consolidated with the tools and hardware business. We further changed our name from JK Files (India) Limited to 'JK Files & Engineering Limited' and received a fresh certificate of incorporation on November 10, 2021. For further details in relation to changes in the name, see "*History and Certain Corporate Matters*" beginning on page 211. As of the date of this Draft Red Herring Prospectus, our Company held 100.00% and 89.07% of the equity shareholding of SEPL and RPAL, respectively. We believe the integration between our businesses will help us achieve synergy benefits in procurement of steel, rationalization of logistic expenses, integration of skilled workforce and cross-selling as well as enable us to be flexible, responsive to markets, innovative and faster in introducing our products leading to sustained growth, cost-efficiencies and operational excellence. We have undertaken certain steps towards, and intend to continue to complete, the integration of our Subsidiary's business, manufacturing facilities and personnel with that of our Company. For further details, see "*Our Business - Our Business Strategy - Focus on operational efficiencies to improve returns and achieve synergies*" on page 180.

However, our ability to realize the anticipated benefits of the SEPL and RPAL Transfer will depend largely on our ability to integrate our businesses. We may not be able to achieve the expected efficiencies with the SEPL and RPAL Transfer, which may adversely affect our results of operations and business. The overall integration of the businesses may result in unanticipated difficulties, expenses, liabilities, prior non-compliances and refinancing risks and may disrupt our business and materially adversely affect our cash flows, financial condition and results of operations.

Our Restated Consolidated Financial Information for the three months ended June 30, 2021 and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 included in this Draft Red Herring Prospectus relate to periods prior to the SEPL and RPAL Transfer and therefore only include the consolidated financial results of our Company (*i.e.* the tools and hardware business). See "*Financial Information – Restated Consolidated Financial Information*" page 249 for our financial position prior to the SEPL and RPAL Transfer and "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 215 for more details on the SEPL and RPAL Transfer. Accordingly, our future results of operations may not be comparable to our historical results.

We have included in this Draft Red Herring Prospectus, the Pro Forma Consolidated Financial Information (to be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Basis of Preparation of the Pro Forma Consolidated Financial Information*" on page 335) as at and for the year ended March 31, 2021 and as at and for the three months ended June 30, 2021. See "*Financial Information – Pro Forma Consolidated Financial Information*" on page 311. However, our Pro Forma Consolidated Financial Information are not necessarily indicative of what our actual results of operations, financial position and cash flow would have been for such periods or as of such dates, nor does it purport to project our results of operations, financial position or cash flows for any future period or date. Our Pro Forma Consolidated Financial Information does not include all of the information required for financial statements under Ind AS. It does not reflect any adjustments for potential synergies from the SEPL and RPAL Transfer. Accordingly, the degree of reliance placed by investors in other jurisdictions on our Pro Forma Consolidated Financial Information should be limited.

4. The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.

In March 2020, the World Health Organization designated COVID-19 as a pandemic, and numerous countries, including India, declared national emergencies in response to the COVID-19 pandemic. On March 14, 2020, India declared COVID-19 as a "notified disaster" and announced a nationwide 21-day lockdown on March 24, 2020. Temporary closures of businesses were ordered and numerous other businesses were temporarily closed on a voluntary basis. Globally, countries have imposed various measures to help avoid, or slow down, the spread of COVID-19, including restrictions on international and local travel, travel to and from India specifically, public gatherings, physical participation in meetings, as well as closures of universities, schools, stores and restaurants.

During the nationwide lockdown imposed in March 2020 by the Government of India, we had temporarily suspended operations in all our manufacturing facilities and advised our employees in India to work from home to the extent they could in compliance with the lockdown instructions issued by the central and state governments of India. India also experienced a severe second wave of COVID-19 between March 2021 and June 2021, resulting in shortages of medical supplies and equipment and overwhelming the healthcare infrastructure as well as various lockdowns and other restrictions in various parts of India. This resulted in the temporary suspension of operations and/ or reduced capacity at our manufacturing facilities. The following table sets forth the periods during which our manufacturing facilities were shut down and/ or operated with reduced capacity due to the first and second wave of the COVID-19 pandemic in 2020 and 2021, respectively:

Manufacturing Facility	First wave of the COVID-19 pandemic in 2020		Second wave of the COVID-19 pandemic in 2021	
	Period of shut down	Duration of shutdown (in number of working days)	Period of shut down/ reduced capacity utilization	Duration of shutdown/ reduced capacity utilisation (in number of working days)
Tools and Hardware Business				
Ratnagiri, Maharashtra	March 22, 2020 to April 28, 2020	32	June 3, 2021 to Jun 9, 2021	6
Chiplun, Maharashtra	March 22, 2020 to April 30, 2020	34	June 3, 2021 to Jun 9, 2021	6
Pithampur, Madhya Pradesh	March 24, 2020 to April 26, 2020	30	-	-
Talabot, Maharashtra (Chiplun II)	March 22, 2020 to April 30, 2020	34	June 3, 2021 to Jun 9, 2021	6
Vapi, Gujarat	March 23, 2020 to April 26, 2020	30	-	-
Automotive Components and Engineering Products Business				
Nashik Unit, SGD – I	March 22, 2020 to May 2, 2020	35	May 13, 2021 to May 14, 2021; and May 17, 2021 to May 23, 2021	8
Nashik Unit, SGD – II	March 22, 2020 to May 2, 2020	35	May 13, 2021	1
Nashik Unit, SBD	March 22, 2020 to May 2, 2020	35	May 13, 2021 to May 14, 2021; and May 17, 2021 to May 23, 2021	8

We also experienced overall low demand during these period and particularly in the fourth quarter of Fiscal 2020 and first quarter of Fiscal 2021, which resulted in fewer orders for our products. Although the nation-wide lockdown was partially and gradually eased since May 2020, production in our manufacturing facilities continued to be adversely affected due to the unavailability of some of our workforce, supply chain disruption and issues around timely availability and transportation of raw materials. In addition, a significant percentage of our workforce was unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which resulted in a slowdown in our operations and the spread of COVID-19 also caused us to implement significant proactive measures to protect the health and safety of our employees. We also experienced delays in development of proposed products and commencement of certain development programs. For example, two of our development programs which were due to commence production in Fiscal Year 2021 have been delayed. In addition, some of our suppliers invoked *force majeure* clauses under their agreements with us, requesting for extension in delivery duration. Certain of our customers may continue to face financial difficulties due to the effects of the COVID-19 pandemic, which may lead to difficulties for us to collect our accounts receivables and increased risks of incurring bad debt.

While with the gradual relaxation of the lockdown measures during the first wave of the COVID-19, we experienced a recovery in the demand for our products in both the domestic and international markets and during the second wave of the COVID-19, we experienced a recovery in the demand of our products from export markets during this period, the temporary suspension of operations at our manufacturing facilities, low demand for our products and other adverse impact on our operations on account of COVID-19, as indicated above, led to a decrease in our revenue from operations by 8.44% from ₹3,759.86 million in Fiscal 2020 to ₹3,442.55 million in Fiscal 2021, and was ₹1,104.79 million in the three months ended June 30, 2021. In Fiscal 2021 and the three months ended June 30, 2021, our proforma revenue from operations was ₹5,415.11 million and ₹1,804.84 million, respectively, with JKFL Group's revenue from operations amounting to ₹3,442.55 million and ₹1,104.79 million, respectively, while RPAL's revenue from operations amounted to ₹1,973.16 million and ₹700.14 million, respectively, in the same periods.

Any resulting financial impact due to the above cannot be reasonably estimated at this time. Further, we generate our revenues from different geographies due to exports. The effects of COVID-19 in India and the geographies we operate in may last for different duration or have different magnitude in different countries which may make it difficult for us to maintain normalised operations or may have an impact on our future growth. Further, given that there are fixed costs associated with our business operations, it may be difficult to adjust our cost base to the extent necessary, to withstand a complete and prolonged lockdown situation such as COVID-19 and can result in non-cash impairment charges as the value of certain long-lived assets is reduced. As a result, our financial condition and results of operations may be adversely affected during periods of prolonged declining production and sales volumes in one or all of our product categories. Moreover, as a result of the detection of new strains, evolving variants such as 'Omicron variant' and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, we may be subject to further lockdowns or other restrictions in the rest of Fiscal 2022, which may adversely affect our business operations. We also cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Additionally, in accordance with such moratorium framework permitted by the RBI, our Company and RPAL had availed the moratorium benefits from its lenders in relation to cash credit/ working capital demand loan facility and term loan facility, as applicable.

As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section.

5. Our businesses are dependent on the performance of the certain end-segment. Economic cyclicality coupled with reduced demand in these end-segments, in India or globally, could adversely affect our business, results of operations and financial condition.

We derive our revenue from multiple end-segments in tools and hardware, and auto components and engineering products businesses. For further information, see "*Our Business – Our Strengths – De-risked business model with diversification across geographies, customers and end-segments*" see page 171. The following table sets forth revenues generated from the sale of products from each of the end-segments for both of our businesses, on a consolidated basis and derived from our Pro Forma Consolidated Financial Information, for the periods indicated:

End-use Segment	Pro Forma Consolidated Financial Information			
	Fiscal 2021		Three months ended June 30, 2021	
	Revenue from sale of products	% of total revenue from operations	Revenue from sale of products	% of total revenue from operations
	(₹ million)	(%)	(₹ million)	(%)
Engineering and industrials	1,232.57	22.76%	414.94	22.99%
Home improvement and carpentry	1,034.76	19.11%	416.10	23.05%
Automotive	962.93	17.78%	335.11	18.57%
Agriculture	580.96	10.73%	228.88	12.68%
Multiple end-use segment				
-Drills	705.10	13.02%	181.95	10.08%
-Hand tools and power tool accessories	530.25	9.79%	90.64	5.02%
-Power tool Machines	3.14	0.06%	0.35	0.02%
Total multi end-use segment tools	1,238.49	22.87%	272.94	15.12%

End-use Segment	Pro Forma Consolidated Financial Information			
	Fiscal 2021		Three months ended June 30, 2021	
	Revenue from sale of products (₹ million)	% of total revenue from operations (%)	Revenue from sale of products (₹ million)	% of total revenue from operations (%)
Others	102.98	1.90%	34.56	1.92%
Total	**5,152.69**	**95.15%**	**1,702.53**	**94.33%**
Process waste sales and others	262.42	4.85%	102.31	5.67%
Total Revenue from Operations	**5,415.11**	**100.00%**	**1,804.84**	**100.00%**

Any slowdown in these sectors or any loss of business from, or any significant reduction in the volume of business with, customers operating in these end-segments, if not replaced, could materially and adversely affect our business, financial condition and results of operations. As a result of our dependence on customers in these end-segments, we are exposed to fluctuations in the performance of these end-segments globally, and in India. These end-segments are sensitive to factors such as consumer demand, consumer confidence, disposable income levels and employment levels. Moreover, they are also affected by other factors such as national and international trade, changes in government policies, environmental, health and safety regulations, commodity prices and oil prices.

In Fiscal 2021, agriculture was the positive aspect, while contact-based services, manufacturing, construction were hit significantly as lockdowns impacted the urban economy in India. Construction spends in Fiscal 2022 are expected to rise 25-30% on year surpassing pre-COVID levels post an 16%-20% decline in Fiscal 2021 which had seen the sector set back to Fiscal 2017 levels. The production of automobile in India increased from 24 million units in Fiscal 2016 to 31 million units in Fiscal 2019, which declined by 15% year-on-year due to economic slowdown in Fiscal 2020, which further declined by 14% year-on-year owing to COVID-19 pandemic in Fiscal 2021. Demonetization, implementation of the Goods and Services Tax, emission and safety norms introduced by the Government of India (change in emission norms from BS IV to BS VI) and semi-conductor shortage are one of the many reasons that have affected the production of commercial vehicles and passenger vehicles ("**PV**"). (*Source: CRISIL Report*)

Particularly in our auto components and engineering products business, a significant portion of our business is directly related to vehicle sales and production by our customers, who consist primarily of large automotive OEMs and Tier-1 suppliers (who are primarily directed by OEMs) and demand for our products is largely dependent on the industrial output of the automotive industry and levels of global production of passenger vehicles and automotive parts. Moreover, the sales volumes for the products sold by OEMs and Tier-1 suppliers are also influenced by the cyclicality and seasonality of demand for these products, which in turn affect the demand for and sales volume of our products, including ring gears, flexplates and water pump bearings. The length and timing of any cycle in the vehicle industry cannot be predicted with certainty. We cannot predict when manufacturers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels.

In particular, with more model being launched by OEMs, issues of range anxiety being addressed and declining battery prices, the electric vehicle ("**EV**") volume is expected to grow at a faster pace globally. While the current EV penetration in passenger vehicle category is minimal (0.16% as on Fiscal 2021) due to higher cost of acquisition of EVs, higher cost of ownership as compared internal combustion engine ("**ICE**") vehicles and lack of adequate penetration of charging stations leading to range anxiety. The implementation of the National Electric Mobility Mission Plan, 2020, announced ₹ 100 billion for Phase 2 of Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) and other policy initiatives by the Government of India to address infrastructure-related issues are key monitorables for this sector over the next five years. The share of EVs in total passenger car sales is expected to remain low (4-6%) in Fiscal 2026, however the demand for ring gear, flexplates and water pump bearings are expected to get impacted as electric vehicles do not have any application for these products. (*Source: CRISIL Report*) Any such disruptions that changes the way these end-segments operate could adversely affect certain of our customers if they are unable to anticipate and act upon these changes and consequently, the demand for our products.

A decline in our customers' business performance may also lead to a corresponding decrease in demand for our products and services. The volume and timing of sales to our customers may vary due to variation in demand for our customers' products, their attempts to manage their inventory, design changes, changes in their product mix, manufacturing and growth strategy, and macroeconomic factors affecting the economy in general, and our customers in particular. A sustained decline in the demand for products produced by our key customers could prompt them to cut their production volumes, directly affecting the demand from customers for our products. Unfavourable industry conditions can also result in an increase in commercial disputes and other risks of supply disruption. In particular, the demand for our products declined due to the slowdown in economic growth being exacerbated by the COVID-19 pandemic. See "- *The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance"* on page 30. Although an increase was witnessed in performance of these end-segments as the COVID-19 lockdown measures were gradually lifted, there is no assurance that the volume of business generated from customers operating in these end-segments will rebound to pre-COVID-19 levels. Any significant reduction in sales and production by our customers could adversely affect the demand for our products and services. We cannot assure you that the demand for our products will grow in the future. In the event of a decrease in demand for our customers' products, or any development that may cause an impact on the supply of our products we may experience a material adverse effect on our business, results of operations financial condition and cash flows.

6. Our international operations are subject to many uncertainties and further expansion of our international operations exposes us to risks that could have a material adverse effect on our business, financial condition and results of operations.

We have a strong customer focus and our customer base comprises business-to-business ("**B2B**") customers as well as business-to-consumer ("**B2C**") customers spread in more than 60 countries, as of June 30, 2021, located across Asia-Pacific, Africa, Latin America, Europe and North America. In Fiscal 2021 and the three months ended June 30, 2021, proforma revenue from sale of products from exports amounted to ₹2,730.33 million and ₹1,116.44 million, respectively, accounting for 52.99% and 65.58%, respectively, of our proforma total sale of products in the same periods. In Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, revenue from exports generated from the sale of our tools and hardware products was ₹1,795.63 million, ₹1,748.40 million, ₹1,573.62 million and ₹681.00 million, respectively, accounting for 44.74%, 46.50%, 45.71% and 61.64% respectively, of our total revenue from operations generated from the sale of our tools and hardware products. In Fiscal 2021 and the three months ended June 30, 2021, revenue from exports generated from the sale of our auto components and engineering products was ₹1,156.71 million and ₹435.44 million, respectively, accounting for 58.62% and 62.19%, respectively, of our total revenue from operations generated from the auto components and engineering products. For further information in relation to the revenue from sale of products by geographical markets for both of our businesses, see "*Our Business – Our Strengths – De-risked business model with diversification across geographies, customers and end-segments*" see page 171.

Our operations are subject to risks that are specific to each country in which we operate, as well as risks associated with carrying out business operations on an international scale, including: coordinating and managing global operations; social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action; different economic and business conditions; compliance with anti-corruption and anti-bribery laws; obtaining licenses, permits and approvals for our operations; foreign currency exchange rate fluctuations (also see "- *Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a significant portion of our expenditures are denominated in foreign currencies*" on page 47); exposure to different legal standards and enforcement mechanisms; compliance with increasingly strict environmental regulations, including the regulation of greenhouse gas emissions and its effect on our operations and those of our customers; and other regulatory changes affecting our business and our clients' industries in general. Further, failure to comply with applicable laws or regulations can lead to civil, administrative or criminal penalties, including fines or the revocation of permits and licenses that may be necessary for our business activities. Our future revenue growth also depends upon the efficiency of our distribution network spread across various countries and the successful management of our sales, marketing, support and service teams in various countries where our current or potential customers are located. Moreover, the growth in size or scope of our business, expansion of our footprint in existing regions in which we operate and entry into new geographies also will expose us to regulatory regimes with which we have no prior direct experience. In addition, the costs associated with entering and establishing ourselves in new markets, and expanding such operations, may be higher than expected, and we may face significant competition in those regions. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

7. We are subject to strict quality requirements and any product defect issues or failure by us or our suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls or warranty and liability claims.

We face an inherent business risk of exposure to product defects and subsequent liability claims in the event that the use of any of our products results in personal injury or property damage. We and our suppliers may not meet regulatory quality standards, or the high quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, results of operations or financial conditions including cash flows. In the event our products do not comply with the specification provided by our customers, our supplies may be rejected and we may also be required to reimburse our customer for any losses suffered as a result of our non-compliance. Moreover, in the event that any of our products do not meet regulatory standards or are defective, we may be responsible for damages relating to any defective products, required to replace, recall or redesign such products or incur significant costs to defend any such claims. We cannot assure you that we or our suppliers comply or can continue to comply with all regulatory requirements or the quality requirement standards of our customers. Because of the longer useful life of some our products, it is possible that latent defects might not appear for several years. There is no guarantee that any future non-compliance with quality standards will not result in a material adverse effect on our business, financial condition or prospects.

The failure by us or one of our suppliers to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, with a supplier, until a new supplier has been identified and evaluated. Our or our supplier's failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including warning letters, fines, injunctions, civil penalties, the refusal of regulatory authorities to grant approvals, delays, suspensions or withdrawal of approvals, licence revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, all of which could harm our business. We cannot assure you that if we need to engage new suppliers to satisfy our business requirement, we can locate new suppliers in compliance with regulatory requirements, in a timely manner, or at all. Our failure to do so could lead to the cancellation of existing and future orders and have a material adverse effect on our business and revenue.

In particular, vehicle manufacturers have their own policies regarding product recalls and other product liability actions relating to their suppliers. However, as suppliers become more integrally involved in the vehicle design process and assume more vehicle assembly functions, vehicle manufacturers may seek compensation from their suppliers for contributions when faced with product recalls, product liability or warranty claims. Although RPAL has obtained a public guarantee, product liability, product recall, comprehensive general liability policy including coverage toward project rejection, such policy may not cover for all situations that may arise with regards to any defects in its products. Any product recall, product liability claim or adverse regulatory action may adversely affect its production levels, reputation, business, results of operations, cash flows and financial condition. In particular, vehicle manufacturers are also increasingly requiring their outside suppliers to provide warranties for their products and bear the costs of repair and replacement of such products under new vehicle warranties. For certain products such as water pump bearings, depending on the terms under which we supply these products, our customers may hold us responsible for some or all of the repair or replacement costs of defective products or when the product supplied does not perform as expected. Such warranties maybe enforced against us even in cases where the underlying sales contract has expired. A successful warranty or product liability claim, or costs incurred for a product recall, could result in adverse publicity against us and would have an adverse effect on our business, results of operations or financial conditions including cash flows.

Furthermore, we may be subject to liability claims by third parties in the event that the use of any of our products results in personal injury or property damage, which could adversely affect our reputation and business and, to the extent not covered by insurance, our results of operations, financial condition and cash flows. Defect issues or our products failure to comply with quality standards could be caused by defects or quality issues in the products we buy from third parties and incorporate into the products we manufacture. While RPAL has obtained a comprehensive general liability insurance policy which, amongst others, covers bodily injury and property damage liablity, we have not obtained an insurance policy to secure product related claims for our tools and hardware products. There can be no assurance we would be able to recover from such third parties any losses we incurred as a result of any defects or failure of our products to comply with quality standards caused by products supplied to us by such third parties.

8. ***We derive a substantial portion of our revenue from our certain key products, namely, files and ring gears, and if these products become obsolete it would have a material adverse effect on our business, financial condition, results of operations and cash flows.***

A significant portion of our revenues are generated from the sale of files and ring gears. In Fiscal 2021 and the three months ended June 30, 2021, the sale of files accounted for 38.68% and 44.02%, respectively, and sale of ring gears accounted for 25.27% and 27.99%, respectively, of the proforma total sale of products. Sale of files amounted to ₹2,518.85 million, ₹2,260.10 million, ₹1,992.83 million and ₹749.37 million accounting for 65.63%, 62.80%, 59.77% and 70.90% of our total sale of products from our tools and hardware business in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, respectively. Sales of ring gears amounted to ₹1,301.88 million and ₹476.53 million accounting for 71.60% and 73.81% of our total sale of products from our our auto components and engineering products business in Fiscal 2021 and the three months ended June 30, 2021, respectively. Accordingly, continued market acceptance of these products is therefore critical to our future success and our business and revenues may be adversely affected on account of any downward trend in the acceptance of these products. Our future success will also depend in part on our ability to reduce our dependence on these products by developing and introducing new products and product or feature enhancements in a timely manner. Moreover, there can be no assurance that any products we develop and introduce will achieve market acceptance. Any failure to successfully develop, launch and market new products could adversely affect our business and results of operations.

9. ***We depend on third parties with whom we do not have long-term supply contracts for the supply of raw materials. A loss of suppliers or interruptions in the delivery of raw materials or volatility in the prices of raw materials on which we rely may have a material adverse effect on our business and results of operations.***

We are dependent on third party suppliers for the supply of our raw materials and traded goods used in the manufacture of our products. Purchases of raw material account for a significant portion of our revenues. In Fiscal 2021 and the three months ended June 30, 2021, proforma materials and related costs (consisting of cost of raw materials consumed, purchases of stock-in-trade and changes in inventories of work-in-progress, finished goods and stock-in-trade) amounted to ₹1,747.54 million and ₹661.85 million, respectively, accounting for 32.27% and 36.67%, respectively, of the proforma total revenue from operations. In our tools and hardware business, in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, our materials and related costs (consisting of cost of raw materials consumed, purchases of stock-in-trade and changes in inventories of work-in-progress, finished goods and stock-in-trade) was ₹1,378.73 million, ₹1,251.16 million, ₹1,089.15 million and ₹379.10 million, respectively, accounting for 34.35%, 33.28%, 31.64% and 34.31%, respectively, of our total revenue from operations generated from the sale of our tools and hardware products. In our auto components and engineering products, in Fiscal 2021 and the three months ended June 30, 2021, materials and related costs was ₹658.99 million and ₹282.84 million, respectively, accounting for 33.40% and 40.40%, respectively, of our total revenue from operations generated from the auto components and engineering products business.

Although we purchase most of the raw materials and traded goods used in our manufacturing process from more than one supplier, we typically source a significant amount of steel from a limited number of suppliers. In our tools and hardware business, in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, the top three supplier of steel accounted for 68.75%, 57.76%, 59.79% and 57.73%, respectively of our total value of steel purchased, while in our auto components and engineering business, the top three supplier of steel accounted for 71.66% and 71.17%, respectively of our total value of steel purchased in Fiscal 2021 and the three months ended June 30, 2021, respectively. Accordingly, we are exposed to the risk of inadequate capacity leading to temporary production allocation or disruption of supplies for steel which are procured for such limited suppliers. There is no assurance that if we experience a disruption of supplies, we will be able to source steel from alternative suppliers on similar commercial terms and within a reasonable timeframe. Our ability to identify and build relationships with reliable suppliers contributes to our growth and our successful management of our inventory as well as other aspects of our operations. In the absence of long-term contracts, we cannot assure you that a particular supplier will continue to supply our products in the future. There have been instances in the past where we experienced interruptions in the supply of raw materials, such as on account of COVID-19 pandemic. Further, there can be no assurance that increased demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. Any change in the supply pattern of our raw materials can adversely affect our business and results of operations. Discontinuation of production by our suppliers, a failure by any of our suppliers to adhere to any delivery schedule or a failure to provide materials of the requisite quality could also hamper our production schedule and affect our business. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers and cannot procure the raw materials from other sources, we may be unable to meet our production schedules for our products and distribute such products to our customers in timely fashion, which may adversely affect our customer relations and reputation. We may also be required to replace a supplier if its products or services do not meet our safety, quality or performance standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by credit market conditions.

In addition, we also import outsourced semi-finished files and drills as well as steel tubes along with certain hand tools and power tool accessories and power tool machines. We primarily dependent on a limited number of suppliers in China for these products, which cannot be replaced easily. If the available supply of such parts is insufficient to meet the needs of our business or if there is an interruption in supply from our international suppliers, including due to any unanticipated outage, shutdown and/or suspension of production at their facilities, change in political relationship or implementation of laws and policies impacting our relationship with our international suppliers, our ability to manufacture and sell our products could be limited due to such sudden shortage of parts in the market which could result in order cancellations for our products and have an adverse effect on our business and results of operations. We are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations. Further, any increase in export tariff will increase expenses which in turn may impact our business and results of operations.

Further, prices of certain of our primary raw material, steel, are linked to commodity markets and thus subject to fluctuation. In Fiscal 2021 and the three months ended June 30, 2021, proforma value of steel purchased amounted to ₹1,694.86 million and ₹638.94 million, respectively, accounting for 31.30% and 35.40%, respectively, of the proforma consolidated total revenue from operations. There can be no assurance that the prices for these products will not be volatile in the future. While in practice we have passed the increase in the cost of raw materials onto our customers, our cash flows may still be adversely affected due to any gap in time between the date of procurement of those raw materials and the date on which we can reset our product prices for our customers so as to account for the increase in the prices of such raw materials. Further, we may not be able to pass all of our raw material price increases to our customers. Our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material and other factors such as raw material content and whether medium-term price fluctuations have been factored into our products prices at the time of price finalisation. As a result, for some of our export customers, we may in some instances bear the risk of price increases that occur. Our inability to adequately adjust our customer pricing in response to increases in prices of raw materials in a timely manner, or at all, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

10. A scheme of arrangement involving one of our subsidiaries, SEPL, has been withdrawn with the Mumbai Bench of the NCLT. The receipt of final order from the NCLT is currently pending.

One of our subsidiaries, SEPL, was part of a composite scheme of arrangement filed with the Mumbai bench of the NCLT between Raymond Limited, Raymond Lifestyle Limited, Raymond Apparel Limited and SEPL on March 11, 2020, which was admitted by the NCLT on July 6, 2020. Thereafter, the board of directors of SEPL, at a board meeting held on September 24, 2021, and the board of directors of Raymond Limited, Raymond Lifestyle Limited and Raymond Apparel Limited, at their respective board meetings held on September 27, 2021, passed a resolution to withdraw the said scheme of arrangement and subsequently, the shareholding of SEPL was transferred by Raymond Limited to our Company, making it a wholly owned subsidiary of our Company from October 31, 2021. An application was filed with the NCLT on November 3, 2021 seeking withdrawal of the said scheme. The Mumbai bench of the NCLT has approved the withdrawal of the composite scheme of arrangement by way of its oral order dated December 8, 2021 and the copy of the final order of the NCLT is pending receipt. In the event such order is not received prior to filing of the Red Herring Prospectus, it may impact the terms of the Offer and may adversely impact our business, results of operations and financial results.

11. We derive a significant portion of our revenues from operations from a limited number of markets and any adverse developments in these markets could adversely affect our business.

We have historically derived a significant portion of our revenues from operations from a limited number of markets in both of our businesses. In our tools and hardware business, revenue from India, Africa and Latin America collectively amounted to ₹3,099.01 million, ₹2,949.73 million, ₹2,925.89 million and ₹865.79 million accounting for 80.75%, 81.96%, 87.75% and 81.92% of our total sale of products from our tools and hardware business in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, respectively. In our auto components and engineering products business, revenue from India, Europe and North America collectively amounted to ₹1,655.36 million and ₹595.43 million in Fiscal 2021 and the three months ended June 30, 2021, respectively, accounting for 91.03% and 92.22% of our total sale of products from our our auto components and engineering products business in the same periods. In Fiscal 2021, revenue generated from both our businesses from India, Europe, Latin America and Africa amounted to ₹2,422.36 million, ₹740.59 million, ₹732.60 million and ₹441.31 million, respectively, accounting for 47.01%, 14.37%, 14.22% and 8.56%, respectively, of the proforma total sale of products, while in the three months ended June 30, 2021, these markets amounted to ₹586.09 million, ₹276.91 million, ₹243.78 million and ₹246.45 million, respectively, accounting for 34.42%, 16.26%, 14.32% and 14.48%, respectively.

Our revenues from these markets may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as COVID-19, which resulted in an impact on the sale of our products particularly in the fourth quarter of Fiscal 2020 and first quarter of Fiscal 2021. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations and financial condition. Further, our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. See "-*Our international operations are subject to many uncertainties and further expansion of our international operations exposes us to risks that could have a material adverse effect on our business, financial condition and results of operations*" on page 34.

12. We do not have firm long term commitment agreements with our customers. We may not be able to accurately forecast demand for our products and plan production schedules in advance, and our growth estimates may not accurately indicate our actual sales and revenues for any future period or date.

We do not enter into firm long-term agreements with global files and drills companies in the B2B business of our tools and hardware business and OEMs and Tier-1 suppliers in our auto components and engineering products business, and instead enter into supply arrangements with them which set forth the terms of sales but do not bind customers to purchase volumes or duration and can be terminated by our customers with or without cause, with reasonable advance notice and without compensation. Typically, these customers provide guidance on the demand or forecast volume for the program and there is no commitment on the part of the customer to purchase the quantities specified in the volume projections or guidance. In addition, such supply agreements provide flexibility to our customers to place an order for a lesser quantity of products in the purchase orders despite a higher quantity specified in the supply arrangement. Accordingly, there is no assurance in relation to the sales volumes and revenue that the program will eventually generate for us.

We rely on purchase orders and delivery schedule issued by such customers from time to time that set out the volume and other terms of our sales of products. In certain product categories, our contracts with our customers include specific open purchase orders which do not have any validity in respect of time period and these purchase orders only specify the price at which the products are to be supplied with no mention of any specific quantity. The quantities supplied are based on delivery schedules provided by the customers based on their own demand and supply situation. Further, in the event the Company is unable to fulfil the purchase order, it is required to notify the customers. As a result, our customers do not typically place firm purchase orders until a short time before the products are required from us, as a result of which we do not hold a significant order book at any time, making it difficult for us to forecast production volume or sales and are based on a number of economic and business factors such as our customers' demand and supply situation, and other variables and assumptions, some or all of which may change or may not be accurate and, accordingly, our growth estimates may not accurately indicate our actual sales and revenues for any future period or date.

Moreover, since we do not have long-term firm commitments with our customers, and instead rely on purchase orders and customer schedules to govern the volume, price and other terms of the development program and sales, which may be amended or cancelled prior to finalization, we may not have any recourse in the event of an unexpected delay or cancellation of a development program. In addition, we may not realize all of the revenue expected from our incremental business pipeline and it may not be indicative of our future growth rate or new business orders we will receive in the future.

Further, our customers have high and exacting standards for product quality and delivery schedules. Any failure to meet customer's expectations could result in the cancellation or non-renewal of contracts. Our customers may terminate their arrangements with us for cause or otherwise for, among others, a insolvency of our Company and our non-compliance with contractual obligations such as standards for product quality and quantity as well as delivery schedules, and in certain cases have no liability to pay for or reimburse lost profits, unabsorbed overheads, capital investments made by us, product development and engineering costs, facilities and equipment rental and other related costs such as penalties or administrative charges incurred directly or indirectly by us in connection with cancelled orders. Even after such termination, we will continue to be bound by some of our obligations, including non-disclosure of confidential information and continuing indemnity obligations. In addition, we do not have exclusive contracts with any of our large customers, which entitles them to replace us with another supplier under certain circumstances. Accordingly, we may not in fact realize all of the future sales represented by our awarded business, which could materially and adversely affect our business, cash flows, financial condition and results of operations.

Customers may also demand price reductions, change their outsourcing strategy or replace their existing products with alternative products. There is therefore no assurance that we will be able to continue to procure business from the existing customers or to retain the existing customers, or that we will be able to replace our customer base in a timely manner or at all, in the event customers do not continue to purchase products manufactured by us. Such loss of customers may have an adverse effect on our business, financial condition and results of operations, including an interruption or partial or total work stoppage at our manufacturing facilities.

13. Our business is dependent on our manufacturing facilities and we are subject to certain risks in our manufacturing process. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition and results of operations.

Our business is dependent upon our ability to efficiently manage our manufacturing facilities and the operational risks associated with it, including those beyond our reasonable control. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipments, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. Disruptions in our manufacturing operations could delay production or require us to temporarily or permanently, cease operations at our manufacturing facilities. For instance, due to the COVID-19 pandemic, operations at our manufacturing facilities were temporarily suspended for a certain period of time. See "- *The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance"* on page 30. Further, any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. In addition, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. Moreover, some of our products are permitted to be manufactured at only such facilities that have received specific approvals, and any shut down of any such facility, including due to non-renewal of specific approvals, will result in inability to manufacture the relevant products for the duration of such shut down. We may also be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. Further, we may also face protests from local residents at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Certain consummables such as furnace oil are corrosive and flammable and require expert handling and storage, failing which we may be exposed to fires or other industrial accidents. While we believe that we have necessary controls and processes in place and provides adequate training to employees who handle such products/ operations, any failure of such systems or any adverse incident related to the use or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition.

Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be filled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to import various supplies and products in order to meet our production requirements, which could affect our profitability.

14. The land on which seven of the manufacturing units operated by us are located on industrial land allotted to us by industrial development corporations, under lease agreements. The land on which one of the manufacturing units operated by our Company is located, has been availed on a leave and license basis. If we are unable to renew existing leases or the leave and license agreement or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations. The Registered and Corporate Office of our Company is currently under dispute and passing of an adverse order in the same could impact our business operations. Further, failure to comply with the conditions of use of such land could result in an adverse effect on our business, results of operations and financial condition.

We have taken on lease land, in relation to seven manufacturing facilities operated by us located at Ratnagiri, Chiplun, Pithampur and Nashik by way of lease agreements entered into with third parties including state owned industrial development corporations. The lease is valid typically for a period ranging from 95 to 99 years from the dates as set out under the agreements of lease. The leases for some of these premises are long-term lease agreements. Under the terms of allotment and the lease agreements, we are required to comply with various conditions such as complying with the orders and rules as set out by the state owned industrial development corporations from time to time. In addition, according to the statutory rules under which the state-owned industrial development corporations function, they also retain the power to terminate our lease in the event of breach of any rules formulated by the state-owned industrial development corporations. Furthermore, we have taken land on a leave and license basis in relation one of the manufacturing facilities operated by our Company located in Vapi, pursuant to a leave and license agreement dated August 22, 2019 executed between our Company and M.M. Techno Engineering. If we are unable to renew certain or all of these leases or the leave and license agreement on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from such locations in the future (and may, to that extent, need to revise our raw material sourcing, product manufacturing and raw material and product inventory schedules and/or incur significant costs to relocate or expand our operations elsewhere in order to continue to honour our commitments to our customers). Further, our Registered and Corporate office is located at New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India which is permitted to be used by our Promoter, however we are unable to trace the relevant documents in relation to the same. For details, see "- *Certain of our corporate records and filings with the RoC have discrepancies and certain documents in relation to the Company are not traceable. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard*" on page 58. Further, the said premises is currently under dispute and in the event any adverse order are passed in relation to the said premises our Company shall be constrained to shift our Registered and Corporate Office which may impact our business and operations. For further details in relation to such matter, please refer to "*Outstanding Litigation and Material Developments - III. Litigation involving the Promoter*" on page 388.

15. Our operations are subject to environmental and health and safety laws and other government regulations which could result in material liabilities in the future.

We are subject to applicable laws and regulations and customer specifications with respect to the protection of the environment and employee health and safety in each of the jurisdictions in which we operate. Our manufacturing processes and products are subject to stringent quality, environmental and occupational health and safety standards. We are also required to obtain permits from governmental authorities for certain operations. In the event, we fail to obtain the relevant licenses or comply with the conditions of such licneses and approvals, we may be subject to regulatory action by regulatory and statutory authorities. For instance, we have been unable to trace the consent to establish issued by the Maharashtra Pollution Control Board authorizing the establishment of our manufacturing plant in Ratnagiri, while we have made efforts to obtain duplicate copy of the said consent of establish, we have been unable to procure it. For details, see "-*We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations.*" on page 44. Our operations are also subject to hazards, including explosions, fires, mechanical failures and other operational problems, discharges or releases of hazardous substances, chemicals or gases and other environmental risks. Accidents or other incidents that may occur at our facilities or may involve our personnel or visitors or operations could result in claims for damages against us. Such accidents or incidents could do lasting damage to our reputation among customers and the general public, even if we were not actually responsible for causing such damage and no fault on our part has been proven.

A risk of environmental liability is inherent in our manufacturing activities, and we are subject to numerous environmental laws and regulations in the countries in which we operate. Under certain environmental laws, we could be held solely or jointly and severally responsible, regardless of fault, for the remediation of any hazardous substance contamination at our past and present facilities or any consequences arising out of human exposure to such hazardous substances, and could also be held liable for damages to natural resources or other environmental damage. Although, we have availed public liability industrial risks insurance policy, we cannot assure you that such policy will be sufficient to cover the damages which we may incur on the occurance of the aforementioned events. We cannot assure that we have been or that we will be at all times in complete compliance with environmental laws, regulations and permits, and the nature of our operations, and the history of industrial uses at some of our facilities, expose us to the risk of liabilities or claims with respect to environmental and worker health and safety matters including with respect to activities conducted prior to our ownership. If we violate or fail to comply with environmental laws, regulations and permits, we could be subject to penalties, fines, restrictions on operations or other sanctions, and our operations could be interrupted or suspended. As on the date of this Draft Red Herring Prospectus, we are not involved in any environmental law related litigation. A negative outcome in any such proceedings may adversely affect our business, cash flows, results of operations and financial condition. Additionally, we cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

16. Our business and operations depend on our reputation. Any impairment of our reputation or erosion of our brand or failure to optimize our brand in the marketing of our products could have a material adverse effect on our capacity to retain our current customers and attract new customers and therefore on our sales and profitability.

Our customers expect quality and high service levels and timely delivery of products. Any failure to meet the needs and demands of our customers may result in a loss of reputation and affect our brand name. We operate in a competitive environment, and we believe that our brand recognition provides us with a significant competitive advantage. We primarily sell and market our tools and hardware products in India through our umbrella brand, '*JK SuperDrive*', and in the international markets, through various sub-brands including '*JK Sun Flower'*, '*JK Eye*', '*JK Three Files*', '*JK Two Files',* '*Premium Scissors*', '*JK Sher*', '*JK Thunderbolt*', '*JK Uno*', '*JK Two Tusk*' and '*MJK*'. In our auto components and engineering products business, our business depends to a significant extent on our customers' trust in our reputation as a reliable supplier, in our ability to support our customers geographically and in our ability to meet our customers' key performance targets. The maintenance, protection and ongoing customer perception of our reputation as a reliable supplier, as well as our ability to enter new geographic markets and sell new products, are therefore critical for our future success. We incurred ₹7.44 million, ₹9.56 million, ₹0.56 million and ₹0.15 million towards advertisement expenses in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, respectively, and ₹13.56 million, ₹15.90 million, ₹9.77 million and ₹3.33 million, respectively, towards sales promotion expenses. This includes cost to builds our brands, as we believe that brand image and reputation play an important role in enhancing our competitiveness and maintaining our growth.

We also believe our future success will in part be impacted by further development of our brand and our ability to effectively market our products to target customers in India and internationally. Any adverse publicity, whether or not justified, relating to our operations, products, employees or agents could tarnish our reputation and adversely impact our brand and customer goodwill. Damage to our reputation and loss of brand equity could reduce demand for our products. Any impairment of our reputation or erosion of our brand or failure to optimize our brand in the marketing of our products could have a material adverse effect on our capacity to retain our current customers and attract new customers and therefore on our sales and profitability, as well as require additional resources to rebuild our reputation and restore the value of our brand.

17. Our failure to identify and understand evolving industry trends and preferences and develop new products to meet our customers' demands may adversely affect our business.

Changes in regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive and could require substantial new capital expenditures or subject us to write-offs. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis will be a significant factor in our ability to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly.

Over the years, auto components and engineering products as well as tools and hardware products have advanced into many different shapes, forms, sizes and specification to cater for different end-user industries they service. To compete effectively in these industries, we must remain dynamic and be able to develop and produce new products to meet our customers' demand in a timely manner. To do so, we have and will continue to invest in research and development to develop new products. However, we cannot assure you that we will be able to keep pace and continuously develop and launch new products that are able to meet our customers' ever evolving requirements. In addition, we cannot assure you that our customers will execute on schedule the launch of their new product programs, for which we might supply products. Our failure to successfully develop, produce and commercialise new products, or a failure by our customers to successfully launch new programs, could adversely affect our business, results of operations and financial results.

In particular, the market for electric vehicles is relatively new, rapidly evolving, characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulation and industry standards, frequent new vehicle announcements and consumers' willingness to adopt electric vehicles. However, our primary auto components and engineering products are typically used in internal combustion engines and not in electric vehicles. In particular, with more model being launched by OEMs, issues of range anxiety being addressed and declining battery prices, the EV volume is expected to grow at a faster pace globally. The share of EVs in total passenger car sales is expected to be 4%-6% of domestic sales in Fiscal 2026 and the demand for ring gear, flexplates and water pump bearings are expected to get impacted as electric vehicles do not have any application for these products. (*Source: CRISIL Report*) We may not have the ability to adequately respond to this trend of increase in penetration of EVs in India and internationally. Our ability to anticipate and successfully develop and introduce new or enhanced products compatible with EVs on a timely basis is a significant factor in our ability to remain competitive and any inability to do so, could adversely affect our business, results of operations and financial results.

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

18. Pricing pressure from distributors and customers may adversely affect our gross margin, profitability and ability to increase our prices, which in turn may materially adversely affect our business, results of operations and financial condition.

Pricing pressure from distributors and global files and drills companies in our tools and hardware business, and OEMs and Tier-1 suppliers in the auto components and engineering products business, is a characteristic of the industries in which we operate. In particular, OEMs typically pursue aggressive but systematic price reduction initiatives and objectives each year with their suppliers, and such actions are expected to continue in the near future. Pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have a material adverse effect on our business, results of operations and financial condition. In addition, estimating amounts of such price reductions is subject to risk and uncertainties, as any price reduction is the result of negotiations and other factors. Accordingly, manufacturers must be able to reduce their operating costs in order to maintain profitability. Such price reductions may affect our sales and profit margins. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our business, results of operations and financial condition may be materially adversely affected. Moreover, the absence of firm long-term commitments may also reduce our bargaining power and constrain our ability to negotiate our arrangements as well as result in our inability to pass on rising raw material costs on account of such pricing pressure, which may have an impact on our profit margins and financial performance.

Our profitability is dependent, in part, on our ability to spread fixed production costs over higher production volume. However, our customers generally negotiate for larger discounts in price as the volume of their orders increase. In addition, our products typically are customised to specific customer requirements, which requires us to incur significant costs in setting up our capabilities to manufacture these products, which may or may not be fully recovered from the customers. If we are unable to generate sufficient production cost savings in the future to offset price reductions or if there is any reduction in consumer demand, which will result in decreased sales, our gross margin and profitability may be materially adversely affected.

19. There are outstanding litigation proceedings against our Company, Directors, Promoter, Group Companies and Subsidiaries. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

There are outstanding legal proceedings against our Company, Directors, Promoter, Group Companies and Subsidiaries, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section "*Outstanding Litigation and Other Material Developments*" on page 383) involving our Company, Directors, Subsidiaries, Group Companies and Promoter.

Nature of cases	Number of outstanding cases	Amount involved (in ₹ million)*
Litigation involving our Company		
Litigation filed against our Company		
Material civil proceedings	22	Not quantifiable
Criminal proceedings	1	Not quantifiable
Litigation filed by our Company		
Material civil proceedings	1	21.96
Criminal proceedings	12	4.29
Action taken by statutory and regulatory authorities involving the Company	7	0.69
Direct Tax matters involving the Company	10	10.27
Indirect Tax matters involving the Company	10	18.72
Litigation involving our Directors		
Litigation against our Directors		
Criminal proceedings	5	Not quantifiable
Material civil proceedings	3	Not quantifiable
Litigation filed by our Directors		
Criminal proceedings	1	0
Material civil proceedings	Nil	0
Action taken by statutory and regulatory authorities involving the Directors	5	Not quantifiable
Direct Tax matters involving the Directors	Nil	0
Indirect Tax matters involving the Directors	Nil	0
Litigation Involving our Promoter		
Litigation against our Promoter		
Criminal proceedings	2	Not quantifiable
Material civil proceedings	11	1,960.00
Litigation filed by our Promoter		

Nature of cases	Number of outstanding cases	Amount involved (in ₹ million)*
Criminal proceedings	15	4.79
Material civil proceedings	4	Not quantifiable
Action taken by statutory and regulatory authorities involving the Promoter	6	526.69
Disciplinary actions including penalty imposed by SEBI or the Stock Exchanges against the Promoters in the last five Financial Years	1	0.70
Direct Tax matters involving the Promoter	45	1,678.91
Indirect Tax matters involving the Promoter	45	930.90
Litigation Involving our Subsidiaries		
Litigation against our Subsidiaries		
Criminal proceedings	Nil	0
Material civil proceedings	3	74.64
Litigation filed by our Subsidiaries		
Criminal proceedings	3	19.25
Material civil proceedings	Nil	0
Action taken by statutory and regulatory authorities involving the Subsidiaries	5	0
Direct Tax matters involving the Subsidiaries	4	2.80
Indirect Tax matters involving the Subsidiaries	8	31.17
Legal proceedings involving our Group Company which have a material impact on the Company	Nil	0
Total	**229**	**5,285.78**

***** *To the extent quantifiable*

There can be no assurance that these legal proceedings will be decided in our favor or in favor of our Company, Directors, Promoter, Group Companies and Subsidiaries. In addition, we cannot assure you that no additional liability will arise out of these proceedings that could divert our management's time and attention and consume financial resources. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, may have an adverse effect on our business, results of operations and financial condition. For further details, please refer to "*Outstanding Litigation and Material Developments*" on page 383.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

20. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations.

Our operations are subject to government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business. For details of approvals relating to our business and operations, see "*Government and Other Approvals*" on page 396.

Several of these approvals are granted for a limited duration. Some of these approvals have expired and we have either made or are in the process of making an application for obtaining the approval for its renewal. For details of pending approvals, see "*Government and Other Approvals*" on page 396. Our Company has applied for, but has not yet been issued no objection certificates by the relevant directorate of fire services under the state specific fire safety acts ("**Fire NOC**") for our Company's manufacturing plants located in Ratnagiri, Chiplun, Valsad and Pithampur, and for one of the manufacturing plants operated our subsidiary, RPAL located in Nashik. For further information, see "*Government and Other Approvals*" on page 396. While we have applied for Fire NOCs for all the above plants, we have been operating in the past without such approval. We cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. Further, the relevant regulatory authority may also take actions against us for such non-compliance in the past. If we fail to obtain or renew such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition could be adversely affected.

We have been unable to trace the consent to establish issued by the Maharashtra Pollution Control Board authorising the establishment of our manufacturing plant in Ratnagiri. We have, however, been assigned a consent to operate by the same authority for the said manufacturing plant in Ratnagiri. While we have made efforts to obtain duplicate copy of the said consent of establish, we have been unable to procure it. Additionally, we may not be aware of conditions that may be required to comply with conditions set out in such consent to established and we may be subjected to regulatory actions consequently, which may have an adverse effect on business and results of operation

Further, we have entered into an agreement with a third-party warehouse service provider, in relation to one of the warehouses operated by us. While the agreement we have entered into states that our Company has agreed to seek, obtain and keep in force all the required approvals, permissions, licenses, etc. as may be applicable to it, the license and approvals obtained are still in the name of the warehouse service provider. We cannot assure you that the warehouse service provider will comply with conditions under such license and approvals and no action will be taken against us, in the event of such non-compliance

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may 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. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

21. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.

The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. The product requirements of, and procurement practice followed by, our customers also affect our capacity utilization. In recent times, we have made significant investments for the expansion of our manufacturing capacities and are continuing to undertake additional investments to increase our existing capacity. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. In our tools and hardware business, the capacity utilization for files was 78.67%, 74.99%, 69.72% and 77.79% in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, respectively, while for drills, the capacity utilization was 87.04%, 85.05%, 89.43% and 80.63%, respectively, in the same periods. In our auto components and engineering products business, in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, the capacity utilization for (i) ring gears was 85.82%, 54.13%, 55.89% and 72.70% respectively; (ii) flexplates was 50.82%, 46.61%, 36.89% and 49.37%, respectively; and (iii) water pump bearings was 77.10%, 53.78%, 67.37% and 79.05%, respectively. For further information, see "*Our Business - Manufacturing Facilities*" on page 192. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

We also face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies, which may result in reduced quantities being manufactured by us resulting in under-utilization of our existing manufacturing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

22. We depend on third party logistics providers for the transportation of raw materials and delivery of products, and any failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

As a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required for our manufacturing facilities and of our products from our manufacturing facilities to our customers, or intermediate delivery points such as ports, both of which are subject to various uncertainties and risks. We transport our raw materials and our finished products by road and sea. Our suppliers undertake the delivery of our raw materials and we rely on third party logistic companies and freight forwarders to deliver our products. We do not have formal contractual relationships with such logistic companies and freight forwarders particularly in the export markets. Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, production in our manufacturing facilities was adversely affected by supply chain disruptions due to COVID-19-induced lockdowns or any other lockdowns. See "- *The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance"* on page 30. Further, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

23. Our failure to compete effectively in the highly competitive auto components and tools and hardware industries could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition and future prospects.

We compete with global and domestic competitors to retain our existing business as well as to acquire new business. Our failure to obtain new business or to retain or increase our existing business could adversely affect our financial results. In addition, we may incur significant expense in preparing to meet anticipated customer requirements that may not be recovered. Our competition varies by market, geographic areas and type of product, which is based on many factors, including product quality and reliability, breadth of product range, product design and innovation, technology, manufacturing capabilities, distribution channels, scope and quality of service, price and brand recognition. We face increasing competition across our businesses.

Tools and Hardware Business. We face competition from both organized and un-organized players manufacturing files, cutting tools, hand and power tool accessories. Due to the industry's fragmented nature and our diversified product portfolio, we compete with various companies for each of our product categories.

The key file manufacturers in India include our Company, Mittal Files & Tools Private Limited, Stanley Back & Decker India Private Limited and Taparia Tools Limited, and globally include Apex Tools Group, Stanley Back & Decker, our Company, Hebei Quangong Steel File, Nanhe Ruixin Steel file Co., and Guowu Steel File. In the drills category, leading players in India include Addison & Co. Ltd, Birla Precision Technologies Ltd, our Company and Dormer Tools India Private Ltd (Miranda Tools). Some of the key brands globally in the hand tools market include Stanley Black & Decker Inc., Techtronic Industries, Apex Tool Group and Snap-on Inc., while in India, the key players in the organized segment include Stanley Black & Decker India Private Ltd, our Company, Ambika Overseas Ltd, Hindustan Everest Tools Ltd, and Venus Industrial Corporation Private Ltd. Further, Stanley Black & Decker India Private Ltd, Bosch Ltd and Makita Power Tools India Private Ltd are some leading players in the Indian power tool machines market. (*Source: CRISIL Report*)

Auto Components and Engineering Products Business. We compete with a variety of independent suppliers as well as the in-house operations of certain Tier-1 suppliers. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships. We face competition from both domestic and international companies.

Key players in the ring gear industry includes Amalgamation Repco Ltd., ARGL Ltd., Flywheel Ring Gears Pvt. Ltd. and RPAL, while global players engaged in ring gear manufacturing include Benda-Kogyo Co. Ltd., Dahua Machine Manufacturing Co. Ltd., KLS Ljubno d.o.o and RPAL. While RPAL is the sole domestic manufacturer of flexplates in India, globally the key players include Benda-Kogyo Co. Ltd., Dahua Machine Manufacturing Co. Ltd., Winkelmann Automotive, Magna International Inc. and Mulhoff Umformtechnik GmbH. In addition, in the water pump bearing industry, key players in India include RPAL and National Engineering Industries Ltd, while globally they include C&U Bearings, Koyo (JTEKT Corporation's bearing brand) and NSK Ltd. (*Source: CRISIL Report*)

Some of our competitors may have certain advantages, including greater financial resources, technology, research and development capability, respond more quickly to technological changes, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Further, manufacturers that do not currently compete with us could expand their product portfolios to include products that would compete directly with ours. Changes in the product focus of larger manufacturers could also result in such manufacturers establishing relationships with our customers that may reduce or entirely replace our business with those customers. In addition, certain key customers to whom we currently sell certain products could decide to compete with us as manufacturers of these products. Accordingly, we may not be able to compete effectively with our competitors, which may have an adverse impact on our business, results of operations, financial condition and future prospects.

24. Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a significant portion of our expenditures are denominated in foreign currencies.

We derive majority of our revenue from the sale of products for both our businesses across countries located in Europe, Latin America, Africa, North America and Asia-Pacific. As a result, we have material exposure to foreign exchange related risks since a significant portion of our revenue from operations are in foreign currency, including the US Dollar and Euro. Our proforma revenue from the sale of products from exports was ₹2,730.33 million and ₹1,116.44 million in Fiscal 2021 and the three months ended June 30, 2021, respectively, accounting for 52.99% and 65.58%, respectively, of our proforma total revenue from operations in the same periods. Similarly, a portion of our expenses, including cost of imported raw materials and traded goods as well as certain of our capital expenditure on equipment imported, are denominated in currencies other than Indian Rupees. Our proforma cost of imported raw materials and traded goods was ₹568.35 million and ₹197.14 million in Fiscal 2021 and the three months ended June 30, 2021, respectively, which accounted for 10.50% and 10.92%, respectively, of our proforma total revenue from operations in the same periods.

We may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies. While we enter into hedging transactions to minimize our foreign currency exchange risks, there can be no assurance that such measures will enable us to manage our foreign currency risks. As of March 31, 2019, 2020 and 2021, and as of June 30, 2021, our total unhedged foreign currency exposure amounted to ₹364.09 million, ₹525.92 million, ₹138.99 million and ₹189.63 million, respectively. For more information on foreign currency exposures, see "*Financial Statements - Restated Consolidated Financial Information – Note: 39: Derivative Instruments and unhedged foreign currency exposure*" and "*Financial Statements - Restated Consolidated Financial Information – Note: 38: Financial Risk Management*" on pages 293 and 289, respectively. As of March 31, 2021 and June 30, 2021, proforma total unhedged foreign currency exposure amounted to ₹152.39 million and ₹206.50 million, respectively. Any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

25. Our manufacturing facilities are geographically concentrated and the inability to operate our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.

All of our manufacturing facilities are located in the states of Maharashtra, Madhya Pradesh and Gujarat, which are adjacent to each other. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state government or state or local governments in this region could adversely affect manufacturing operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing facilities could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

26. Our operations are labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

Our operations are labour intensive and we are dependent on a large labour force for our manufacturing operations. As of June 30, 2021, we had 1,532 full-time employees engaged in our tools and hardware business and 491 full-time employees in the auto components and engineering products business. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any disruption in our business operations due to disputes or other problems with our work force in the past, however we are involved in legal proceedings filed by certain labour unions against our Company and there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. For further details, see "*Outstanding Litigation and Material Development*" on page 383. Further, we have entered into memorandum of settlement with some workmen of our Company at different sites including Vapi and Pithampur, as represented by the Engineering Workers Association (registered under the Trade Unions Act, 1926). As on the date of this Draft Red Herring Prospectus, some of our ex-workmen have initiated labour related proceedings against our Company seeking recovery of their dues and other benefits. We are also involved in disputes under various labour related laws such as, the Industrial Disputes Act, 1947, Employees' State Insurance Act, 1948, Payment of Bonus Act, 1965 and Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Laws Practices Act 1971. For further details, see "*Outstanding Litigation and Material Development*" on page 383. If such cases are determined against us, there could be an adverse effect on our reputation, business, results of operations and financial condition.

As of June 30, 2021, 1,081 permanent employees from our tools and hardware business and 320 permanent employees from our auto components and engineering product business were members of labour unions. We have entered into labour union agreements involving, among others, revised wage structures, ex-gratia payments, attendance bonuses production linked incentives, minimum wage compliances and the provision of or enhancement of insurance policies. Accordingly, it may be difficult for us to maintain flexible labour policies and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention. Further, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

27. *We may face difficulties in executing our expansion plans and other growth strategies.*

Our business and growth strategies include continuing expansion of the size and scope of our business by increasing our wallet share of business with existing customers and acquiring new customers, focus on developing and introducing new products, increasing manufacturing capacity to capitalize on favourable macro-economic trends and focus on operational efficiencies to improve returns and achieve synergies. See "*Our Business—Our Strategies*" on page 178, for details on our business and growth strategies. Even if we have successfully executed our business strategies in the past, we cannot assure you that any of our growth strategies will be successful in a timely manner, or at all.

Our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify trends and demands in the industry, develop innovative products and technologies, compete with existing companies in our markets, consistently exercise effective quality control, hire and train qualified personnel. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. We may face increased risks when we enter new markets in India and internationally, and may find it more difficult to hire, train and retain qualified employees in new regions. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards.

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

In addition, we may not be able to execute our operations efficiently resulting in delays, increased costs and product defects. We cannot assure you that our current policies and systems will adequately address these challenges, or that new risks will not arise as a result of our growth which we have not anticipated. We may not be successful in controlling our input costs, effectively managing our internal supply chain and manufacturing processes. Additionally, we may be subject to business and competitive uncertainties and other factors beyond our control such as shift in customer preferences or a slowdown in the global economic and market conditions resulting in decline in demand for our or our customers' products. For example, some of our customers with established global platforms may already have an established supply chain and they may not be able to integrate us without undue cost or disruption to their operations. Our strategies may not generate the expected returns or be profitable and we may not be able to fully implement our strategies, which could materially and adversely affect our business, cash flows, financial condition, results of operations and growth prospects.

28. *Our inability to collect receivables and default in payment from our distributors and customers could result in the reduction of our profits and affect our cash flows.*

The majority of our sales are to customers on an open credit basis, with standard payment terms in (i) our tools and hardware business of up to 45 days in the domestic market and between 30 days to 180 days in the export market; and (ii) our auto components and engineering products business between advances payments and up to 120 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. In Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, bad debts written off amounted to ₹4.60 million, ₹1.18 million, ₹0.32 million and nil, respectively. Further, as of March 31, 2019, 2020 and 2021, and June 30, 2021, our trade receivables amounted to ₹559.24 million, ₹610.28 million, ₹144.31 million and ₹286.54 million, respectively. As of March 31, 2021 and June 30, 2021, proforma trade receivables was ₹495.22 million and ₹627.11 million, respectively. Our receivable turnover day in our tools and hardware business was 51 days, 59 days, 15 days and 24 days, respectively, in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, while receivable turnover days in the auto components and engineering products business was 65 days and 44 days in Fiscal 2021 and the three months ended June 30, 2021, respectively. Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables, it could have a material adverse effect on our business, financial condition and results of operations.

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

We have incurred indebtedness, and we may incur additional indebtedness in the future. As of June 30, 2021, our total borrowings (non-current and current) amounted to ₹120.38 million and our proforma total borrowings (non-current and current) was ₹221.52 million. Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to manage our business operations and generate sufficient cash flows to service such debt. Our outstanding indebtedness and any additional indebtedness we incur may have significant consequences, including, without limitation: requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditures, acquisitions, and strategic investments; reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions; and limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions, share repurchases, or other general corporate and other purposes.

Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes to the capital structure of our Company, mergers, reorganisation, declaration of dividend (except out of profits, if any instalment towards principal or interest remains unpaid on its due date), changes in our name, location of our factory and product line, changes in the MoA and AoA of the Company and change in shareholding of our Promoter in our Company. Failure to comply with such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt.

30. Any inability on our part to comply with prescribed specifications and standards of quality in connection with our products and/or manufacturing facilities could adversely impact our operations and profitability.

Our business requires obtaining and maintaining quality certifications and factory accreditations from independent certification entities as well as some of our customers and government bodies and organisations that enable us to be eligible to participate in orders. Certain of our facilities have also obtained international certifications, including IATF 16949, ISO 14001:2015, ISO 9001:2015 and ISO 140001:2018. Further, we are required to adhere to stringent regulatory/ statutory/ contractual specifications and standards, and our customers often require our manufacturing facilities and products to be pre-approved and/ or accredited by various agencies before placing orders for our products. We are also subject to charge backs from our customers in respect of goods returned that do not meet the required specifications. If we fail to adhere to the aforesaid requirements or changes thereto in a timely manner, or at all, we may be subject to product liability claims and loss of reputation. As a result, our cash flows, operations and/or profitability could be adversely affected. Our business and results of operations will be adversely affected if we are unable to develop and maintain a continuing relationship or pre-qualified status with certain of our key customers.

31. We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.

In the future, we may consider making strategic acquisitions of other manufacturing companies or other companies whose resources, capabilities and strategies are complementary to and are likely to increase our product portfolio, expand our distribution network and/ or develop new customers. We may also enter into strategic alliances or joint ventures to explore such opportunities or make significant investments in entities that we do not control to capitalize on such business opportunities, and there can be no assurance that such strategic alliances, joint ventures or investments will be successful. It is also possible that we may not identify suitable acquisition or investment candidates, or that if we do identify suitable candidates, we may not complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects. If we acquire another company we could face difficulty in integrating the acquired operations. In addition, the key personnel of the acquired company may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment.

32. Start-up costs and inefficiencies related to new programs or orders can adversely affect our operating results, and such costs may not be fully recoverable if new programs are cancelled.

New programs or orders that customers award or provide us often entail material start-up costs with respect to the design, development and testing of the products to match the customer's specifications, as well as establishing additional production lines or new facilities, where required. If we are unable to recoup start-up costs, manage our labour and equipment resources effectively in connection with the establishment of new programs and new customer relationships, or to correctly estimate required resources, our gross margins and operating results could be adversely affected. These factors are particularly evident in the early stages of the life cycle of new products and new programs and in the opening of new facilities. These factors also affect our ability to efficiently use labour and equipment. In addition, if any of these new programs or new customer relationships were terminated or our existing customers shift their base of operations to a location where we do not have a manufacturing facility, our operating results could be adversely affected, particularly in the short term. We may not be able to adequately recover these start-up costs or replace anticipated revenues from any such new products or programs, which could adversely affect our business and financial condition.

33. Our failure to keep our technical knowledge confidential could erode our competitive advantage.

Like many of our competitors, we possess extensive technical knowledge about our products. Our know-how is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some know-how is protected only by secrecy. As a result, we cannot be certain that our know-how will remain confidential in the long run. While we rely on a combination of trademark laws, confidentiality procedures and contractual provisions to protect our intellectual property, we cannot be certain that the steps we have taken will prevent unauthorised use of our intellectual property. As a result, we cannot be certain that our technical knowledge will remain confidential. For details of our registered trademarks, see "*Government and Other Approvals – Intellectual Property Rights*" on page 398. Even if all reasonable precautions, whether contractual or otherwise, are taken to protect the confidential technical knowledge of our products and business, there is still danger that such information may be disclosed to others or become public knowledge in circumstances beyond our control. In the event that the confidential technical information or know how in respect of our products or business becomes available to third parties or to the public, our competitive advantage over other companies could be harmed, which could have an adverse effect on our business, future prospects, financial conditions and results of operations.

34. We have significant energy requirements and any disruption to these power sources could increase our production costs.

We require substantial electricity for our manufacturing facilities, and energy costs represent a significant portion of the production costs for our operations. In Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, our power and fuel expenses was ₹206.12 million, ₹196.95 million, ₹179.83 million and ₹53.58 million, respectively, which represented 5.44%, 5.46%, 5.70% and 5.41%, respectively, of our total expenses. In Fiscal 2021 and the three months ended June 30, 2021, power and fuel expenses for our auto components and engineering products business was ₹120.92 million and ₹36.88 million, respectively, which represented 6.91% and 5.96%, respectively, of our total expenses. Our power requirement for our manufacturing facilities in India is sourced from local providers and state electricity board. If supply is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements. Further, if for any reason such electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. The cost of such purchased power would be significantly higher, thereby adversely affecting our cost of production and profitability. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline.

35. An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to various risks inherent in the manufacturing industry including defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. For information regarding the insurance policies obtained by us, see "*Our Business – Insurance*" on page 202. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. In addition, while RPAL has obtained a public guarantee, product liability, comprehensive general liability policy, certain of our arrangements with our customers in our auto components and engineering products business require us to obtain insurance policy which covers the replacement value for any damaged raw material. We cannot assure you that, in the future, we may continue to avail such insurance policies or any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. For our tools and hardware business, our insurance cover for property, plant and equipment as of March 31, 2019, 2020 and 2021, and as of June 30, 2021 was ₹3,325.11 million, ₹3,896.58 million, ₹2,343.49 million and ₹3,558.71 million, respectively, while our gross block of property, plant and equipment was ₹853.79 million, ₹908.32 million, ₹917.39 million and ₹928.08 million, respectively, as of the same periods. Consequently, our insurance cover as a percentage of gross block of property, plant and equipment our tools and hardware business was 389.45%, 428.99%, 255.45% and 383.45%, as of as of March 31, 2019, 2020 and 2021, and as of June 30, 2021, respectively. For our auto components and engineering products business, our insurance cover for property, plant and equipment as of March 31, 2021 and June 30, 2021 was ₹3,003.16 million and ₹2,524.09 million, respectively, while our gross block of property, plant and equipment was ₹1,244.57 million and ₹1,244.86 million, respectively, as of the same periods. Consequently, our insurance cover as a percentage of gross block of property, plant and equipment our auto components and engineering products business was 241.30% and 202.76%, as of as of March 31, 2021 and June 30, 2021, respectively. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

36. We are dependent on our Promoter, management team, a number of Key Managerial Personnel and persons with technical expertise and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are dependent on our Promoter, Directors, senior management and other Key Managerial Personnel as well as persons with technical expertise for setting our strategic business direction and managing our business. Experienced Promoter and senior management team with significant experience in the industries we operate lead us. We believe that the inputs and experience of our Promoter are valuable for the development of our business and operations and the strategic directions taken by our Company. We are also dependent on our Key Managerial Personnel including our business heads for the day to day management of our business operations. In addition, two of our Key Managerial Personnel, Arun Agarwal and Akshat Chechani are employees of Raymond Limited, our Promoter, and not employees of our Company. Their services have been deputed to our Company with effect from November 19, 2021 by way of deputation letters of the same date. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. Competition for individuals with specialized knowledge and experience is intense in our industries. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. In Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, our attrition rate for full-time employees in our tools and hardware business was 4.60%, 6.80%, 5.50% and 1.70%, respectively. While, our attrition rate for full-time employees in our auto components and engineering products business was 7.95% and 2.65% in Fiscal 2021 and the three months ended June 30, 2021, respectively. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected

37. We may be unable to adequately obtain, maintain, protect and enforce our intellectual property rights. We may also be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

As of the date of this Draft Red Herring Prospectus, our Company had obtained 72 registered trademarks, including '*JK*' and '*JK Super Drive*', under the Trade Marks Act, 1999 and applied for six trademark applications in India. Our Company had also obtained 138 registered trademarks and 26 trademarks held in the name of our Promoter, assigned to our Company by way of a business transfer agreement and an assignment agreement, in various countries, including United States, Nigeria, South Africa, Egypt, Kenya, Brazil, China, Thailand and Japan, and applied for 79 trademark applications. Our Company holds 11 copyrights in India, of which seven copyright registrations were filed in the name of our Promoter but were subsequently assigned *vide* a deed of assignment dated March 1, 2010 to our Company. Our Company has also applied for registration of six copyrights in India and holds one copyright in China. Our Company also holds one certificate of registration of design in respect of a packaging box. RPAL has obtained two registered trademarks in India, including '*RPAL*'. In addition, RPAL, along with Perfect Polymers, also hold a patent for sealing device for integral shaft bearings. For further information, see "*Government and Other Approvals – Intellectual Property*" on page 398. Effective intellectual property protection may not be available in every country in which our products are, or may be made, available. The protection of our intellectual property rights may require the expenditure of significant financial, managerial and operational resources. Moreover, the steps we take to protect our intellectual property may not adequately protect our rights or prevent third parties from infringing, misappropriating or otherwise violating our proprietary rights, and we may be unable to broadly enforce all of our intellectual property rights. Any of our intellectual property rights may be challenged by others or invalidated through administrative process or litigation.

We believe that trademarks are important assets to our business. In relation to our other pending applications, third-parties may seek to oppose or otherwise challenge these registrations. As a result, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. In the event a trademark is not approved or if it is registered in the name of a third-party, it could result in significant monetary loss or prevent us from selling our products under our brand name. In addition, our current and future trademarks are subject to expiration and we cannot guarantee that we will be able to renew all of them prior to expiration. Our inability to renew registration of certain trademarks and loss of such trademarks could have an adverse effect on our business, results of operations, financial condition and cash flows.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and attempting to create counterfeit products. We have filed first information reports with various police authorities under the Indian Penal Code, 1860 and Section 63 of the Copyright Act, 1957 reporting instances of availability of counterfeit products. For further details, please refer to "*Outstanding Litigation and Material Developments*" on page 383. We believe that there may be other companies or vendors which operate in the unorganized segment using our tradename or 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. 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.

Further, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights. Any claims of intellectual property infringement from third parties, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. The risk of being subject to intellectual property infringement claims will increase as we continue to expand our operations and product offerings. As a result of such infringement claims, we could be required to pay third party infringement claims, alter our technologies, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing could result in unexpected expenses. In addition, if we are required to alter our technologies or cease production of affected items, our revenue could be adversely affected.

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

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include sales of product and services, interest income on inter-corporate loans given to Group Companies and reimbursement of expenses. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

In Fiscals 2019, 2020 and 2021 and the three months ended June 30, 2021, the aggregate amount of related party transactions (sales of product and services) was ₹5.03 million, ₹0.60 million, ₹0.60 million and ₹0.09 million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, was 0.13%, 0.02%, 0.02% and 0.01%, respectively. For further information on our related party transactions, see "*Financial Statements - Restated Consolidated Financial Information – Note 41: Related Parties Disclosures as per Ind AS 24*" on page 294. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

39. *Employee misconduct could harm us and is difficult to detect and deter.*

Although we closely monitor our employees, misconduct, including acts of theft and fraud, by employees or executives could include binding us to transactions that exceed authorized limits or present unacceptable risks or hiding unauthorized or unlawful activities from us, which may result in substantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Any instances of such misconduct could adversely affect our reputation

40. *We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry we operate.*

Certain non-GAAP financial measures, such as EBITDA, EBITDA Margin, Return on Net Worth, Return on Net Asset per Equity Share, RoCE, Operating RoCE and other non-GAAP measures and certain other industry measures relating to our operations and financial performance such as sales volume have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of similar businesses, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. These non-GAAP financial measures and such other industry related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry related statistical information of similar nomenclature that may be computed and presented by other similar companies. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our Restated Consolidated Financial Information disclosed elsewhere in this Draft Red Herring Prospectus. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*" beginning on page 351.

41. *Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.*

The cost and availability of capital, among other factors, depend on our credit rating. Our long term bank facilities have been rated Care A (CWD) (Single A) (under credit watch with developing implications) and short term bank facilities have been Care A1 (CWD) (A One) (under credit watch with developing implications) by CARE Ratings Limited; and RPAL's, our Subsidiary, long term bank facilities have been rated 'Care A+ (CWD) (Single A Plus) (under credit watch with developing implications) and short term bank facilities have been Care A1+ (CWD) (A One Plus) (under credit watch with developing implications) by CARE Ratings Limited. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

42. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, our business and results of operations could be adversely affected.

Our business operations require working capital for activities including purchase of raw materials for our manufacturing operations as well as for the purchase of packing materials for our products. Presently, we meet our working capital requirements through a mix of internal accruals and working capital facilities from banks and financial institutions. As on June 30, 2021, our proforma sanctioned working capital facilities was ₹874.00 million for funds based limit and ₹302.00 million for non-funds based limit, aggregating to a total limit of ₹1,176.00 million. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, timely payment of, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. We cannot assure that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition

43. Our inability to accurately forecast demand or price for our products and manage our inventory may adversely affect our business, results of operations and financial condition.

Our business depends on our estimate of the demand for our products from customers. We maintain a reasonable level of inventory of raw materials, work in progress and finished goods. However, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. If we overestimate demand, we may incur costs to build capacity or purchased more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

Our ability to maintain as well as expand our international operations is dependent on us providing our products at prices competitive with international as well as local manufacturers. Further, a majority of our business involves having robust supply networks in place. To that extent, if any of our competitors is able to garner a better and more cost efficient supply network, they may be able to provide their products at competitive prices as compared to us. Our inability to price our products at the applicable prices in the international markets, may affect the demand for our products and consequently have a material adverse effect on our results of operations and financial condition.

44. Inability to maintain adequate internal controls may affect our ability to effectively manage our operations, resulting in errors or information lapses.

As we continue to expand, our success depends on our ability to effectively utilize our resources and maintain internal controls. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. We may need to modify and improve our financial and management control processes, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our operations resulting in errors or information lapses that affect our business. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may materially and adversely be affected.

We are also subject to anti-corruption laws and regulations, which generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

45. Significant disruptions of information technology systems or breaches of data security could adversely affect our business.

Our business is dependent upon information technology systems, including internet-based systems, to support business processes. For instance, our facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. We also utilize an enterprise resource planning solution which covers production, finance, sales, marketing logistics, purchase and inventory, across all our manufacturing facilities. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We cannot assure you that we will not encounter disruptions to our information technology systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems may be vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our business and reputation.

46. We currently avail benefits under certain export promotion schemes and are entitled to certain incentives. Any change in these benefits and incentives applicable to us or a delay in disbursement of benefits under such schemes may affect our results of operations.

We currently avail benefits under certain export promotion schemes and avail export incentives, amongst others, Duty Draw back Scheme, Merchandise Export from India Scheme (up to December 2020) and "Refund of Duties and Taxes on Exported Products with effect from January 2021). In Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, export incentives was ₹118.48 million, ₹108.03 million, ₹49.61 million and ₹17.93 million, respectively. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business, results of operations and financial condition. Further, the benefits/ incentives under such industrial schemes are available to us for a fixed period subject to compliance with various terms and conditions and such incentive are not subject to renewal. However, there can be no assurance that we will continue to enjoy these benefits in the future or will be able to obtain timely disbursement of such benefits

47. Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the report titled "*Assessment of Indian and Global markets for specific precision engineered components in Tools & Hardware and Auto Components Industry*" dated December 2021, which has been prepared by CRISIL Research, a division of CRISIL Limited. The CRISIL Report has been commissioned and paid for by us for the purposes of confirming our understanding of the industry, and has been prepared in connection with the Offer. Further, the CRISIL Report is prepared based on information as of specific dates and may no longer be current or reflect current trends. Certain information in the CRISIL Report is also based on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. For the disclaimer regarding the CRISIL Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data - Disclaimer of CRISIL Report*" on page 24.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the Industry Report before making any investment decision regarding the Offer. For further details, see "*Industry Overview*" on page 110.

48. We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.

As of June 30, 2021, our contingent liabilities that have not been accounted for in the Restated Consolidated Financial Information, were as follows:

	As at June 30, 2021 (₹ million)
(i) Claims against JKFL Group not acknowledged as debts in respect of:	
Income tax matters	10.27
Sales tax matters	20.90
Excise and service tax matters	2.64
Other matters*	13.01
(ii) The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organization and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. JKFL Group will evaluate its position and act as clarity emerges on impact of the ruling.	-

Note:
** Amount pertains to various labour related matters.*
The amount shown in respect of above items represent the best possible estimates arrived at on basis of available information. The uncertainties are dependent on the outcome of different legal process. The timing of cash flows will be determinable only on receipt of judgement / decisions pending with various forums / authorities.

For further information, see "*Financial Statements - Restated Consolidated Financial Information – Note 35: Contingent liabilities (to the extent not provided for)*" on page 287.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

49. After the completion of the Offer, our Promoter will continue to collectively hold substantial shareholding in our Company.

After the completion of the Offer, our Promoter will continue to hold substantial shareholding in our Company. Our Promoter will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoter as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that our Promoter will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

50. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our Company has not declared dividends in Fiscals 2019, 2020 and 2021 and the three months ended June 30, 2021. Further, our Company has adopted a dividend policy pursuant to a resolution of our Board dated November 17, 2021. For further information, see "*Dividend Policy*" on page 247. Our ability to pay dividends in the future will depend on a number of factors identified in the dividend policy of our Company, liquidity position, profits, capital requirements, financial commitments and financial requirements including business expansion plans, cost of borrowings, other corporate actions and other relevant or material factors considered relevant by our Board, and external factors, such as the state of the economy and capital markets, applicable taxes including dividend distribution tax, regulatory changes and other relevant or material factors considered relevant by our Board. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. We cannot assure you that we will be able to pay dividends in the future.

51. Certain of our corporate records and filings with the RoC have discrepancies and certain documents in relation to the Company are not traceable. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.

Our Company inadvertently failed to amend Clause III (28) of our MOA to reflect the changes approved by the Shareholders in their meeting dated June 11, 2012 and has subsequently amended the MOA to reflect such change. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future with regard to this discrepancy. Further, certain of our documents are untraceable, for instance, we are unable to trace the agreements/ arrangements entered into by our Promoter for the Registered and Corporate Office of our Company. For further details, see "*History and Certain Corporate Matters*" on page 211. We have also been unable to trace the documents in relation to an outstanding litigation between BMU and Kamgar Utkarsha Sabha, JK Files (India) Limited (SLP/17124/2013). We cannot assure you that the relevant records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

52. Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the installed manufacturing capacity of our facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer, Sanjay Suresh Ranade, through a certificate dated November 23, 2021, in the calculation of the installed manufacturing capacity of our manufacturing facilities. These assumptions and estimates include the standard capacity calculation practice of auto components and engineering products industry and tools and hardware industries after examining the machinery, equipment and other ancillary equipment installed at the facilities, the period during which the manufacturing facilities operated in a year/ period, expected operations, availability of raw materials, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. For further information, see "*Our Business - Manufacturing Facilities*" on page 192. Further, the requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Certain products require lesser process time whereas certain products require more process time in the same manufacturing set-out that we have installed. Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other similar companies involved in the same industries. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Draft Red Herring Prospectus.

53. Our Company shall not receive the proceeds from the Offer. The Promoter Selling Shareholder will receive the net proceeds from the Offer for Sale.

The Offer consists of an Offer for Sale. The entire proceeds after deducting relevant Offer expenses from the proceeds from the Offer for Sale will be paid to the Promoter Selling Shareholder and our Company will not receive any such proceeds. For further details, see "*The Offer*" and "*Objects of the Offer*" on pages 68 and 98, respectively.

External Risk Factors

Risks Relating to India

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

The regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. For further details of the laws currently applicable to us, see "*Key Regulations and Policies*" on page 205. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future.

The application of various tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by India's Ministry of Finance effective as of September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Further, the Government of India has announced the union budget for the Fiscal 2022, pursuant to which the Finance Bill, 2021 ("**Finance Bill**") has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021 ("**Finance Act**"). We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer of consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

There can be no assurance that governments in countries where we operate will not implement new regulations and policies requiring us to obtain approvals and licenses or other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent in the jurisdictions in which we operate may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. It may also have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which could materially harm our results of operations or cash flows. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities

We have not fully determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Any increase in the compliance requirements as result of a change in law, regulation or policy, may require us to divert additional resources, including management time and costs towards such increased compliance requirements. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards our business, which may have an adverse effect on our future business, prospects, financial condition and results of operations. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected. There can be no guarantee that we will be able to comply with any increased or more stringent regulatory requirements, in part or at all. Failure to comply with such further regulatory requirements could lead to regulatory actions, including penalties, which may have an adverse effect on our future business, prospects, financial condition, cash flows and results of operations.

55. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares.

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

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

57. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

The Restated Consolidated Financial Information have been prepared from the audited special purpose consolidated financial statements of JKFL Group as at and for the three months period ended June 30, 2021 and as at and for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 which are prepared in accordance with Indian Accounting Standards (IndAS) specified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as "**Ind AS**"). Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our Restated Consolidated Financial Information were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

58. Our business could be affected and disrupted by other kinds of catastrophic occurrences and similar events.

Natural disasters (such as cyclones, flooding and earthquakes), epidemics, pandemics, acts of war, civil unrest, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn adversely affect our business, financial condition, cash flow and results of operations.

Our operations may be adversely affected by fires, floods, natural disasters and severe weather, which can result in damage to our property or inventory or that of our consumers and suppliers, and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. For more details, see "*- The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance*" on page 30. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of any current outbreaks or future outbreaks of avian or swine influenza or a similar contagious disease could adversely affect the Indian, Asian or Global economy and economic activity and in turn have an adverse effect on our business and the trading price of the Equity Shares.

59. Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.

The Competition Act seeks to prevent business practices that have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, including agreements between vertical trading partners, *i.e.* entities at different stages or levels of the production chain in different markets, which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We may also be subject to queries from the CCI pursuant to complaints by consumers or any third persons, which could be made without any or adequate basis given our market presence.

60. If inflation rises in India, increased costs may result in a decline in profits.

Inflation rates have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our services to pass the increase in costs on to our clients. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

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

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

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

63. Investors may not be able to enforce a judgment of a foreign court against us.

Our Company is incorporated under the laws of India. Our Company's assets are primarily located in India and all of our Key Managerial Personnel as well as a majority of our Company's current Directors are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India.

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

Risks Relating to the Equity Shares and this Offer

64. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Under the IT Act long-term capital gains (i.e. gain realized on the sale of shares held for more than 12 months) exceeding ₹100,000 arising from sale of equity shares listed on a recognized stock exchange, are taxed at the rate of 10% (plus applicable surcharge and cess). This beneficial rate is subject to payment of Securities Transaction Tax ("**STT**"). Further, any gain realized on the sale of Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits or 20% (plus applicable surcharge and cess) with indexation benefits.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations. These amendments have come into effect from July 1, 2020. The Government of India had announced the union budget for Fiscal 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021.

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. Such gains will be subject to tax at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

In cases where the seller is a non-resident, the aforementioned rates would be subject to the beneficial provisions of the tax treaty between India and the country of which the seller is resident, read with Multilateral Instruments ("MLI") (if and to the extent applicable).

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 jurisdictions on gains arising from a sale of the shares subject to relief that may be available under the applicable tax treaty read with MLI (if and to the extent applicable) or under the laws of their own jurisdiction.

65. The Equity Shares have never been publicly traded and we cannot be certain that an active trading market for the Equity Shares will develop or be sustained after this offering, and, following the offering, the price of the Equity Shares may fluctuate significantly, which could cause you to suffer substantial losses.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Accordingly, we cannot guarantee that an active trading market will develop or be sustained after the offering. Nor can we predict the prices at which the Equity Shares may trade after the offering.

The Issue Price of our Equity Shares may not be indicative of the market price for the Equity Shares after the Issue. If purchase the Equity Shares in our initial public offering, you may not be able to resell them at or above the initial public offering price. We cannot assure you that the initial public offering price of the Equity Shares, or the market price following our initial public offering, will equal or exceed prices in privately negotiated transactions of our shares that may have occurred from time to time prior to our initial public offering.

The market price of the Equity Shares may decline or fluctuate significantly due to a number of factors, some of which may be beyond our control, including: developments with respect to the spread or worsening of the COVID-19 pandemic; the impact of COVID-19 on our business operations and our ability to be able to service clients, and the consequential impact on our operating results; actual or anticipated fluctuations in our operating results; announcements about our earnings that are not in line with analyst expectations; the public's reaction to our press releases, other public announcements and filings with the regulator; significant liability claims or complaints from our clients; changes in senior management or key personnel; macroeconomic conditions in India; fluctuations of exchange rates; the operating and stock price performance of comparable companies; changes in our shareholder base; changes in our dividend policy; issuances, exchanges or sales, or expected issuances, exchanges or sales; changes in accounting standards, policies, guidance, interpretations or principles; and changes in the regulatory and legal environment in which we operate; or market conditions in the construction and development industry and the domestic and worldwide economies as a whole, including in relation to the COVID-19 crisis.

Any of these factors may result in large and sudden changes in the volume and trading price of the Equity Shares. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted securities class action litigation against that company. If we were involved in a class action suit, it could divert the attention of management, and, if adversely determined, have a material adverse effect on our business, results of operations and financial condition.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior regulatory approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note 3 of 2020, dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the consolidated FDI policy circular of 2020 dated October 15, 2020, issued by DPIIT, and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 443.

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

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

68. The requirements of being a publicly listed company may strain our resources.

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

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

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

70. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective issue prices.

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Promoter Selling Shareholder in consultation with the Book Running Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" beginning on page 101 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures—Price information of past issues handled by the Book Running Lead Managers*" beginning on page 406. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

71. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

72. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

73. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

SECTION III: INTRODUCTION

THE OFFER

The details of the Offer are summarized below

Offer of Equity Shares by way of an Offer for Sale by the Promoter Selling Shareholder (1)(2)	Up to [•] Equity Shares aggregating up to ₹8,000 million
The Offer comprises:	
Employee Reservation Portion(3)	Up to [•] Equity Shares aggregating up to ₹ [•] million
Shareholder Reservation Portion(3)	Up to [•] Equity Shares aggregating up to ₹ [•] million
Net Offer	Up to [•] Equity Shares aggregating up to ₹ [•] million
A) QIB Portion(3)	Not more than [•] Equity Shares
of which:	
(i) Anchor Investor Portion	Up to [•] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[•] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(3)	[•] Equity Shares
Balance of the Net QIB Portion for all QIBs including Mutual Funds	[•] Equity Shares
B) Non-Institutional Portion	Not less than [•] Equity Shares
C) Retail Portion	Not less than [•] Equity Shares
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to and after the Offer (as on date of this Draft Red Herring Prospectus)	52,443,948 Equity Shares

(1) The Offer has been authorized by a resolution of our Board of Directors at their meeting held on November 30, 2021. Further, our Board has taken on record the consent of the Promoter Selling Shareholder for participation in the Offer for Sale on December 1, 2021.

(2) The Promoter Selling Shareholder has specifically confirmed that the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. The Equity Shares being offered by the Promoter Selling Shareholder have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus. Further, Promoter Selling Shareholder has confirmed and approved its participation in the Offer for Sale, offering for sale up to [•] Equity Shares of our Company aggregating up to ₹8,000 million pursuant to the letter of consent dated December 1, 2021 and board resolution dated December 1, 2021.

(3) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. In case of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section "Terms of the Offer" beginning on page 411.

In the event aggregate demand in the QIB Category has been met, under-subscription, if any, in any category, including the Employee Reservation Portion and the Shareholders Reservation Portion except the QIB Category, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Under-subscription, if any, in any category, including the Employee Reservation Portion and the Shareholders Reservation Portion, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange. For details, see "Terms of the Offer" on page 411.

Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "*Offer Procedure*" beginning on page 422.

For details of the terms of the Offer, see "*Terms of the Offer*" beginning on page 411.

SUMMARY OF RESTATED CONSOLIDATED FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information as at and for the three months' ended June 30, 2021 and the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019.

The Restated Consolidated Financial Information referred to above is presented under "Financial Information" beginning on page 248. The summary of financial information presented below should be read in conjunction with the Restated Consolidated Financial Information, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 330.

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Restated Consolidated Statement of Assets and Liabilities

(All amounts in ₹ millions, unless otherwise stated)

		As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I	**ASSETS**				
	Non-current assets				
	(a) Property, plant and equipment	439.81	449.97	523.31	542.08
	(b) Right of use assets	130.53	134.09	148.31	162.33
	(c) Capital work - in - progress	5.71	6.47	2.34	5.61
	(d) Goodwill	7.94	7.94	7.94	7.94
	(e) Other intangible assets	0.35	0.45	0.48	12.81
	(f) Financial assets				
	(i) Other financial assets	14.99	14.99	14.56	13.28
	(g) Deferred tax assets (net)	19.32	21.55	30.42	48.54
	(h) Current tax assets (net) - non-current	24.45	24.12	32.50	11.50
	(i) Other non-current assets	16.26	17.31	23.91	23.03
	Total non-current assets	**659.36**	**676.89**	**783.77**	**827.12**
	Current assets				
	(a) Inventories	1,008.29	862.88	608.86	496.10
	(b) Financial assets				
	(i) Investments	14.47	14.32	13.45	27.67
	(ii) Trade receivables	286.54	144.31	610.28	559.24
	(iii) Cash and cash equivalents	6.80	43.47	0.76	0.42
	(iv) Bank balances other than (iii) above	4.95	-	0.89	-
	(v) Loans	331.00	421.00	130.00	100.00
	(vi) Other financial assets	2.16	5.75	11.38	0.59
	(c) Other current assets	243.49	230.52	197.38	186.94
		1,897.70	**1,722.25**	**1,573.00**	**1,370.96**
	(d) Assets held for sale	10.58	10.58	10.58	10.58
	Total current assets	**1,908.28**	**1,732.83**	**1,583.58**	**1,381.54**
	TOTAL ASSETS	**2,567.64**	**2,409.72**	**2,367.35**	**2,208.66**
II	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity share capital	87.41	87.41	87.41	87.41
	(b) Instruments entirely in the nature of equity	220.00	220.00	220.00	220.00
	(c) Other equity	814.32	718.89	480.93	337.04
	Equity attributable to owners of the Company	**1,121.73**	**1,026.30**	**788.34**	**644.45**
	Non-controlling interests	27.26	26.99	26.28	24.01
	Total equity	**1,148.99**	**1,053.29**	**814.62**	**668.46**
	Liabilities				
	Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	-	-	-	342.78
	(ii) Lease liabilities	126.66	129.79	141.04	148.09
	(b) Deferred tax liabilities	0.53	0.49	0.33	1.69
	Total non-current liabilities	**127.19**	**130.28**	**141.37**	**492.56**
	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	120.38	148.13	385.67	240.98
	(ii) Lease liabilities	11.91	11.25	8.89	7.18
	(iii) Trade payables	619.76	525.75	589.54	443.25
	(iv) Other financial liabilities	214.70	200.44	188.55	157.87
	(b) Provisions	73.49	73.31	41.19	35.32
	(c) Current tax liabilities (net)	9.41	-	-	-
	(d) Other current liabilities	241.81	267.27	197.52	163.04
	Total current liabilities	**1,291.46**	**1,226.15**	**1,411.36**	**1,047.64**

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total liabilities	**1,418.65**	**1,356.43**	**1,552.73**	**1,540.20**
TOTAL EQUITY AND LIABILITIES	**2,567.64**	**2,409.72**	**2,367.35**	**2,208.66**

Restated Consolidated Statement of Profit and Loss

(All amounts in ₹ millions, unless otherwise stated)

		Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
I	**Revenue from operations**	1,104.79	3,442.55	3,759.86	4,013.33
II	**Other income**	14.01	54.08	60.61	24.72
III	**Total income (I+II)**	**1,118.80**	**3,496.63**	**3,820.47**	**4,038.05**
IV	**Expenses**				
	Cost of raw materials consumed	299.13	894.24	863.58	927.96
	Purchases of stock-in-trade	141.24	425.39	411.23	449.82
	Changes in inventories of work-in progress, finished goods and stock-in-trade	(61.27)	(230.48)	(23.65)	0.95
	Employee benefits expense	177.12	602.41	710.39	690.94
	Finance costs	7.47	37.02	72.43	105.11
	Depreciation and amortization expense	24.51	97.16	103.45	116.35
	Net impairment losses (including reversals) on financial assets	(2.02)	(15.98)	(1.70)	36.81
	Other expenses	404.14	1,343.43	1,470.43	1,458.61
	Total expenses (IV)	**990.32**	**3,153.19**	**3,606.16**	**3,786.55**
V	**Restated profit before exceptional items and tax (III-IV)**	**128.48**	**343.44**	**214.31**	**251.50**
VI	**Exceptional Items**	-	-	-	2.91
VII	**Restated profit before tax (V-VI)**	**128.48**	**343.44**	**214.31**	**248.59**
VIII	**Tax expense**				
	Current tax	30.13	78.72	54.53	78.63
	Deferred tax	2.27	9.03	16.76	2.09
	Total tax expenses (VIII)	**32.40**	**87.75**	**71.29**	**80.72**
IX	**Restated profit for the period / year (VII- VIII)**	**96.08**	**255.69**	**143.02**	**167.87**
X	**Restated other comprehensive income / (loss)**				
	Items that will not be reclassified to profit or loss				
	- Remeasurements of defined benefit plans	(0.49)	(22.11)	4.21	8.60
	- Income tax relating to items that will not be reclassified to profit/loss	0.11	5.09	(1.07)	(2.99)
	Restated other comprehensive income / (loss) for the period / year, net of tax	**(0.38)**	**(17.02)**	**3.14**	**5.61**
XI	**Restated total comprehensive income for the period / year (IX+X)**	**95.70**	**238.67**	**146.16**	**173.48**
	Restated total comprehensive income for the period / year (comprising profit and other comprehensive income for the period / year) attributable to:				
	Owners of the parent	95.43	237.96	143.89	171.36
	Non-controlling interests	0.27	0.71	2.27	2.12
		95.70	**238.67**	**146.16**	**173.48**
	Of the total comprehensive income above, restated profit attributable to:				
	Owners of the parent	95.86	254.60	140.72	165.76
	Non-controlling interests	0.22	1.09	2.30	2.11
		96.08	**255.69**	**143.02**	**167.87**
	Of the total comprehensive income above, restated other comprehensive income / (loss) attributable to:				
	Owners of the parent	(0.43)	(16.64)	3.17	5.60

		Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	Non-controlling interests	0.05	(0.38)	(0.03)	0.01
		(0.38)	**(17.02)**	**3.14**	**5.61**
XII	**Restated earnings per equity share attributable to owners of parent**				
	Basic earnings per share (in Rs.)	1.83	4.85	2.68	3.16
	Diluted earnings per share (in Rs.)	1.56	4.13	2.28	2.69

Restated Consolidated Statement of Cash Flows

(All amounts in ₹ millions, unless otherwise stated)

		Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
A.	**Cash flow from operating activities**				
	Restated profit before tax	128.48	343.44	214.31	248.59
	Adjustment for :				
	Depreciation and amortisation expenses	24.51	97.16	103.45	116.35
	Net (gain) / loss on disposal/discard of property, plant and equipment	-	(0.23)	0.06	1.02
	Interest income	(9.42)	(30.15)	(17.64)	(15.27)
	Finance costs	7.47	37.02	72.43	105.11
	Unrealised (gain) / loss on foreign exchange fluctuations	(6.15)	(4.11)	(34.11)	6.42
	Net (gain) / loss on sale / fair valuation of investments	(0.16)	(0.87)	1.72	(2.17)
	Loss Allowances / (write back)	(2.02)	(15.98)	(1.70)	36.81
		14.23	82.84	124.21	248.27
	Operating profit before changes in operating assets and liabilities	142.71	426.28	338.52	496.86
	Changes in operating assets and liabilities				
	(Increase) in inventory	(145.41)	(254.02)	(112.76)	(110.08)
	Decrease/(Increase) in trade receivables	(134.26)	485.02	(18.56)	10.67
	Decrease/(Increase) in other financial assets	(5.41)	9.48	(10.98)	(5.44)
	Decrease/(Increase) in other assets	(12.68)	(25.71)	(10.31)	67.54
	Increase/ (Decrease) in trade payables	95.12	(60.99)	158.19	(82.85)
	Increase/ (Decrease) in trade financial liabilities	(2.20)	84.46	27.01	(21.39)
	Increase/ (Decrease) in trade liabilities	(9.33)	(4.51)	(2.87)	(11.86)
	Increase/ (Decrease) in provisions	(0.31)	10.01	10.08	(1.42)
		(214.48)	243.74	39.80	(154.83)
		(71.77)	670.02	378.32	342.03
	Less: Income taxes paid (Net)	(20.94)	(66.42)	(77.23)	(66.19)
	Net cash flows generated from / (used in) operating activities	**(92.71)**	**603.60**	**301.09**	**275.84**
B.	**Cash flows from Investing Activities**				
	Proceeds from repayment of inter corporate deposit by related parties	90.00	-	-	200.00
	Proceeds from sale of property, plant & equipment	-	6.15	32.88	101.33
	Proceeds from sale of current investments	-	-	12.50	100.00
	Interest received	13.47	26.76	15.66	15.34
	Purchase of property, plant & equipment (including capital work-in-progress and capital advances)	(9.72)	(20.13)	(56.92)	(19.94)
	Inter Corporate Deposit placed with group companies	-	(291.00)	(30.00)	(300.00)
	Net cash flows generated from / (used in) investing activities	**93.75**	**(278.22)**	**(25.88)**	**96.73**
C.	**Cash flows from Financing Activities**				
	Repayment of long term borrowings	-	-	(342.78)	-
	Proceeds / (Repayment) of Short term borrowings (net)	(27.75)	(237.54)	144.69	(264.03)
	Principal element of lease payments	(2.47)	(8.89)	(5.34)	(7.19)
	Interest on lease liabilities	(3.85)	(16.02)	(17.39)	(17.58)
	Interest paid - others	(3.64)	(20.22)	(54.05)	(85.69)

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Net cash flows used in financing activities	**(37.71)**	**(282.67)**	**(274.87)**	**(374.49)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(36.67)	42.71	0.34	(1.92)
Cash and Cash Equivalents at the beginning of the period / year	43.47	0.76	0.42	2.34
Cash and Cash Equivalents as at the end of the period / year (Refer note 10(a))	**6.80**	**43.47**	**0.76**	**0.42**

Non-cash financing and investing activities

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Acquisition of right-of-use assets	-	-	1.12	-

GENERAL INFORMATION

For details in relation to our incorporation and changes to our name and Registered and Corporate Office, see "*History and Certain Corporate Matters*" on page 211. For details of the business of our Company, see "*Our Business*" beginning on page 162.

Registered and Corporate Office of our Company

JK Files & Engineering Limited
New Hind House,
Narottam Morarjee Marg,
Ballard Estate,
Mumbai - 400001,
Maharashtra, India
Corporate Identity Number: U27104MH1997PLC105955
Registration Number: 11-105955

Address of the RoC

Our Company is registered with the Registrar of Companies, Mumbai at Maharashtra, situated at the address set out below.

Registrar of Companies, Mumbai
100, Everest,
Marine Drive,
Mumbai - 400002,
Maharashtra, India

Board of Directors of our Company

As of the date of this Draft Red Herring Prospectus, the composition of our Board is as disclosed below.

S. No.	Name	Designation	DIN	Address
1.	Ravikant Uppal	Chairman and Non-Executive Director	00025970	A-23, West End, 2nd Floor Anand Niketan, South West Delhi, Chankya Puri, New Delhi – 110021, India
2.	Balasubramanian Vishwanathan	Managing Director	05222476	E-601, Kalpataru Regency II, Road No. 10, Kalyani Nagar, Pune – 411006, Maharashtra, India
3.	Gautam Hari Singhania	Non-Executive Director	00020088	J.K. House, 59A, Bhulabhai Desai Road, Opposite Breach Candy Hospital, Cumbala Hill, Mumbai – 400026, Maharashtra, India
4.	Vijay Bhatt	Independent Director	00751001	2/1, Palacimo, 47/48 Indranarayan Road, Santacruz (W), Mumbai – 400054, Maharashtra, India
5.	Satish Sekhri	Independent Director	00211478	R-6, Sacred Heart Town, Wanowrie, Pune – 411040, Maharashtra, India
6.	Rashmi Mundada	Independent Director	08086902	C-504, Aphrodite Lodha Paradise, Majhiwada, Thane (West) – 400601, Maharashtra, India

For brief profiles and further details of our Board, see "*Our Management*" beginning on page 220.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus will be filed electronically on the platform provided by SEBI and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD" and will also be filed with the Securities and Exchange Board of India at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051
Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the Registrar of Companies at its office located at the Registrar of Companies, 100, Everest, Marine Drive, Mumbai-400002, Maharashtra, India.

Company Secretary and Compliance Officer

Akshat Chechani is our Company Secretary and Compliance Officer. His contact details are as follows:

Akshat Chechani
Company Secretary and Compliance Officer
New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai - 400001, Maharashtra, India
Tel: 022 6152 7000
E-mail: jkfiles.secretarial@raymond.in

Book Running Lead Managers

SBI Capital Markets Limited
202, Maker Tower 'E',
Cuffe Parade,
Mumbai – 400 005,
Maharashtra, India
Tel: +91 22 2217 8300
E-mail: jkfiles.ipo@sbicaps.com
Investor Grievance ID: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Karan Savardekar / Sambit Rath
SEBI Registration Number: INM00003531

HDFC Bank Limited
Investment Banking Group,
Unit No. 401 & 402
4th Floor, Tower B
Peninsula Business Park, Lower Parel
Mumbai 400 013,
Maharashtra, India
Tel: +91 22 3395 8233
E-mail: jkfiles.ipo@hdfcbank.com
Investor grievance e-mail:
investor.redressal@hdfcbank.com
Website: www.hdfcbank.com
Contact person: Harsh Thakkar / Ravi Sharma

DAM Capital Advisors Limited
(Formerly IDFC Securities Limited)
One BKC, Tower C, 15th Floor, Unit No.1511
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4202 2500
E-mail: jkfiles.ipo@damcapital.in
Investor Grievance ID: complaint@damcapital.in
Website: www.damcapital.in
Contact Person: Gunjan Jain
SEBI Registration Number: MB/INM000011336

SEBI Registration No: INM000011252

Syndicate Members

[•]

Legal Advisers to our Company and the Promoter Selling Shareholder as to Indian Law

Shardul Amarchand Mangaldas & Co
Express Towers, 24th Floor
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel.: +91 22 4933 5555

Legal Advisers to the BRLMs as to Indian Law

AZB & Partners
AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg,
Lower Parel.
Mumbai 400 013
Maharashtra, India
Tel: + 91 22 6639 6880

Legal Advisers to the BRLMs as to International Law

Allen & Overy (Asia) Pte Ltd
50 Collyer Quay
09-01 OUE Bayfront
Singapore 049 321
Tel.: +61 6671 6000

Statutory Auditors to our Company

Price Waterhouse Chartered Accountants LLP
252, Veer Savarkar Marg,
Shivaji Park,
Dadar (West) Mumbai-400028
Maharashtra, India
Tel: +91 22 6669 1000
Email: in_project_sun@pwc.com
Firm Registration Number: 012754N/N500016
Peer Review Certificate Number: 012639

Changes in the statutory auditors

There have been no changes in our statutory auditors in the last three years.

Registrar to the Offer

KFin Technologies Private Limited
Selenium Tower-B,
Plot 31 & 32, Gachibowli
Financial District, Nanakramguda,
Serilingampally,
Hyderabad 500 032
Telangana, India

Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: jkfiles.ipo@kfintech.com
Website: www.kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number.: INR000000221

Banker(s) to the Offer

Escrow Collection Bank(s)

[•]

Refund Bank(s)

[•]

Public Offer Account Bank(s)

[•]

Sponsor Bank

[•]

Bankers to our Company

Bank of Maharashtra
Address: Zonal office – B – 37, Wagle Industrial Estate, Thane (W) – 400604 & Head office – Lokmangal, 1501, Shivajinagar, Pune-5
Tel: 022 2582 3040
Contact Person: Praveen Ramnani
Website: www.bankofmaharashtra.in
Email: agmcpc_thane@mahabank.co.in, zmthane@mahabank.co.in

Axis Bank Limited
Address: Wholesale Banking Coverage - Large Corporates, Axis Bank Corporate Office Axis House, 7th Floor, Bombay Dyeing Mills Compound, P. B. Marg, Worli, Mumbai - 400 025
Tel: +91 22 2425 4751
Contact Person: Manoj Shingnath
Website: www.axisbank.com
Email: manoj.shingnath@axisbank.com

Standard Chartered Bank
Address: Crescenzo Building, 06th Floor, Bandra Kurla Complex, Mumbai – 400051
Tel: 022 42658125
Contact Person: Mehul Tyagi
Website: www.sc.com
Email: Mehul.Tyagi@sc.com

HDFC Bank Limited
Address: HDFC Bank Ltd., Unit No. 401 and 402, 4th floor, Tower B, Peninsula Business Park, Lower Parel, Mumbai - 400013
Tel: 022 3395 8106
Contact Person: Jay Sonawala
Website: hdfcbank.com
Email: Jay.sonawalai@hdfcbank.com

ICICI Bank Limited
Address: ICICI Bank Towers, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
Tel: 022 4008 6412
Contact Person: Arjun Seth
Website: www.icicibank.com
Email: Arjun.seth@icicibank.com

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the Registrar and Share Transfer Agents eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or any such other websites as updated from time to time.

Credit Rating

As the Offer is of Equity Shares, the appointment of a credit rating agency is not required.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As the Offer is of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

Appraising Agency

The objects of the Offer have not been appraised. Accordingly, no appraising agency has been appointed.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Experts

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated December 8, 2021, from our Statutory Auditors, Price Waterhouse Chartered Accountants LLP, to include their names in this Draft Red Herring Prospectus and as "expert" as required under Section 26 of the Companies Act in their capacity as Statutory Auditors and in respect of their examination report dated December 1, 2021 on the Restated Consolidated Financial Information and their report on the Pro Forma Consolidated Financial Information dated December 1, 2021 included in this Draft Red Herring Prospectus; and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

Our Company has received written consent dated November 23, 2021, from the independent chartered engineer, namely Sanjay S. Ranade, Chartered Engineer, to include his name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Inter-se Allocation of Responsibilities between the BRLMs

The table below sets forth the inter-se allocation of responsibilities for various activities among the BRLMs.

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	SBICAP, DAM Capital and HDFC Bank	SBICAP
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus, Offer Agreement, and Underwriting Agreements and RoC filing	SBICAP, DAM Capital and HDFC Bank	SBICAP
3.	Drafting and approval of all statutory advertisements	SBICAP, DAM Capital and HDFC Bank	SBICAP
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures and filing of media compliance report with SEBI	SBICAP, DAM Capital and HDFC Bank	HDFC Bank

S. No.	Activity	Responsibility	Coordinator
5.	Appointment of all intermediaries including Registrar and ad agency, printer, Banker (s) to the Offer, Syndicate, Monitoring Agency, etc. (including coordination of all agreements)	SBICAP, DAM Capital and HDFC Bank	HDFC Bank
6.	International institutional marketing of the Offer, which will cover, *inter alia*: • Preparation of road show presentation and FAQs for the road show team; • Institutional marketing strategy; • Finalising the list and division of international investors for one-to-one meetings; and • Finalising international road show and investor meeting schedules	SBICAP, DAM Capital and HDFC Bank	HDFC Bank
7.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Finalising the list and division of domestic investors for one-to-one meetings; and • Finalising domestic road show and investor meeting schedules	SBICAP, DAM Capital and HDFC Bank	SBICAP
8.	Conduct non-institutional marketing of the Offer	SBICAP, DAM Capital and HDFC Bank	SBICAP
9.	Conduct retail marketing of the Offer, which will cover, *inter alia*: • Finalising media, marketing, public relations strategy and publicity budget; • Finalising collection centres; • Finalising centres for holding conferences for brokers, *etc*.; and • Follow-up on distribution of publicity and Offer material including forms, RHP / Prospectus and deciding on the quantum of the Offer material	SBICAP, DAM Capital and HDFC Bank	HDFC Bank
10.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, 1% security deposit. managing Anchor book related activities and submission of letters to regulators post completion of anchor allocation	SBICAP, DAM Capital and HDFC Bank	SBICAP
11.	Managing the book and finalization of pricing in consultation with the Company and Promoter Selling Shareholder	SBICAP, DAM Capital and HDFC Bank	HDFC Bank
12.	Post-Offer activities – Management of escrow accounts, finalisation of the basis of allotment based on technical rejections, post Offer stationery and preparation of CAN for Anchor Investors, essential follow-up steps including follow-up with bankers to the Offer and Self Certified Syndicate Banks and coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the offer, Self-Certified Syndicate Banks *etc*., listing of instruments, demat credit and refunds/ unblocking of funds, announcement of allocation and dispatch of refunds to Bidders, *etc*., payment of the applicable STT on behalf the Promoter Selling Shareholder, coordination for investor complaints related to the Offer, submission of final post issue report and coordination with SEBI and Stock Exchanges for refund of 1% security deposit	SBICAP, DAM Capital and HDFC Bank	HDFC Bank

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid Lot size will be decided by our Company and Promoter Selling Shareholder, in consultation with the BRLMs and will be included in the Red Herring Prospectus or if not disclosed in the Red Herring Prospectus, will be advertised in [•] editions of the English national daily newspaper [•], [•] editions of the Hindi national daily newspaper [•] and [•] editions of the Marathi daily newspaper [•] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, and advertised at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges to upload on their respective websites. The Offer Price shall be determined by our Company and Promoter Selling Shareholer, in consultation with the BRLMs, after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the Retail Individual Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Eligible Employees (subject to the Bid Amount being up to ₹500,000) and Raymond Shareholder(s) (subject to the Bid Amount being up to ₹200,000) are permitted to Bid using the UPI Mechanism under the Employee Reservation Portion and the Shareholder Reservation Portion, respectively. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors Bidding in the Retail Portion, Eligible Employees Bidding in the Employee Reservation Portion (subject to the Bid Amount being up to ₹500,000) and Raymond Shareholder(s) Bidding in the Shareholder Reservation Portion (subject to the Bid Amount being up to ₹200,000) can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to revise or withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to Retail Individual Investors and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.

See "*Offer Structure*", "*Offer Procedure*" and "*Terms of the Offer*" beginning on pages 418, 422 and 411, respectively.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI, which are subject to change from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law

Investors should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure*" beginning on page 422.

Underwriting Agreement

The Underwriting Agreement had not been executed as of the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. Our Company and the Promoter Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, specified therein. The Underwriting Agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to conditions specified therein.

The Underwriters have indicated their intention to underwrite such number of Equity Shares as disclosed below.

(This portion has been intentionally left blank and will be filled in before the Prospectus is filed with the RoC)

Name, Address, Telephone Number and E-mail Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ million)
[•]	[•]	[•]

The abovementioned underwriting commitments are indicative and will be finalized after determination of the Offer Price and Basis of Allotment and the allocation, subject to and in accordance with the provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of each of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to Equity shares allocated to Bidders procured by them in accordance with the Underwriting Agreement.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment disclosed in the table above.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Red Herring Prospectus, is set forth below.

S. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Offer Price*
			(₹, except share data)
A	**AUTHORIZED SHARE CAPITAL(1)**		
	85,000,000 Equity Shares of face value of ₹2 each(2)	170,000,000	-
	2,200,000 Preference Shares of face value of ₹100 each	220,000,000	-
	TOTAL	**390,000,000**	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	52,443,948 Equity Shares of face value of ₹ 2 each(2)	104,887,896	-
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer for sale of [•] Equity Shares aggregating up to ₹8,000 million(3)(4)	[•]	[•]
	Which includes:		
	Employee Reservation Portion of up to [•] Equity Shares^	[•]	[•]
	Shareholders Reservation Portion of up to [•] Equity Shares^	[•]	[•]
	Net Offer of up to [•] Equity Shares	[•]	[•]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	52,443,948 Equity Shares of face value of ₹2 each	104,887,896	[•]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before and after the Offer		13,968,630

* *To be included upon determination of Offer Price*

^ *The Offer includes a reservation of up to [•] Equity Shares aggregating up to ₹[•] million, for subscription by Eligible Employees and a reservation of up to [•] equity shares aggregating up to ₹[•] million, for subscription by Raymond Shareholders. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share Capital and the Shareholders Reservation Portion shall not exceed 10% of the Offer size.*

(1) *For details in relation to the changes in the authorized share capital of our Company in the last 10 years, see 'History and Certain Corporate Matters - Amendments to our Memorandum of Association' on page 212.*

(2) *Pursuant to their resolutions dated September 27, 2021 and October 28, 2021 respectively, the Board and Shareholders of our Company approved the sub-division of our Equity Shares from face value of ₹10 each to Equity Shares of face value of ₹2 each.*

(3) *Our Board has authorized the Offer, pursuant to their resolution dated November 30, 2021. The Draft Red Herring Prospectus has been authorized by a resolution dated December 1, 2021 passed by our Board and by a resolution dated December 8, 2021 passed by the IPO Committee.*

(4) *For details on the confirmation and authorization of the Promoter Selling Shareholder for their participation in the Offer for Sale, see 'Other Regulatory and Statutory Disclosures' on page 399.*

Notes to Capital Structure

1. **Share Capital History of our Company**

(a) ***History of the Equity Share Capital of our Company***

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

Date of allotment / change	Number of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Allotment	Nature of Consideration	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
February 11, 1997	70	10	10	Initial subscription to the Memorandum of Association[(1)]	Cash	70	700
April 1, 2002	3,270,000	10	10	Preferential issue[(2)]	Cash	3,270,070	32,700,700
March 12, 2003	500,000	10	10	Rights issue[(3)]	Cash	3,770,070	37,700,700
October 28, 2009	4,970,588[(4)]	10	17	Rights issue of Equity Shares as consideration towards slump sale[(5)]	Consideration other than cash	8,740,658	87,406,580
October 28, 2021	Pursuant to resolutions passed by our Board and Shareholders in their meetings held on September 27, 2021 and October 28, 2021 respectively, our Company has sub-divided its authorized Equity Share Capital, such that 8,740,658 Equity Shares of face value of ₹10 each aggregating to ₹87,406,580 were sub-divided into 43,703,290 Equity Shares of face value of ₹2 each aggregating to ₹87,406,580. Therefore, the cumulative number of Equity Shares pursuant to sub-division was 43,703,290 Equity Shares and cumulative paid-up Equity Share Capital of the Company was ₹87,406,580.						
November 8, 2021	8,740,658	2	Not applicable	Bonus Issue[(6)]	Nil	52,443,948	104,887,896

(1) 70 Equity Shares were allotted to Bal Krishna Kedia (10 Equity Shares), Gautam Hari Singhania (10 Equity Shares), Rattan Parkash Chowdhri (10 Equity Shares), Hasmukh Kapadia (10 Equity Shares), Pradeep Kumar Bhandari (10 Equity Shares), Ramchandra Anant Prabhudesai (10 Equity Shares), Ramalingam Narayanan (10 Equity Shares).

(2) 3,270,000 Equity Shares were allotted to Raymond Limited.

(3) 500,000 Equity Shares were allotted to Raymond Limited.

(4) Pursuant to the meeting of the Shareholders dated September 18, 2009, the Shareholders of the Company approved an issuance of 13,229,930 Equity Shares. However, subsequently, the Board, pursuant to its resolution dated October 28, 2009, allotted only 4,970,588 Equity Shares to Raymond Limited.

(5) Allotment of 4,970,588 Equity Shares to Raymond Limited as partial consideration of ₹84.5 million pursuant to an agreement dated August 31, 2009 to transfer undertaking on a slump sale basis to Hindustan Files Limited (previous name of our Company) for a total consideration of ₹915.5 million. For details in relation to the said slump sale, see 'Summary of Key Agreements' under 'History and Certain Corporate Matters' on page 211.

(6) Pursuant to resolutions passed by the Board of Directors and Shareholders dated September 27, 2021 and October 28, 2021 respectively, 8,740,658 bonus Equity Shares of face value ₹2 were issued to Raymond Limited.

(b) ***History of Preference Share capital of our Company***

The following table sets forth the history of the preference share capital of our Company. Our Company had issued 6.5% cumulative convertible preference shares on October 28, 2009, the terms of which were revised pursuant to a resolution passed by our Board dated April 25, 2016 to 9% non-cumulative convertible preference shares. The 9% non-cumulative convertible preference shares issued by our Company have been redeemed on September 27, 2021, and as of the date of this Draft Red Herring Prospectus, our Company does not have any issued, subscribed or paid-up preference share capital.

Date of allotment / change	Number of Preference Shares Allotted	Face Value (₹)	Issue Price per Preference Share (₹)	Nature of Allotment	Nature of Consideration	Cumulative Number of Preference Shares	Cumulative Paid-up Preference Share Capital (₹)
October 28, 2009	2,200,000	100	100	Rights issue of Preference Shares as consideration	Consideration	2,200,000	220,000,000

Date of allotment / change	Number of Preference Shares Allotted	Face Value (₹)	Issue Price per Preference Share (₹)	Nature of Allotment	Nature of Consideration	Cumulative Number of Preference Shares	Cumulative Paid-up Preference Share Capital (₹)
				towards slump sale[(1)]	other than cash		
September 27, 2021	(2,200,000)	100	-	Redemption[(2)]	-	-	-

(1) 2,200,000, 6.5% cumulative convertible preference shares were allotted to Raymond Limited as partial consideration of ₹220 million pursuant to an agreement dated August 31, 2009 to transfer undertaking on a slump sale basis to Hindustan Files Limited (previous name of our Company) for a total consideration of ₹915.5 million. For details in relation to the said slump sale, see 'Summary of Key Agreements' under 'History and Certain Corporate Matters' on page 211.

(2) Pursuant to a resolution dated September 27, 2021, passed by our Board, 2,200,000 9% non-cumulative convertible preference shares held by Raymond Limited were redeemed out of the profits of the Company.

2. **Issue of Equity Shares at a price lower than the Offer Price in the last one year**

Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during the period of one year preceding the date of this Draft Red Herring Prospectus except as detailed below:

Date of allotment / change	Number of Equity Shares Allotted	Face Value (₹)	Issue Price per Equity Share (₹)	Nature of Allotment	Nature of Consideration	Cumulative Number of Equity Shares
November 8, 2021	8,740,658	2	Not applicable	Bonus issue[(1)]	Nil	8,740,658

(1) Pursuant to resolutions passed by our Board of Directors and Shareholders dated September 27, 2021 and October 28, 2021 respectively, 8,740,658 bonus Equity Shares of face value ₹2 were issued to Raymond Limited.

3. **Issue of Equity Shares for consideration other than cash or out of revaluation reserves**

Our Company has not issued any Equity Shares for consideration other than cash since its incorporation, except as set out below.

Date of allotment / change	Number of Equity Shares Allotted	Face Value (₹)	Issue Price per Equity Share (₹)	Nature / Reason for Allotment	Benefits accrued to our Company
October 28, 2009	4,970,588[(1)]	10	17	Rights issue of Equity Shares as consideration towards slump sale[(2)]	Business restructuring
November 8, 2021	8,740,658	2	Not applicable	Bonus issue[(3)]	-

(1) Pursuant to the meeting of the Shareholders dated September 18, 2009, the Shareholders of the Company approved an issuance of 13,229,930 Equity Shares. However, subsequently, the Board, pursuant to its resolution dated October 28, 2009, allotted only 4,970,588 Equity Shares to Raymond Limited.

(2) Allotment of 4,970,588 Equity Shares to Raymond Limited as partial consideration of ₹84.5 million pursuant to an agreement dated August 31, 2009 to transfer undertaking on a slump sale basis to Hindustan Files Limited (previous name of our Company) for a total consideration of ₹915.5 million. For details in relation to the said slump sale, see 'Summary of Key Agreements' under 'History and Certain Corporate Matters' on page 211.

(3) Pursuant to resolutions passed by the Board of Directors and Shareholders dated September 27, 2021 and October 28, 2021 respectively, 8,740,658 bonus Equity Shares of face value ₹2 were issued to Raymond Limited.

4. **Issue of preference shares for consideration other than cash or out of revaluation reserves**

Our Company has not issued any preference shares for consideration other than cash since its incorporation, except as set out below. Our Company had issued 6.5% cumulative convertible preference shares on October 28, 2009, the terms of which were later revised pursuant to a resolution passed by our Board dated April 25, 2016 to 9% non-cumulative convertible preference shares. The 9% non-cumulative convertible preference shares issued by our Company have been redeemed on September 27, 2021, and as of the date of this Draft Red Herring Prospectus, our Company does not have any issued, subscribed or paid-up preference share capital.

Date of allotment / change	Number of Preference Shares Allotted	Face Value (₹)	Issue Price per Preference Share (₹)	Nature of Allotment	Nature of Consideration	Cumulative Number of Preference Shares	Cumulative Paid-up Preference Share Capital (₹)
October 28, 2009	2,200,000	100	100	Rights issue of Preference Shares as consideration towards slump sale(1)	Consideration other than cash	2,200,000	220,000,000
September 27, 2021	(2,200,000)	100	-	Redemption(2)	-	-	-

(1) 2,200,000, 6.5% cumulative convertible preference shares were allotted to Raymond Limited as partial consideration of ₹220 million pursuant to an agreement dated August 31, 2009 to transfer undertaking on a slump sale basis to Hindustan Files Limited (previous name of our Company) for a total consideration of ₹915.5 million. For details in relation to the said slump sale, see 'Summary of Key Agreements' under 'History and Certain Corporate Matters' on page 211.

(2) Pursuant to a resolution dated September 27, 2021, passed by our Board, 2,200,000 9% non-cumulative convertible preference shares held by Raymond Limited were redeemed out of the profits of the Company.

5. **Issue of Equity Shares or Preference Shares pursuant to schemes of arrangement**

Our Company has not issued any Equity Shares in the past in terms of a scheme of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act.

6. **Issue of Equity Shares under employee stock option schemes**

Our Company does not have any employee stock option schemes as on date of this Draft Red Herring Prospectus.

7. **Details of Build-up, Contribution and Lock-in of Promoter Shareholding and Lock-in of other Equity Shares**

As of the date of this Draft Red Herring Prospectus, our Promoter, jointly along with six joint holders, holds 52,443,948 Equity Shares, representing 100% of the issued, subscribed and paid-up share capital of our Company.

(a) *Build-up of our Promoter's Shareholding in our Company*

The build-up of the equity shareholding of our Promoter in our Company since its incorporation is set forth below.

Date of Allotment/ Transfer	Number of Equity Shares	Face Value (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Acquisition/ Allotment/ Transfer	Percentage of Pre-Offer Equity Share Capital (%)	Percentage of Post-Offer Equity Share Capital (%)
				Raymond Limited*			
April 1, 2002	10	10	10	Cash	Transfer by Bal Krishna Kedia to Raymond Limited jointly held with Bal Krishna Kedia(1)	Negligible	[•]
April 1, 2002	10	10	10	Cash	Transfer by Gautam Hari Singhania to Raymond Limited jointly held with	Negligible	[•]

Date of Allotment/ Transfer	Number of Equity Shares	Face Value (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Acquisition/ Allotment/ Transfer	Percentage of Pre-Offer Equity Share Capital (%)	Percentage of Post-Offer Equity Share Capital (%)
					Gautam Hari Singhania[(1)]		
April 1, 2002	10	10	10	Cash	Transfer by Rattan Parkash Chowdhri to Raymond Limited jointly held with Anant Singhania	Negligible	[•]
April 1, 2002	10	10	10	Cash	Transfer by Hasmukh Kapadia to Raymond Limited jointly with S.K. Kaul[(1)]	Negligible	[•]
April 1, 2002	10	10	10	Cash	Transfer by Pradeep Kumar Bhandari to Raymond Limited jointly held with Pradeep Kumar Bhandari[(1)]	Negligible	[•]
April 1, 2002	10	10	10	Cash	Transfer by Ramchandra Anant Prabhudesai to Raymond Limited jointly held with Ramchandra Anant Prabhudesai[(1)]	Negligible	[•]
April 1, 2002	10	10	10	Cash	Transfer by Ramalingam Narayanan to Raymond Limited jointly held with Ramalingam Narayanan[(1)]	Negligible	[•]
April 1, 2002	3,270,000	10	10	Cash	Preferential issue[(2)]	31.18	[•]
March 12, 2003	500,000	10	10	Cash	Rights issue [(3)]	4.77	[•]
October 28, 2009	4,970,588 [(4)]	10	17	Consideration other than cash towards slump sale	Rights issue [(5)]	47.39	[•]
October 28, 2021	Sub-division of equity shares of face value of ₹10 each to Equity Shares of face value of ₹2 each[(6)]					-	-

Date of Allotment/ Transfer	Number of Equity Shares	Face Value (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Acquisition/ Allotment/ Transfer	Percentage of Pre-Offer Equity Share Capital (%)	Percentage of Post-Offer Equity Share Capital (%)
November 8, 2021	8,740,658	2	Not applicable	Nil	Bonus issue(7)	16.66	[•]

* *The Equity Shares held by Raymond Limited jointly with its second holders have undergone multiple transfers among the second holders, with Raymond Limited being the first holder in all such cases. On account of the beneficial ownership remaining with Raymond Limited, the transfer of shares between such joint holders has not been built into the above table. The current Equity Share Capital of our Company is held by Raymond Limited, which includes 350 Equity Shares in aggregate held by Raymond Limited jointly with 6 joint holders viz. Arun Agarwal, Thomas Fernandes, Priti Alkari, Akshat Chechani, Ankita Sharma and Reshma Ramchandani.*

(1) 10 Equity Shares each held by Bal Krishna Kedia, Gautam Hari Singhania, Rattan Parkash Chowdhri, Hasmukh Kapadia, Pradeep Kumar Bhandari, Ramchandra Anant Prabhudesai, Ramalingam Narayanan were transferred to Raymond Limited on April 1, 2002 who then jointly held shares along with its joint holders viz. Bal Krishna Kedia, Gautam Hari Singhania, Anant Singhania, S.K. Kaul, Pradeep Kumar Bhandari, Ramchandra Anant Prabhudesai, Ramalingam Narayanan.

(2) 3,270,000 Equity Shares were allotted at par to Raymond Limited.

(3) 500,000 Equity Shares were allotted at par to Raymond Limited.

(4) Pursuant to the meeting of the Shareholders dated September 18, 2009, the Shareholders of the Company approved an issuance of 13,229,930 Equity Shares. However, subsequently, the Board, pursuant to its resolution dated October 28, 2009, allotted only 4,970,588 Equity Shares to Raymond Limited.

(5) Allotment of 4,970,588 Equity Shares to Raymond Limited as partial consideration of ₹84.5 million pursuant to an agreement dated August 31, 2009 to transfer undertaking on a slump sale basis to Hindustan Files Limited (previous name of our Company) for a total consideration of ₹915.5 million. For details in relation to the said slump sale, see 'Summary of Key Agreements' under 'History and Certain Corporate Matters' on page 211.

(6) Pursuant to resolutions passed by our Board and the Shareholders in the meetings held on September 27, 2021 and October 28, 2021 respectively, our Company has sub-divided its authorized Equity Share Capital, such that 8,740,658 Equity Shares of face value of ₹10 each aggregating to ₹87,406,580 were sub-divided as 43,703,290 Equity Shares of face value of ₹2 each aggregating to ₹87,406,580.

(7) Pursuant to resolutions passed by the Board of Directors and Shareholders dated September 27, 2021 and October 28, 2021 respectively, 8,740,658 bonus Equity Shares of face value ₹2 were issued to Raymond Limited.

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of their acquisition, or allotment. None of the Equity Shares held by our Promoter are pledged.

(b) *Details of Promoter Contribution and Lock-in*

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully-diluted post-Offer Equity Share capital of our Company held by our Promoter, shall be considered as the minimum Promoter contribution and is required to be locked-in for a period of eighteen months from the date of Allotment. Our Promoter's shareholding in excess of 20% shall be locked in for a period of six months from the date of Allotment. As on the date of this Draft Red Herring Prospectus, our Promoter, jointly with its joint holders holds 52,443,948 Equity Shares, representing 100% of the issued, subscribed and paid-up share capital of our Company, all of which are eligible for Promoter Contribution. Provided that in case the majority of the issue proceeds excluding the portion of offer for sale is proposed to be utilized for capital expenditure, then the lock-in period shall be one year from the date of allotment in the initial public offer.

Our Promoter has given consent to include such number of Equity Shares held by it, in aggregate, as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of minimum Promoter contribution under Regulation 15 of the SEBI ICDR Regulations. In this regard, our Company confirms that:

(i) The Equity Shares offered towards minimum Promoter contribution have not been acquired during the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoter contribution;

(ii) The Equity Shares offered towards minimum Promoter contribution have not been acquired by our Promoter during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price;

(iii) The Equity Shares held by our Promoter and offered towards minimum Promoter Contribution are not subject to any pledge;

(iv) Our Company has not been formed by the conversion of a partnership firms or limited liability partnership firms into a company; and

(v) All Equity Shares held by our Promoter were in dematerialized form as of the date of this Draft Red Herring Prospectus.

The details of the Equity Shares, which will be locked-in as minimum Promoter contribution for a period of eighteen months from the date of Allotment, are set forth below.

Name of Promoter	**Date of Acquisition of Equity Shares and When Made Fully Paid-up**	**Date of allotment / transfer***	**Nature of Transaction**	**Face Value (₹)**	**Acquisition Price per Equity Share (₹)**	**Number of Equity Shares Locked-in(1)(2)**	**Pre-Offer Equity Share Capital (%)**	**Percentage of Post-Offer Equity Share Capital (%)**	**Date up to which the Equity Shares are subject to Lock-in**
[•]	[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total	[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]

* *Subject to finalization of Basis of Allotment*

(1) *For a period of eighteen months from the date of allotment*

(2) *All Equity Shares were fully paid-up at the time of allotment / transfer*

(c) *Details of Share Capital locked-in for six months*

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoter and locked-in for eighteen months as prescribed under the SEBI ICDR Regulations as specified above, in terms of Regulation 16(b) and Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations, except for (i) the Equity Shares sold pursuant to the Offer for Sale; and (ii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that such Equity Shares shall be locked in for a period of at least one year from the date of purchase by such shareholders. Further, any unsold portion of the Equity Shares offered pursuant to the Offer for Sale will be locked-in as required under the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoter, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

The Equity Shares held by the Promoter which are locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations may be pledged only with scheduled commercial banks or public financial institutions or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations.

However, the relevant lock in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter and locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

(d) *Lock-in of Equity Shares Allotted to Anchor Investors*

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment.

8. **Shareholding Pattern of our Company**

The table below presents the shareholding of our Company as of the date of this Draft Red Herring Prospectus.

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of Fully Paid-up Equity Shares Held (IV)	Number of Partly Paid-up Equity Shares Held (V)	Number of Shares Underlying Depository Receipts (VI)	Total Number of Equity Shares Held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of Total Number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in Each Class of Securities (IX)			Number of Shares Underlying Outstanding Convertible Securities (including Warrants) (X)	Shareholding, as a % Assuming Full Conversion of Convertible Securities (as a Percentage of Diluted Share Capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked-in shares (XII)		Number of Shares Pledged or Otherwise Encumbered[*] (XIII)		Number of Equity Shares held in Dematerialized Form (XIV)
								No of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total share s held (b)	
								Class: Equity Shares	Total								
(A)	**Promoter and Promoter Group**	7[+]	52,443,948	-	-	52,443,948	100	52,443,948	52,443,948	100	-	-	-		-		52.443.948
(B)	**Public**	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	**Shares Underlying DRs**	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	**Shares held by Employee Trusts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-
	Total	**7**	**52,443,948**	**-**	**-**	**52,443,948**	**100**	**52,443,948**	**52,443,948**	**100**	**-**	**-**	**-**		**-**		**52,443,948**

[+] *The shareholding of our Company is held by Raymond Limited which includes 350 Equity Shares in aggregate held by Raymond Limited jointly with 6 joint holders viz. Arun Agarwal, Thomas Fernandes, Priti Alkari, Akshat Chechani, Ankita Sharma and Reshma Ramchandani.*

9. **Details of the equity shareholding of the major Shareholders of our Company**

(a) The equity Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them as of the date of this Draft Red Herring Prospectus are detailed in the table below.

S. No.	Name of the Shareholder#	Number of Equity Shares of ₹2	Percentage of the pre-Offer Equity Share capital (%)
1.	Raymond Limited^	52,443,948	100
	Total	**52,443,948**	**100**

^ *This includes 350 Equity Shares in aggregate held by Raymond Limited jointly with 6 joint holders.*
# *Based on the beneficiary position statement dated December 8, 2021.*

(b) The equity Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are detailed in the table below.

S. No.	Name of the Shareholder#	Number of Equity Shares of ₹2	Percentage of the pre-Offer Equity Share capital (%)
1.	Raymond Limited^	52,443,948	100
	Total	**52,443,948**	**100**

^ *This includes 350 Equity Shares in aggregate held by Raymond Limited jointly with 6 joint holders.*

(c) The equity Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them one year prior to the date of this Draft Red Herring Prospectus are detailed in the table below.

S. No.	Name of the Shareholder	Number of Equity Shares of ₹10	Percentage of the pre-Offer Equity Share capital (%)
1.	Raymond Limited^	8,740,658	100
	Total	**8,740,658**	**100**

^ *This includes 70 Equity Shares in aggregate held by Raymond Limited jointly with 7 joint holders.*

(d) The equity Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them two years prior to the date of this Draft Red Herring Prospectus are detailed in the table below.

S. No.	Name of the Shareholder	Number of Equity Shares of ₹10	Percentage of the pre-Offer Equity Share capital (%)
1.	Raymond Limited^	8,740,658	100
	Total	**8,740,658**	**100**

^ *This includes 70 Equity Shares in aggregate held by Raymond Limited jointly with 7 joint holders.*

10. **Details of the Shareholding of our Key Managerial Personnel, our Directors, Promoter and Promoter Group and directors of our Promoter**

(a) None of our Key Managerial Personnel hold any Equity Shares as of the date of filing of this Draft Red Herring Prospectus except as detailed in the table below.

S. No.	Name of the Key Managerial Personnel	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)
1.	Raymond Limited jointly with Akshat Chechani*	50	Negligible
2.	Raymond Limited jointly with Arun Agarwal*	50	Negligible
	Total	**100**	Negligible

* *In their capacity of joint holders, jointly with Raymond Limited.*

(b) None of our Directors hold any Equity Shares as of the date of filing of this Draft Red Herring Prospectus.

(c) None of the directors of our Promoter hold any Equity Shares in our Company as of the date of filing of this Draft Red Herring Prospectus.

(d) The aggregate shareholding of our Promoter and Promoter Group, as of the date of filing of this Draft Red Herring Prospectus, is set out in the table below.

S. No.	Category of Shareholders	No. of Equity Shares	% of total pre-Offer paid up Equity Share capital
	Promoter		
1.	Raymond Limited(1)	52,443,948	100
	Promoter Group		
2.	Pashmina Holdings Limited	Nil	Nil
3.	Everblue Apparel Limited	Nil	Nil
4.	Jaykayorg AG	Nil	Nil
5.	Raymond (Europe) Limited	Nil	Nil
6.	Colorplus Realty Limited	Nil	Nil
7.	Silver Spark Apparel Limited	Nil	Nil
8.	Celebrations Apparel Limited	Nil	Nil
9.	Raymond Woollen Outerwear Limited	Nil	Nil
10.	R & A Logistics Inc.	Nil	Nil
11.	Raymond Apparel Limited	Nil	Nil
12.	Raymond Luxury Cottons Limited	Nil	Nil
13.	Silver Spark Middle East (FZE)	Nil	Nil
14.	Silver Spark Apparel Ethiopia PLC	Nil	Nil
15.	Raymond Lifestyle Limited	Nil	Nil
16.	Raymond Lifestyle (Bangladesh) Private Limited	Nil	Nil
17.	Raymond UCO Denim Private Limited	Nil	Nil
18.	J.K. Investo Trade (India) Limited	Nil	Nil
19.	P. T. Jaykay Files Indonesia	Nil	Nil
20.	Radha Krishna Films Limited	Nil	Nil
21.	Ray Global Consumer Trading Limited	Nil	Nil
22.	J.K. Investors (Bombay) Limited	Nil	Nil
Total		**52,443,948**	**100**

(1) The shareholding of our Company is held by Raymond Limited which includes 350 Equity Shares in aggregate held by Raymond Limited jointly with 6 joint holders viz. Arun Agarwal, Thomas Fernandes, Priti Alkari, Akshat Chechani, Ankita Sharma and Reshma Ramchandani.

11. As of the date of this Draft Red Herring Prospectus, there were no outstanding warrants, options or rights to convert debentures, loans or other instruments which are convertible into Equity Shares.

12. None of the BRLMs or their respective associates, as defined in the SEBI Merchant Bankers Regulations, held any Equity Shares in our Company as of the date of this Draft Red Herring Prospectus.

13. Our Company has not made any public issue since its incorporation.

14. Our Company has not made any rights issue of any kind or class of securities since its incorporation except as detailed below.

Date of allotment / change	Number of Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Allotment	Nature of Consideration
March 12, 2003	500,000	10	10	Rights issue(1)	Cash

Date of allotment / change	Number of Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Allotment	Nature of Consideration
October 28, 2009	4,970,588[(2)]	10	17	Rights issue of Equity Shares as consideration towards slump sale[(3)]	Consideration other than cash
October 28, 2009	2,200,000	10	100	Rights issue of Preference Shares as consideration towards slump sale[(4)]	Consideration other than cash

(1) 500,000 Equity Shares were allotted at par to Raymond Limited.

(2) Pursuant to the meeting of the Shareholders dated September 18, 2009, the Shareholders of the Company approved an issuance of 13,229,930 Equity Shares. However, subsequently, the Board, pursuant to its resolution dated October 28, 2009, allotted only 4,970,588 Equity Shares to Raymond Limited.

(3) Allotment of 4,970,588 Equity Shares to Raymond Limited as partial consideration of ₹84.5 million pursuant to an agreement dated August 31, 2009 to transfer undertaking on a slump sale basis to Hindustan Files Limited (previous name of our Company) for a total consideration of ₹915.5 million. For details in relation to the said slump sale, see 'Summary of Key Agreements' under 'History and Certain Corporate Matters' on page 211.

(4) 2,200,000, 6.5% cumulative convertible preference shares were allotted to Raymond Limited as partial consideration of ₹220 million pursuant to an agreement dated August 31, 2009 to transfer undertaking on a slump sale basis to Hindustan Files Limited (previous name of our Company) for a total consideration of ₹915.5 million. For details in relation to the said slump sale, see 'Summary of Key Agreements' under 'History and Certain Corporate Matters' on page 211.

15. Our Company has not made any bonus issue of any kind or class of securities since its incorporation except as detailed below.

Date of allotment / change	Number of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Allotment	Nature of Consideration	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)
November 8, 2021	8,740,658	2	Not applicable	Bonus issue[(1)]	Nil	8,740,658	17,481,316

(1) Pursuant to resolutions passed by the Board of Directors and Shareholders dated September 27, 2021 and October 28, 2021 respectively, 8,740,658 bonus Equity Shares of face value ₹2 were issued to Raymond Limited.

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16. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangements for purchase of Equity Shares to be Allotted pursuant to the Offer.

17. Our Company did not have any partly paid-up Equity Shares as of the date of this Draft Red Herring Prospectus. All Equity Shares Allotted in the Offer will be fully paid-up at the time of Allotment.

18. There will not be any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

19. Our Company presently does not intend or propose and is not under negotiations or considerations to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restriction does not apply to the Allotment of any Equity Shares under the Offer.

20. As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of the Equity Shares is seven. However, six of the total seven shareholders are holding shares as joint holders, jointly with our Promoter, who continues to remain the beneficial owner of the shares.

21. Our Promoter, any members of our Promoter Group, the directors of our Promoter, any of our Directors or any of their respective relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

22. There have been no financing arrangements whereby our Promoter, members of our Promoter Group, the directors of our Promoter, any of our Directors or any of their respective relatives have purchased or sold or financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

23. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

24. Our Company shall ensure that transactions in the Equity Shares by our Promoter and their respective Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be notified to the Stock Exchanges within 24 hours of such transaction.

25. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, our Directors, our Promoter, members of our Promoter Group, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

26. None of the members of our Promoter Group have acquired any Equity Shares in our Company in the past three years. The price at which the Equity Shares held by our Promoter / Promoter Selling Shareholder, were acquired during the preceding 3 years has been provided below:

Date of acquisition / allotment	**Number of Equity Shares Allotted**	**Acquisition price per Equity Share**
	Raymond Limited	
October 28, 2021	Pursuant to resolutions passed by our Board and Shareholders in their meetings held on September 27, 2021 and October 28, 2021 respectively, our Company has sub-divided its authorized Equity Share Capital, such that 8,740,658 Equity Shares of face value of ₹10 each aggregating to ₹87,406,580 were sub-divided into 43,703,290 Equity Shares of face value of ₹2 each aggregating to ₹87,406,580. Therefore, the cumulative number of Equity Shares pursuant to sub-division was 43,703,290 Equity Shares and cumulative paid-up Equity Share Capital of the Company was ₹87,406,580.	
November 8, 2021	8,740,658	Nil[(1)]

(1) Pursuant to resolutions passed by the Board of Directors and Shareholders dated September 27, 2021 and October 28, 2021 respectively, 8,740,658 Equity Shares of face value ₹2 were issued to Raymond Limited pursuant to a bonus issue.

OBJECTS OF THE OFFER

The objects of the Offer are to (i) to carry out the Offer for Sale of up to [•] Equity Shares aggregating up to ₹8,000 million by the Promoter Selling Shareholder; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer and all such proceeds will go to the Promoter Selling Shareholder after deducting the Offer expenses and relevant taxes thereon.

Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders and will also provide a public market for the Equity Shares in India.

Utilization of the Offer Proceeds by Promoter Selling Shareholder

Our Company will not receive any proceeds from the Offer (the "**Offer Proceeds**") and all the Offer Proceeds after deducting the Offer expenses and relevant taxes thereon, will be received by the Promoter Selling Shareholder, in proportion to the Offered Shares sold by the Promoter Selling Shareholder as part of the Offer. For details of Offered Shares by Promoter Selling Shareholder, see "*The Offer*" and "*Other Regulatory and Statutory Disclosures*" beginning on pages 68 and 399, respectively.

Offer expenses

The Offer related expenses primarily include fees payable to the BRLMs and legal counsels, auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees which will be borne solely by the Company, all fees, costs and expenses required to be paid in respect of the Offer, including, without limitation, the fees, costs and expenses relating to the process and consummation of the Offer and of any merchant bankers, underwriters, book-runners, registrars or other intermediaries involved in any manner in relation to the Offer, shall be borne by Promoter Selling Shareholder, except as may be prescribed by the SEBI or any other regulatory authority. All the expenses relating to the Offer shall be paid by the Company in the first instance. All Offer-related fees, costs and expenses to be borne by the Promoter Selling Shareholder shall be reimbursed to the Company upon the successful completion of the Offer, i.e., on the listing and the commencement of trading of the Equity Shares on the Stock Exchanges. Notwithstanding the above, in the event that the Offer is withdrawn, abandoned or terminated for any reason whatsoever, the Company shall bear all the expenses incurred in relation to the proposed Offer and the Promoter Selling Shareholder shall not be responsible for any such expenses, except as may be prescribed by the SEBI or any other regulatory authority.

The estimated Offer related expenses are as under:

Activity	Estimated expenses(1) (₹ million)	As a % of the total estimated Offer expenses(1)	As a % of the total Offer size(1)
BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[•]	[•]	[•]
Selling commission/processing fee for SCSBs and Bankers to the Offer and fee payable to the Sponsor Bank for Bids made by RIBs using UPI (2)(3)(4)	[•]	[•]	[•]
Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(5)(6)(7)(8)	[•]	[•]	[•]
Fees payable to the Registrar to the Offer	[•]	[•]	[•]
Fees payable to the other advisors to the Offer	[•]	[•]	[•]
Others			
- Listing fees, SEBI filing fees, upload fees, the Stock Exchanges processing fees, book building software fees and other regulatory expenses	[•]	[•]	[•]
- Printing and stationery	[•]	[•]	[•]
- Advertising and marketing expenses	[•]	[•]	[•]
- Fee payable to legal counsels	[•]	[•]	[•]

Activity	Estimated expenses(1) (₹ million)	As a % of the total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
- Miscellaneous	[•]	[•]	[•]
Total estimated Offer expenses	[•]	[•]	[•]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:

*Portion for Retail Individual Investors**	*[•]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[•]% of the Amount Allotted (plus applicable taxes)*
Employee Reservation Portion	*[•]% of the Amount Allotted (plus applicable taxes)*
Shareholder Reservation Portion	*[•]% of the Amount Allotted (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE.*

(3) No uploading/processing fees shall be payable by our Company and the Promoter Selling Shareholder to the SCSBs on the Bid cum Applications Forms directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Investors	*₹[•] per valid Bid cum Application Form (plus applicable taxes)*
Portion for Non-Institutional Investors	*₹[•] per valid Bid cum Application Form (plus applicable taxes)*

(4) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate / RTAs / CDPs	*₹[•] per valid Bid cum Application Form* (plus applicable taxes)*
Sponsor Bank	*₹[•] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

**For each valid application*

(5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

*Portion for Retail Individual Investors**	*[•]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[•]% of the Amount Allotted (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(6) The selling commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

(7) Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[•] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹[•] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[•] per valid application (plus applicable taxes)*

** Based on valid applications*

(8) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Monitoring of Utilization of funds

As the Offer is an offer for sale of Equity Shares, our Company will not receive any proceeds from the Offer. Accordingly, no monitoring agency is required to be appointed for the Offer.

Other Confirmations

Except to the extent of any proceeds received by the Promoter Selling Shareholder pursuant to the Offer for Sale, (a) there is no proposal whereby Promoter, Directors, KMPs, members of the Promoter Group or Group Companies will receive any portion of the Offer Proceeds; and (b) there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds with our Promoter, Directors, KMPs or Promoter Group.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company and Promoter Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below, and is justified in view of these parameters. The face value of the Equity Shares is ₹2 each and the Offer Price is [•] times the Floor Price and [•] times the Cap Price of the Price Band. Investors should also refer to "*Risk Factors*", "*Our Business*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 27, 162, 249 and 330, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

(a) Leadership position in complex and high-quality precision engineered and automotive components;

(b) Comprehensive product portfolio with wide ranging applications across end-segments and industries;

(c) De-risked business model with diversification across geographies, customers and end-segments;

(d) Long term and well established relationships with distributors and marquee domestic and global OEMs supported by an extensive distributor network;

(e) Strong engineering capabilities with strategically located manufacturing facilities resulting in continuous product development and cost efficiencies;

(f) Consistent financial performance; and

(g) Strong parentage of the Raymond group and experienced senior management team.

For details, see "*Our Business—Our Competitive Strengths*" on page 168.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "*Financial Information*" on page 248.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

1. Basic and Diluted Earnings per Share ("EPS") at face value of ₹2 each:

Derived from Restated Consolidated Financial Information:

Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
As of three months ended June, 2021	1.83	1.56	
Fiscal 2021	4.85	4.13	3
Fiscal 2020	2.68	2.28	2
Fiscal 2019	3.16	2.69	1
Weighted Average	3.85	3.27	

Notes

(1) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.*

(2) *The face value of each Equity Share is ₹2.*

(3) *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Consolidated Financial Information as appearing in "Restated Consolidated Financial Information" beginning on page 249.*

2. Price/Earnings Ratio in relation to Price Band of ₹[•] to ₹[•] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
P/E ratio based on basic EPS for the Financial Year 2021	[•]	[•]
P/E ratio based on diluted EPS for the Financial Year 2021	[•]	[•]

3. Industry Peer Group Price / Earning (P/ E) Ratio

Industry P/E ratio

Particulars		Industry P/E
Highest	Timken India	106.00
Lowest	NRB Bearings	30.04
Average		52.76

Notes:

(1) *The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "– Comparison of Accounting Ratios with Listed Industry Peers" on page 102.*

(2) *P/E figures for the peer are computed based on closing market price as on December 3, 2021 at NSE, divided by Diluted EPS (on consolidated basis) based on the annual report of the company for the Financial Year 2021.*

4. Return on Net Worth ("RoNW"):

Financial Year	RoNW (%)	Weight
As of three months ended June, 2021	8.55%	
2021	24.81%	3
2020	17.85%	2
2019	25.72%	1
Weighted Average	22.64%	

Notes:

(1) Return on Net Worth (%) = Restated profit attributable to owners of the Parent divided by net worth at the end of the year/period.

(2) Net worth has been computed as equity share share capital, instruments entirely in the nature of equity and other equity.

(3) Return on Net Worth for the three months ended June 30, 2021 is not annualized.

5. Net Asset Value ("NAV") per Equity Share of face value of ₹2 each

As per the Restated Consolidated Financial Information of our Company:

Net Asset Value per Equity Share	(₹)
As on March 31, 2021	15.37
As of three months ended June, 2021	17.19
After the completion of the Offer	At the Floor Price: [•]
	At the Cap Price: [•]
Offer Price	[•]

Notes:

NAV per Equity Share = Net worth at the end of the year / Number of equity shares outstanding (without impact of effect of dilutive potential equity shares) during the year after considering the impact of bonus and sub-divided shares

6. Comparison with Listed Industry Peers:

Name of the company	Total Income (₹ million)	Face Value per equity share (₹)	P/E as on December 3, 2021	EPS (Basic) (₹)	EPS (Diluted) (₹)	Return on Net Worth (%)	NAV per Equity Share (₹)
Rolex Rings	6,198	10	31.02	36.26	35.96	24.38%	148.76
Sansera Engineering	15,724	2	37.28	21.02	20.55	12.51%	170.94
Craftsman Automation	15,700	5	47.56	48.32	48.32	10.04%	481.13
NRB Bearings	7,775	2	30.04	5.58	5.58	10.76%	53.42
Timken India	14,301	10	106.00	19.03	19.03	10.66%	178.61

Name of the company	Total Income (₹ million)	Face Value per equity share (₹)	P/E as on December 3, 2021	EPS (Basic) (₹)	EPS (Diluted) (₹)	Return on Net Worth (%)	NAV per Equity Share (₹)
SKF India	27,070	10	64.63	60.2	60.2	19.04%	316.31

Notes:

(1) *Diluted EPS refers to the Diluted EPS sourced from the annual report of the peers for the year ended March 31, 2021.*

(2) *P/E Ratio has been computed based on the closing market price of equity shares on December 3, 2021 at NSE, divided by the Diluted EPS provided under Note 1 above.*

(3) *RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth. Net worth has been computed as sum of paid-up share capital and other equity*

(4) *NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.*

The Offer price is [•] times of the face value of the Equity Shares.

The Offer Price of ₹[•] has been determined by our Company and Promoter Selling Sharheolder, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" beginning on page 27 and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors
JK Files & Engineering Limited
(Formerly Known as JK Files (India) Limited)
New Hind House,
Narottam Morarjee Marg,
Ballard Estate,
Mumbai 400 001,
Maharashtra, India

SBI Capital Markets Limited
202, Maker Tower 'E',
Cuffe Parade,
Mumbai – 400 005,
Maharashtra, India

DAM Capital Advisors Limited
(Formerly IDFC Securities Limited)
One BKC, Tower C,
15th Floor, Unit No. 1511,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051, Maharashtra, India

HDFC Bank Limited
Investment Banking Group,
Unit No. 401 & 402
4th Floor, Tower B
Peninsula Business Park, Lower Parel
Mumbai 400 013,
Maharashtra, India

(SBI Capital Markets Limited, HDFC Bank Limited and DAM Capital Advisors Limited are collectively referred to as the "**Book Running Lead Managers**" or "**BRLMs**" in relation to the offer)

Re: Re: Proposed initial public offer of equity shares of face value of ₹ 2 each (the "Equity Shares") of the "Company" and such offer, the "Offer".

Dear Sirs/Madams,

We, S D T & Co., (Firm Registration Number: 112226W), Chartered Accountants of the Company, report that the enclosed statement in **Annexure A**, states the possible special tax benefits, available to the Company and its shareholders, under the direct and indirect tax laws presently in force in India, as on the date of this certificate. Several of these benefits are dependent on the Company and its shareholders, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company or its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil.

We confirm that Company is having material subsidiaries, JK Talabot Limited which is incorporated in India, of the Company, in terms of the Regulation 16, Regulation 24 of the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 and in terms of the 'Policy on Material Subsidiary Companies' of the Company issued on March 31, 2021.[1]

The benefits discussed in the enclosed **Annexure A** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. We are neither suggesting nor advising the investor to invest in the Offer based on this statement.

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

(i) the Company and its shareholders will continue to obtain these benefits in future; or

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give consent to include this statement of special tax benefits in the draft red herring prospectus, and in any other material used in connection with the Offer.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

We have conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We confirm that the information in this certificate is true, fair and correct, and is in accordance with the requirements of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This certificate is for information and for inclusion (in full or in part) in the draft red herring prospectus ("**DRHP**"), the red herring prospectus ("**RHP**") and the prospectus ("**Prospectus**") filed in relation to the Offer (collectively, the "**Offer Documents**") or any other Offer-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors appointed by the Company and the Book Running Lead Managers in relation to the Offer. We hereby consent to the submission of this certificate as may be necessary to SEBI, the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"), the relevant stock exchanges, any other regulatory authority and/or for the records to be maintained by the Book Running Lead Managers and in accordance with applicable law. We hereby consent to this certificate being disclosed by the Book Running Lead Managers, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We confirm that on obtaining or gaining of any material or relevant information from the Company that we will immediately communicate any changes in writing in the above information to the Book Running Lead Managers until the date when the Equity Shares commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Book Running Lead Managers and the legal advisors, each to the Company and

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1 *As per **SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015** ('SEBI LODR'),the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, i.e., in Fiscal 2021. Company has acquired Ring Plus Aqua Limited and Scissors Engineering Products Limited as on November 11, 2021, hence same are not considered as Material Subsidiaries for the above Statement of Possible Tax Benefit.*

the Book Running Lead Managers, can assume that there is no change to the above information until the Equity Shares commence trading on the relevant stock exchanges pursuant to the Offer.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully,

For and on behalf of, S D T & Co.,
Chartered Accountants
ICAI Firm Registration Number: 112226W

Dilip K. Thakkar
Partner
Membership No.031269
Peer Review Certificate No: 013689
UDIN: 21031269AAAAUI5525
Date: December 8, 2021
Place: Vadodara

Encl: As above

Cc:

Domestic Legal Counsel to the Company

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers
Nariman Point
Mumbai, 400 021
Maharashtra, India

Domestic Legal Counsel to the BRLMs

AZB & Partners
AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013

International Legal Counsel to the BRLMs

Allen & Overy (Asia) Pte Ltd
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

ANNEXURE A

Statement of Tax Benefits

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL DIRECT AND INDIRECT TAX BENEFITS AVAILABLE TO JK FILES AND ENGINEERING LIMITED (FORMERLY KNOWN AS JK FILES (INDIA) LIMITED) ("THE COMPANY"), ITS SUBSIDIARY AND ITS SHAREHOLDERS

This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in this Annexure. Any benefits under the taxation laws other than those specified in this Annexure are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in this Annexure have not been reviewed and covered by this statement.

Direct Taxation:

Outlined below are the special tax benefits available to the Company, its Material Subsidiaries and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2020 i.e., applicable for Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.

I. Special tax benefits available to the Company

The Company is eligible to opt for and as representation obtained from the management, the Company has opted for the beneficial tax rate of 22% (plus applicable surcharge and cess, effectively 25.17%) as provided under Section 115BAA of the Act, subject to the condition that going forward it does not claim the deductions as specified in Section 115BAA(2) of the Act and computes total income as per the provisions of Section 115BAA (2) of the Act. Proviso to Section 115BAA (5) provides that once the Company opts for paying tax as per Section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other Previous Year. The Company will exercise the option under this Section on or before the due date of filing the returns under sub-section (1) of Section 139 of the Act for the Previous Year relevant to the Assessment Year 2021-2022.

II. Special tax benefits available to the Material Subsidiaries

The subsidiary is eligible to opt for and as representation obtained from the management, the Company has opted for the beneficial tax rate of 22% (plus applicable surcharge and cess, effectively 25.17%) as provided under Section 115BAA of the Act, subject to the condition that going forward it does not claim the deductions as specified in Section 115BAA(2) of the Act and computes total income as per the provisions of Section 115BAA (2) of the Act. Proviso to Section 115BAA (5) provides that once the Company opts for paying tax as per Section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other Previous Year. The Company will exercise the option under this Section on or before the due date of filing the returns under sub-section (1) of Section 139 of the Act for the Previous Year relevant to the Assessment Year 2021-2022.

III. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders for investing in the shares of the Company

Notes:

1. The above Statement 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.

2. The above Statement covers only certain relevant benefits under Income tax Act, 1961 read with relevant rules, circulars and notifications and does not cover any indirect tax law benefits or benefit under any other law.

3. The above Statement of possible tax benefits is as per the current Income tax Act, 1961 read with relevant rules, circulars and notifications relevant for the Assessment Year 2021-22.

4. This Statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such non-resident is a tax resident of.

6. Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

Indirect Taxation:

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

I. Special tax benefits available to the Company

a. Refund under GST Act- Refund on account of export of goods under payment of integrated tax –with reference to Sec. 16(3)(b) of IGST Act, 2017 Company is claiming refund of Integrated tax paid at the time of export of goods.

b. Duty drawback under Customs Act - Drawback on Imported goods where import duties has been paid/ indigenous goods where local duties/taxes has been paid Used in the Manufacture of Export Goods – As per Section 75 of Customs Act, 1962. Company is claiming drawback of such import duties or such local duties or taxes paid on materials which are used in the manufacturing of exported goods.

c. Remission of Duties and Taxes on Exported Products (RoDTEP) as per Foreign Trade Policy 2015-2020 for exports of goods– Company is claiming rebate under RoDTEP Scheme at a certain percentage on Freight on Board (FOB) value of exports.[2]

II. Special tax benefits available to the Material Subsidiaries

a. Refund under GST Act- Refund on account of export of goods under payment of integrated tax –with reference to Sec. 16(3)(b) of IGST Act, 2017 Company is claiming refund of Integrated tax paid at the time of export of goods.

b. Duty drawback under Customs Act - Drawback on Imported goods where import duties has been paid/ indigenous goods where local duties/taxes has been paid Used in the Manufacture of Export Goods – As per Section 75 of Customs Act, 1962. Company is claiming drawback of such import duties or such local duties or taxes paid on materials which are used in the manufacturing of exported goods.

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2 *Till December 2020, the Company & Subsidiary has claimed MEIS as per Foreign Trade Policy 2015-2020 as MEIS scheme has been discounted from December 2020.*

c. Remission of Duties and Taxes on Exported Products (RoDTEP) as per Foreign Trade Policy 2015-2020 for exports of goods– Company is claiming rebate under RoDTEP Scheme at a certain percentage on Freight on Board (FOB) value of exports.[3]

III. Special tax benefits available to Shareholders

- There are no Special Indirect Tax Benefits available to the shareholders for investing in the shares of the Company

Notes:

1. The above Statement of Indirect Tax benefits sets out the special tax benefits available to the Company, its subsidiaries and its shareholders under the Indirect Tax laws mentioned above.

2. The above Statement covers only above-mentioned tax laws benefits and does not cover any Income Tax law benefits or benefits under any other law.

3. This Statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of, S D T & Co.,
Chartered Accountants

ICAI Firm Registration Number: 112226W
Dilip K. Thakkar
Partner
Membership No.031269

For and on behalf of,
JK Files & Engineering Limited

Authorized Signatory

3 *Till December 2020, the Company & Subsidiary has claimed MEIS as per Foreign Trade Policy 2015-2020 as MEIS scheme has been discounted from December 2020.*

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*This section comprises information extracted from "Assessment of Indian and Global markets for specific precision engineered components in Tools & Hardware and Auto Components Industry", December 2021 the "**CRISIL Report**") prepared exclusively for the Offer and issued by CRISIL Research, a division of CRISIL Limited ("**CRISIL**") and reclassified for presentation purpose. We commissioned and paid for the CRISIL Report connection with the Offer to provide an understanding of the industry in which we operate in, pursuant to an engagement agreement dated October 17, 2021 which is accessible at the website of our Company at https://www.jkfilesandengineering.com/ investor-relations/. Investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this section or the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Offer. Also see "Risk Factors – Internal Risks Factors - Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 57.*

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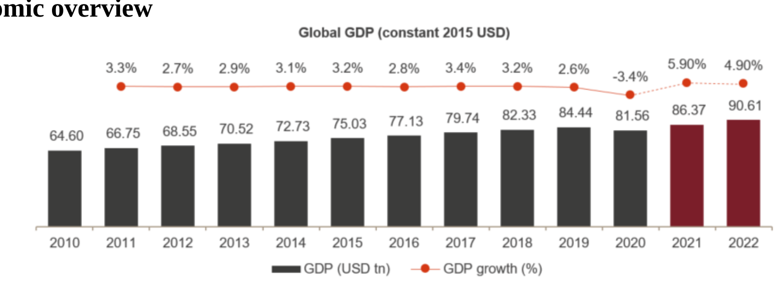
Global macroeconomic overview



Source: The World Bank, International Monetary Fund

The global economy, though recovering, has been impacted by new COVID-19 variants (e.g. delta), disparities in vaccine access in low-income countries, tight financing conditions in emerging and developing economies, supply-chain disruptions, and higher commodity prices. Global gross domestic product ("**GDP**") growth is projected at 5.9% for 2021 and 4.9% for 2022. Beyond 2022, it is forecast to moderate to about 3.3% over the medium term. Advanced-economy output is forecast to exceed pre-pandemic medium-term projections, largely reflecting sizeable anticipated further policy support in the US. By contrast, persistent output losses are anticipated for the emerging- and developing-economy group due to slower vaccine rollouts and generally less government support than advanced economies. Globally, Asia-Pacific is expected to perform better than other regions in the coming years.

- ***Europe.*** An increasingly resilient economic recovery is taking hold in Europe, aided by gradual increases in vaccination rates (highest share of fully vaccinated people in the world) and strong macroeconomic policies.

- ***North America.*** The US economy has cooled somewhat but remains resilient. It is expected to grow 5.7% in 2021 and 4.1% in 2022, supported by a stimulus-driven surge in demand. Increased savings from the various COVID-19 relief packages have helped lift personal income and savings rates dramatically. The personal saving rate, at 9.6% in July 2021, is well over its pre-crisis historical average back to 1980 of 7.3% and is expected to drive retail sales in the near term. However, persisting COVID-19 cases, tapering of asset purchases by the US Federal Reserve (the process will see reductions of $15 billion each month - $10 billion in Treasurys and $5 billion in mortgage-backed securities from the current $120 billion a month that the US Federal Reserve is buying), and supply-chain risks could impact the recovery.

- ***Latin America.*** Real GDP in Latin America is projected to grow 6.3% in 2021, followed by more moderate growth of 3% in 2022. GDP growth in 2021 reflects a rebound from the collapse in 2020 and is broad-based, encompassing consumption, investment and exports, partly offset by the increase in imports associated with the recovery in domestic demand. External demand is an important growth driver for commodity exporters in South America. US demand is expected to support growth especially in Mexico and Central America — Central America is additionally supported by robust remittances.

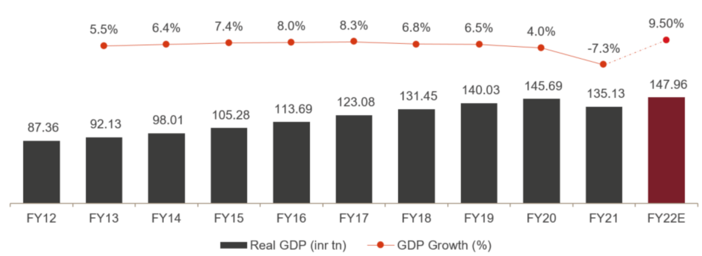
- ***Asia***. Asia-Pacific is set to remain the fastest growing region in the world with its economy projected to grow 6.5% in 2021, led by China and India. China's economy is projected to grow 8.0% in 2021, but the recovery remains unbalanced because private consumption continues to lag amid repeated COVID-19 outbreaks and significant fiscal-policy tightening. India's economy is forecast to grow 9.5% in 2021, supported by favourable external conditions and monetary and fiscal policy accommodation.

Domestic macroeconomic trend

India's GDP review and outlook

In 2015, the Union Ministry of Statistics and Programme Implementation changed the base year for calculating India's GDP to Fiscal 2012 from Fiscal 2005. Based on this, the country's GDP rose at 6.6% CAGR between Fiscals 2012 and 2020, to ₹145.6 trillion. In Fiscal 2020, though, it contracted to 4.0% from 6.5% in Fiscal 2019. The print worsened in Fiscal 2021, with the GDP declining -7.3% as pressure from an already slowing economy was aggravated by challenges heaped by the COVID-19 pandemic.

India's GDP trend

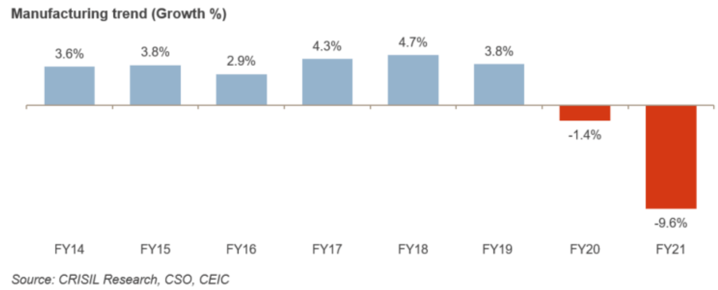


E: Estimated

Source: CRISIL Research, CSO, CEIC

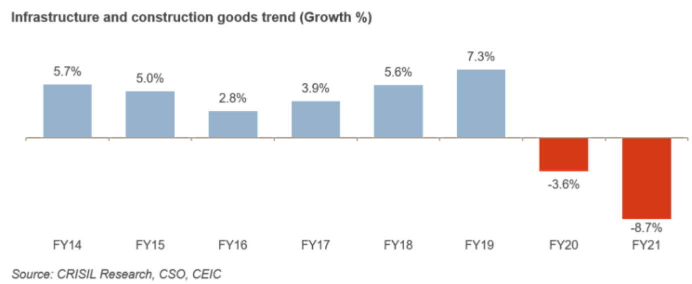
Performance of key macroeconomic indicators

Agriculture was the silver lining in Fiscal 2021, while contact-based services, manufacturing, construction were hit hard as lockdowns impacted the urban economy. On the other hand, the rural economy, which employs over 50% of India's population was shielded from the first wave, growing 3.4% on-year even as the overall economy contracted. One of biggest policy challenges in Fiscal 2021 was the sustained increase in inflation, while the economy negotiated a deep recession.



Performance of construction parameters

Construction spends in Fiscal 2022 are expected to rise 25%-30% on year surpassing pre-COVID levels post a 16%-20% decline in Fiscal 2021 which had seen the sector set back to Fiscal 2017 levels. This growth will be led by recovery in building construction and healthy growth in infrastructure projects (led by roads and followed by railways). Industrial investments are expected to rise by 30%-35% in Fiscal 2022 led by deferred capex, time bound PLI schemes, healthy operating margins, and stronger than expected pickup in demand.



Impact of COVID-19 on the Indian economy

The Indian economy was severely impacted in Fiscal 2021, with rising unemployment, widening income inequality, sharp fall in household incomes, and declining consumption. However, the economy has recovered swiftly with the government utilising fiscal, monetary and health levers, and owing to healthy pace of vaccinations. While the global economy is expected to grow by 6.0% in 2021, the Indian economy is expected to expand 9.5% (Fiscal 2022). The large stimulus packages announced by developed countries and the aggressive vaccination drives has helped Indian manufacturers increase their exports. India recorded its highest exports in July 2021 at $35.4 billion compared to $23.7 billion and $26.2 billion in July 2020 and July 2019 respectively due to higher global demand. On the domestic front, activity in many sectors, including agriculture, automobile, construction, and retail, has gained momentum; only a few sectors, high contact-based sectors, such as transport, tourism and hospitality, remain weak. With most of the high-frequency indicators reaching pre-COVID levels, consumer propensity to spend is increasing as evident from the Goods and Services Tax ("**GST**") collections which stood at ₹1.3 lac crore in October 2021. Similarly, retail sales have recovered to their pre-COVID levels with consumer durables, electronics, food and groceries and QSR segments reporting healthy growth. The automobile sector, which is constrained by production challenges, is expected to witness a V shaped recovery on account of the high order backlog. Supply chain disruptions caused during the pandemic has led to a 'China plus one' strategy among global companies. As these companies look to enhance supply chain resilience by diversifying manufacturing into other countries, India stands as an attractive option owing to its strategic location, large domestic market, skilled manpower, and low labour cost. The Indian government has been focusing on making India an attractive investment destination for global companies through various initiatives such as Atmanirbhar Bharat, PLI, etc. in order to encourage domestic manufacturing. Among 190 countries, India ranked 63rd in 'Ease of Doing Business' 2020.

Indian tools and hardware industry

Overview

The tools and hardware ("**T&H**") industry includes all types of tools used in daily activities and industrial applications.

Products are broadly divided into steel files, cutting tools, hand tools, power tools and PTA.

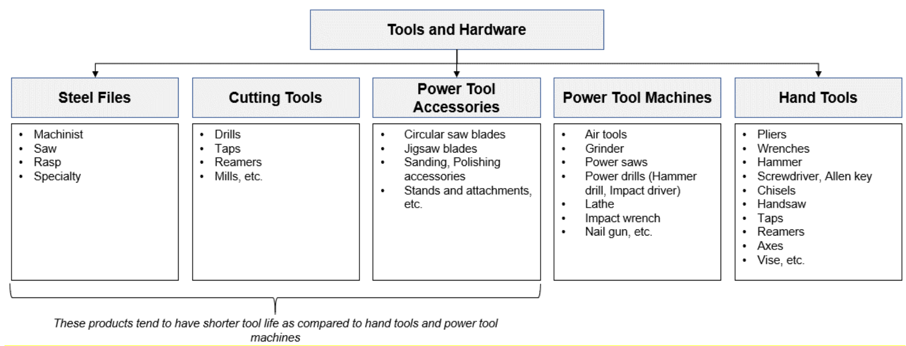
A file is a tool used to remove fine amounts of material from a work piece. It is predominantly used in metalworking, woodworking, and similar trade tasks in engineering, automotive, construction, defense, jewelry, watchmaking, agriculture, carpentry, fabrication, masonry, and forestry.

A cutting tool is used to remove excess layer of material from the workpiece by shearing during machining in order to obtain desired shape, size and accuracy.

A hand tool is any tool that is powered by hand such as wrenches, pliers, cutters, files, striking tools, struck or hammered tools, screwdrivers, vises, clamps, snips, saws, and knives.

A power tool is a tool actuated by an additional power source and mechanism. The most common types of power tools use electric motors. Power tools are used in industry, construction, driving (fasteners), drilling, cutting, shaping, sanding, grinding, routing, polishing, painting, heating, and more. Drills, screwdrivers, and router bits, abrasives wheels, saw blades, chippers and threading products are some of the commonly used PTA.

The classification of T&H by products is as below:



The steel files and power tool machines segment are fairly organized with close to 70% of the market catered to by the leading players. However, the hand tool and PTA segments are dominated by the unorganized segment. There are more than 2,500 manufacturers in the Indian T&H industry engaged mainly in the manufacturing of hand tools, out of which more than 90% are in the small-scale sector, catering to local markets and exports. At present, these participants are mainly at the middle and low end, battling overcapacity, low industry concentration and fierce competition. The high-end products of the T&H industry are supplied by a few key global companies such as Robert Bosch Tool Coproration in power tools, Stanley Black & Decker Inc. in hand tools, JK Files & Engineering Limited (“**JK Files**”) in steel files. Since these manufacturers have strong R&D, design, manufacturing, and brand operation capabilities, they can maintain a high market share in middle and high-grade products according to the consumption characteristics of different countries. Moreover, the Indian economy is expected to experience a significant growth in industrial, construction and real estate sectors, which would require quality branded products. India is also expected to experience consumption of more branded, high quality products compared to products from the unorganized sector.

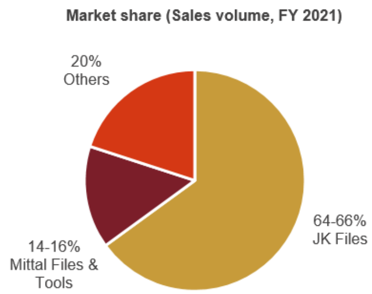
<u>Files market assessment</u>

- ***Overview***

A file is a tool used to remove fine amounts of material from a work piece. It is predominantly used in metalworking, woodworking, and similar trade tasks in engineering, automotive, construction, defense, jewelry, watchmaking, agriculture, carpentry, fabrication, masonry, and forestry.

- ***Types of files***

Files can be classified as machinist files, saw files, rasps, and special purpose files based on their applications. Machinist’s files (also known as engineer’s files) are designed for shaping and finishing material. Saw files (such as mill files, taper files, double-ended saw, feather-edge saw, round chain saw and pit saw), sometimes referred to as sharpening files, are most commonly used for sharpening bladed tools. A rasp (such as flat, half round and round rasps, cabinet rasp, shoe rasp, and horse shoe rasp) is a coarse file used for coarsely shaping wood or other material. Special purpose files (such as needle files, diamond coated files, chip breaker, hobby rasp, flat handle, and pillar regular) are used for precision applications in jewelry, watchmaking, etc.



Key players

The key file manufacturers in India are JK Files & Engineering Ltd, Mittal Files & Tools Private Ltd, Stanley Black & Decker India Private Ltd, Taparia Tools Ltd, etc. JK Files is the single-largest player in the domestic market with a market share of 64-66% (by volume) in fiscal 2021. The second largest player, Mittal Files & Tools, has a market share of 14-16%.

Since India has developed a robust manufacturing ecosystem for files, with established companies operating in the sector, the share of the unorganised segment is low (around 5-10%).

Note: Market share data is estimated based on extensive primary interactions in the industry

Source: CRISIL Research, Industry reports

Availability in the customer's vicinity, product variety, brand recall, and price play a key role in influencing buying decisions and are key determinants of a company's success.

- ***Industry structure***

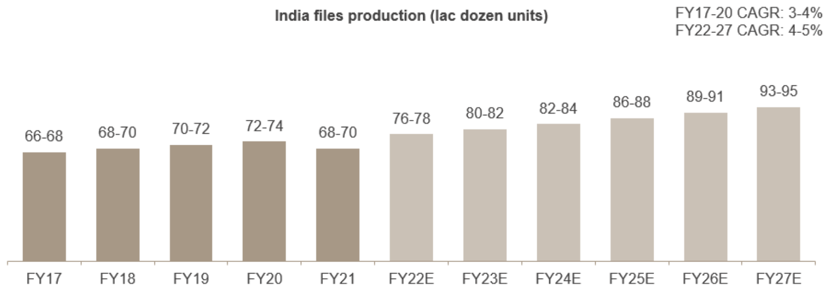
Manufacturer. India has a strong manufacturing base for steel files, with a capacity of more than 80 lac dozen pieces per year. Most players operate standalone manufacturing plants while meeting their raw material requirement (mainly flat steel) from steel mills. JK Files is a leading player and operates its own hot rolling mill (14,000-15000 MT/year) in Pithampur to meet its raw material requirements, ensuring uninterrupted raw material supply. Other leading manufacturers in the market are Mittal Files & Tools, Gardex India, etc. operate standalone file manufacturing units

Channel partners. More than 99% of sales are through the dealer route (general trade), with marginal sales through modern trade and online channels due to customer preference for offline channels. Going forward, this is expected to continue with dealer route being the preferred sales channel. JK Files has more than 730 dealers/distributors spread across 600 towns in India reaching approximately 1.5 lac retail outlets. The dealers ensure the brand is available across India. While Mittal Files & Tools, another key files manufacturer, has a network of close to 100 dealers/distributors in India majorly focusing on north India.

Customers. The customer profile for files is diverse and includes retail customers, industrial buyers (large and small), public sector units, etc. Retail customers include segments such as farmers, carpenters, local fabricators, mechanics, artisans, lumbers, DIY users, etc. Retail customers purchases are driven by availability at the point of sale, price, brand recall, etc. Industrial clients belong to industries such as manufacturing, automotive, industrial goods, construction, real estate, infrastructure, etc. Industrial customers tend to focus on the product quality (and brand) for purchase decisions and are directly served by the dealers. Public sector units and large industrial customers often have a tender-based procurement process (few tenders have a list of qualified brands).

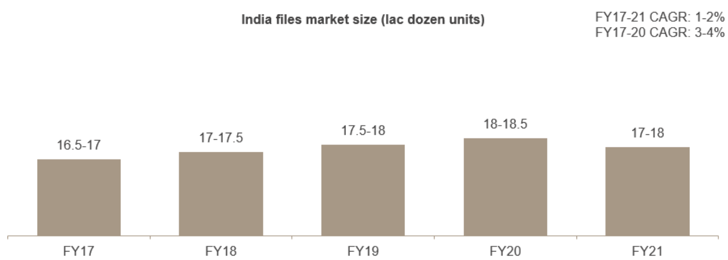
- ***Production***

Production of steel files in India has grown over the last 3-4 years owing to healthy domestic demand and increasing demand for Indian files in the global market. Going forward the growth is expected to be driven mainly to meet the export demand from North America, Latin America and Europe. India and China will continue to be the key producers globally, however, with China not focusing on capacity addition in files manufacturing, India's share in global production is expected to increase.



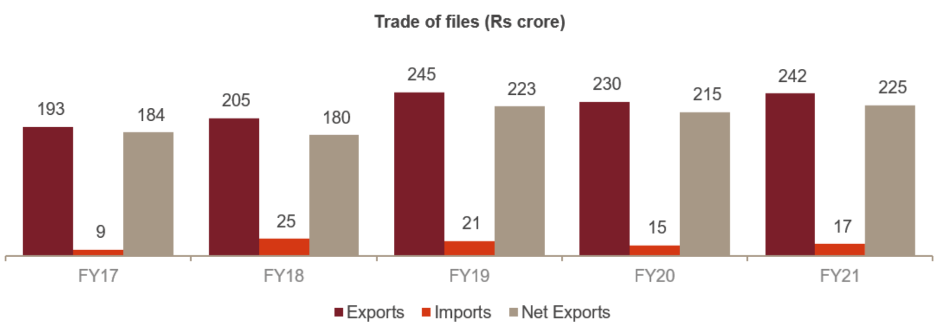
- ***Demand review***

The steel files market in India has grown at a 1%-2% CAGR from approximately 16.5 lac dozen pcs in Fiscal 2017 to approximately 17.5 lac dozen pcs in Fiscal 2021 supported by stable demand from the agricultural sector. Fiscal 2021 was impacted by the pandemic induced lockdowns leading to lower demand from the non-agricultural sectors. The industry had clocked 3%-4% CAGR between Fiscals 2017 to 2020 due to moderate growth in the key consumption sectors, saturation of domestic demand, limited scope for innovation and new launches. Most players in the files market are engaged in exports in addition to domestic supply.



Source: CRISIL Research, Industry reports

Trade

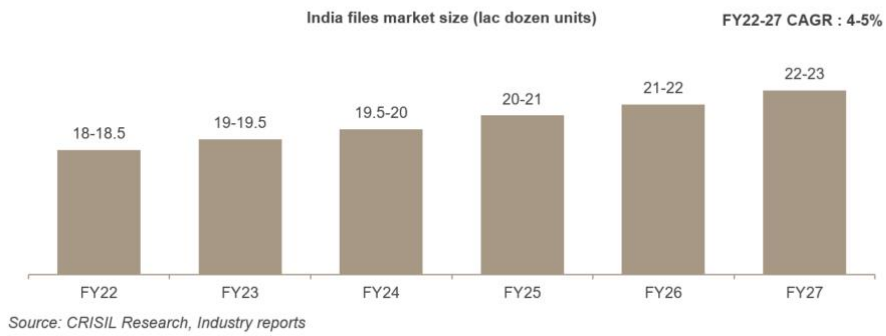


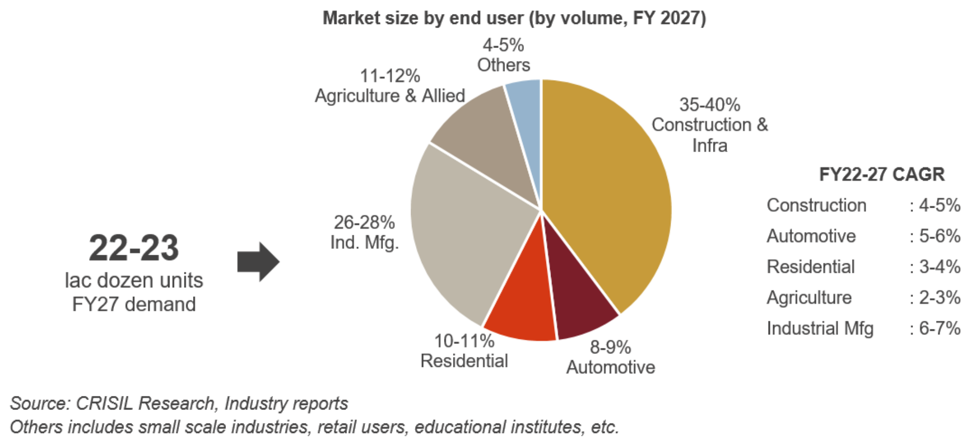
Source: DGFT data (HS Code – 82031000 which includes files, rasps and other similar tools)

India is a leading player in the global files industry and exported 50-55 lac dozen units in Fiscal 2021. Western countries are looking to increase sourcing from Asia due to the relative cost benefits, low labor costs, economies of scale in Asian regions due to established capacities, and acceptable quality standards. While the African and Latin American markets have been destinations of Indian exports, these regions are engaged in agricultural activity due to the relatively underdeveloped industrial ecosystem. Hence, demand from these regions will continue to be primarily driven by agriculture growth which is expected to grow at a moderate rate in line with the gross domestic product growth of these countries.

- ***Demand outlook***

CRISIL expects demand for files will grow at 4%-5% CAGR from approximately 18 lac dozen pcs in Fiscal 2022 to approximately 23 lac dozen pcs in Fiscal 2027over the next five years, driven by construction and manufacturing sector growth in the country.





- ***Key growth drivers for files demand***

Construction and infrastructure. The Government's focus on developing the national infrastructure (roads, railways, ports, airports, etc.) will drive demand for files required in fabrication activities at construction sites**.** India's improving macroeconomy will drive demand for residential and industrial structures. This construction activity will further drive demand for files used in general purposes such as metal fabrication, wood working, etc. Construction sector is expected to clock 6%-8% CAGR over the next 5 years largely driven by growth in infrastructure sectors, such as roads, metro transport, water supply and sanitation, and railways**.** The Central government's focus on roads, urban infrastructure and railways will boost infrastructure investments. Conversely, spending on industrial projects is expected to be low as investments in auto-related sectors, metals and oil and gas are expected to be flat amid declining demand and capex commissioned and completed to meet regulatory requirements. Investments in building construction are expected to grow 6%-8%. The majority growth is expected to come from urban affordable housing, which currently constitutes approximately 25% of the incremental urban addition and is expected to grow at a high pace.

Automotive. Steel files are used in automobile production (body finishing, etc.), the auto accessory industry and in vehicle repair/maintenance. Demand for files from industrial buyers in the auto sector will be driven by higher production of vehicles for domestic sales and exports. The organised segment mainly caters to the industrial sector. Commercial vehicles (**"CV"**) production is expected to grow by 12%-14% in the next 5 years (over a low base of Fiscal 2021) on account of improvement in infrastructure expenditure and lower penetration in light CVs. Two-wheeler production is expected to grow by a modest 9%-11% CAGR between Fiscal 2021 and 2026.

Industrial manufacturing. Files are widely used in industries such as manufacturing, defence and aerospace, railways, automobiles, precision engineering, etc. The government's focus on making India a manufacturing hub with a focus on the domestic and global market bodes well for growth in the files segment. The Government has announced PLI schemes covering electronics manufacturing (approximately ₹41,000 between 2021-26), automobiles and auto components (approximately ₹s 26,000 crores between 2023-28), white goods (approximately ₹6,200 crores between

2022-29), specialty steel (approximately ₹6,300 crores between 2023-28), textiles, solar PV modules, etc. to boost India's manufacturing industry.

Agriculture. India is the world's second-largest producer of rice, wheat, sugarcane, cotton, groundnuts and fruits and vegetables. It also produced 25% of the world's pulses, as of last decade, until 2019. The government has recently approved the National Mission on Edible Oils with an outlay of ₹11,040 crore for five years to increase production of oilseeds and oil palm to reduce India's import dependence on edible oils.

Other tools and hardware market assessment

- ***Industry structure***

Manufacturers. The Indian tools and hardware industry is comprised of the more than 2,500 manufacturers and more than 90% are in small-scale sectors catering to the demand from local markets and for exports. Global brands such as Stanley Black & Decker, Bosch Group, Hitachi, Makita Corp., etc. together make up for more than 50% of the power tool machines market. However, hand tools and power tools accessories are dominated by the small and unorganized players (including products imported from China) having more than 70% market share.

Channel partners. More than 95% of sales are via the dealer route (general trade), with only marginal sales through modern trade and online channels due to logistical challenges, uncertainty in demand and greater customer preference for offline channels. Certain hand tools like screwdrivers, wrenches, pliers and portable power tools are sold through online channels.

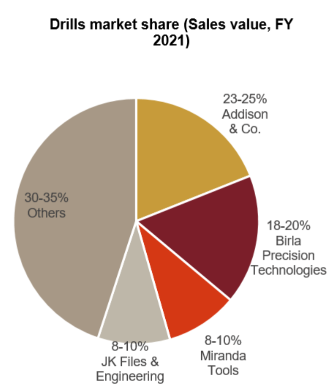
Customers. The customer profile for tools is diverse and includes retail customers, industrial buyers (large and small), PSUs, etc.

- ***Cutting tools market assessment***

Overview

Cutting tools are type of tools with a blade at the end of the shank. The blade materials include diamond/CBN, high speed tool steel, cemented carbide, cermet, and ceramics. Hole-making and threading are the key applications of cutting tools with drills and taps and dies being the major product segments in the domestic market.

Key players



Source: CRISIL Research, Industry

Addison & Co. Ltd, Birla Precision Technologies Ltd, Dormer Tools India Private Ltd (Miranda Tools), and JK Files & Engineering Ltd are the leading players in the Indian drills market.

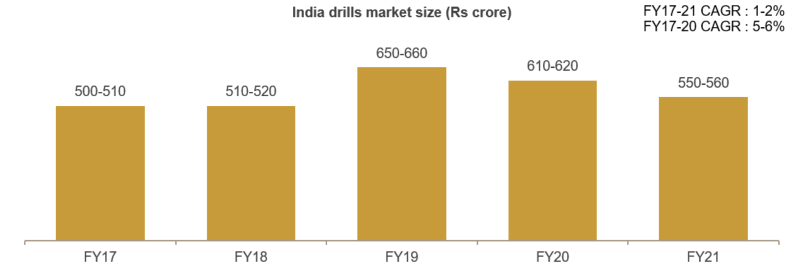
Addison & Co. Ltd and Birla Precision Technologies Ltd are preferred by industrial users due to their better quality/tool design, wide array of cutting tools and buyer preference for these brands. JK Files & Engineering Ltd has a strong presence in the retail market and caters primarily to the retail users.

There is a presence low priced drills manufactured locally or imported from China; however, these products are plagued with quality issues and hence aren't significant threats to the established brands.

Forbes & Company Ltd, Emkay Taps and Cutting Tools Ltd, and Addison & Co. Ltd are leading players in the tap segment with Forbes & Company (Totem) commanding a market share of close to 30% (by value in fiscal 2021).

Demand review

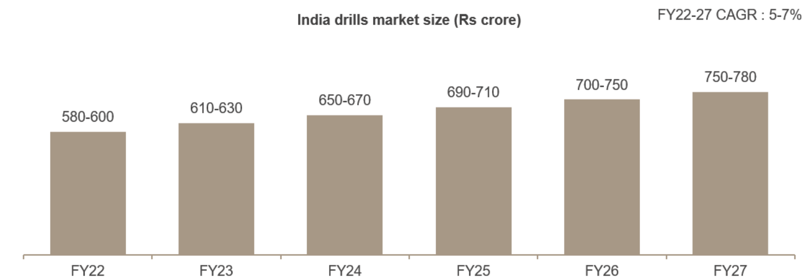
India has a well-developed manufacturing base for drills to meet its domestic requirements. The drills segment has witnessed healthy growth in India, clocking 5%-6% CAGR between Fiscals 2017 to 2020 driven by the booming construction and infrastructure segment in the country. This segment accounts for more than 50% of drills demand and grew at a CAGR of 10%-12% during this period. At the same time, the government's focus on making India a manufacturing hub in automobiles, electronics, capital goods, etc. has led to a healthy demand for cutting tools from the industrial segment.



Source: CRISIL Research, Industry
Note: Above numbers are only for drills segment and does not include other cutting tools. As per industry estimates overall cutting tools market size is Rs 1400-1500 Cr in fiscal 2021.

Demand outlook

Demand for drills is expected to rebound from the dip in Fiscal 2021 and grow at a healthy CAGR of 5%-7% over the next 5 years led by the construction and infrastructure sector and manufacturing sector.



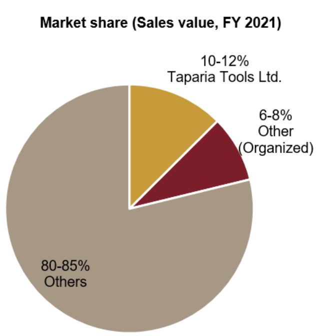
Source: CRISIL Research, Industry

- ***Hand tool market assessment***

Overview and Types of Hand Tools

Hand tools refer to any type of tool that can be used by hand and does not require any motor or electrical power. This includes an array of tools such as hammers, wrenches, cutters and clamps. Some commonly-used hand tools are: wrenches, screwdrivers, pliers, hammers and hand saws.

Key players



The hand tools market is highly fragmented, with the unorganised segment accounting for a large share of it. The hand tool clusters are in Jalandhar and Ludhiana in Punjab, Nagaur in Rajasthan, Mumbai and Purulia in West Bengal. These small manufacturers make up for ~80% of the domestic sales.

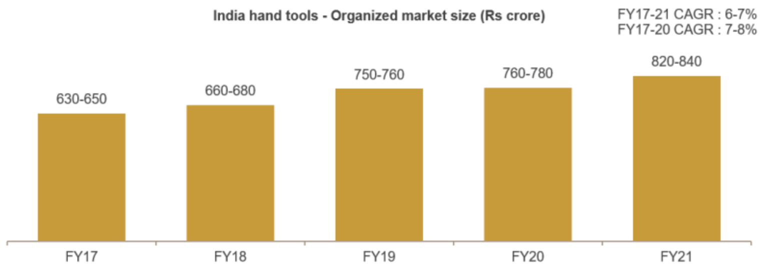
In the organised segment, Taparia Tools Ltd is a leading player. Other key players in the organised segment are Stanley Black & Decker India Private Ltd, JK Files & Engineering Ltd, Ambika Overseas Ltd, Hindustan Everest Tools Ltd, and Venus Industrial Corporation Private Ltd. These organized players focus on product quality, product R&D, and supply chain efficiency.

In the last 2-3 years, the share of organized players has improved by 300-500 bps owing to customer preference for branded products, competitively priced products, sales through modern trade and online channels and financial stress in the unorganized segment due to the pandemic.

Source: CRISIL Research, Industry
Note: Market share data is estimated based on extensive primary interactions in the industry

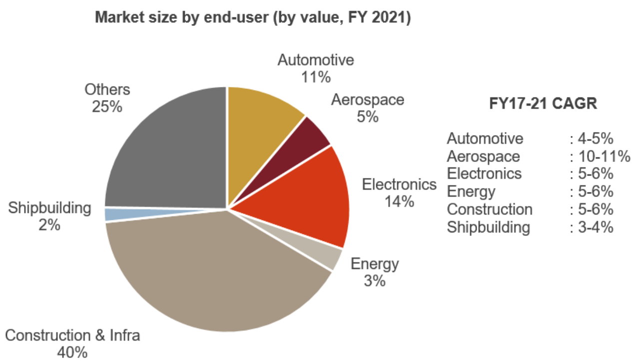
Demand review

Demand for hand tools clocked 6%-7% CAGR between Fiscals 2017 and 2021, supported by healthy growth in building and construction (Mahatma Gandhi National Rural Employment Gurantee Act and Pradhan Mantri Awas Yojana); industrial construction across the steel, cement, auto and auto components; and investments in roads, railways, and urban infrastructure.



Source: CRISIL Research, Industry

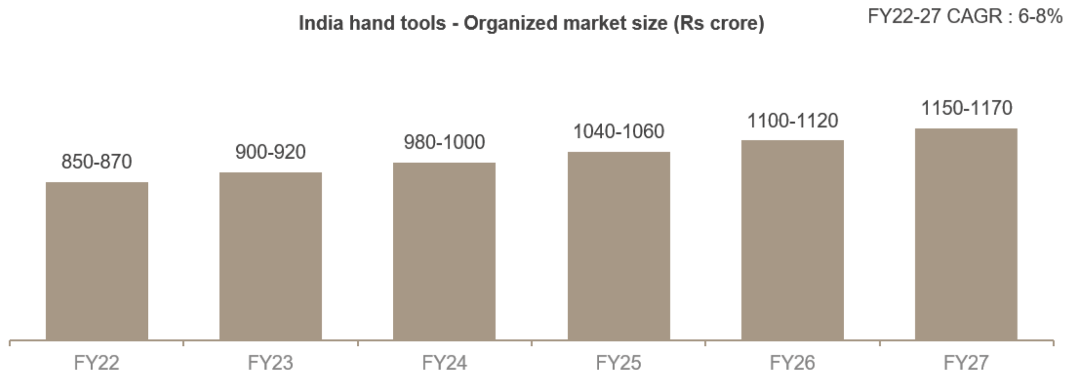
Hand tools are essentially used in the construction, building projects, automotive and aerospace industries to perform manually operated tasks as their application is restricted as they are not powered by electricity. Hand tools are majorly used for cutting and sizing of wood, tiles, stones, concrete etc. thereby making construction and infra largest contributor with almost 40% of overall hand tools demand. Other key end industries using hand tools include electronics, auto, aerospace and energy constituting 14%, 11%, 5% and 3% of demand respectively.



Source: CRISIL Research, Industry
Others includes small scale industries, educational institutions, retail users, etc.

Demand outlook

The demand for hand tools is expected to clock 6%-8% CAGR over the next 5 years, owing to healthy demand from the manufacturing and construction sectors. Within manufacturing, demand for hand tools will primarily be driven by the thriving automotive and electronics sector. The construction and infrastructure segments are expected to grow on the back of improved public and private investments in roads, railways, irrigation, industrial capacity expansion, etc. While the unorganized segment will continue to dominate the hand tool industry, the organized players are expected to gain some market share from this segment.

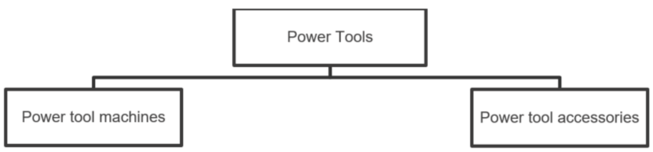


Source: CRISIL Research, Industry

- ***<u>Power tools market assessment</u>***

Overview

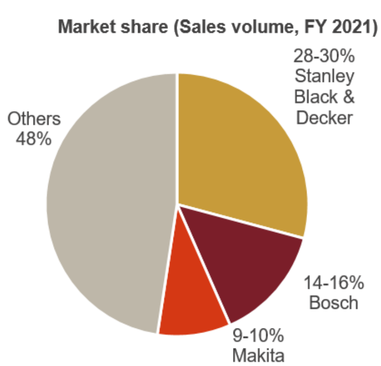
A power tool machine is defined as a device that is powered by a mechanism or source other than the human body. Power tools usually run on one of three types of power: compressed air, electricity, or combustion. Power tools usually come in one of two categories – stationary or portable.



Types of PTA ("PTA")

Drills, screwdrivers, and router bits, abrasives wheels, saw blades, chippers and threading products are some of the commonly used PTA.

Key players



Stanley Black & Decker India Private Ltd, Bosch Ltd and Makita Power Tools India Private Ltd are some leading players in the Indian power tool machines market. Industrial customers prefer these reputed brands due to the reliable service provided by their dealers. About 75% of the power tool machines market is organised and dominated by European and US brands, owing to the highly technical nature of these products. While Chinese products are present in the market, they are mostly consumed for non-industrial applications.

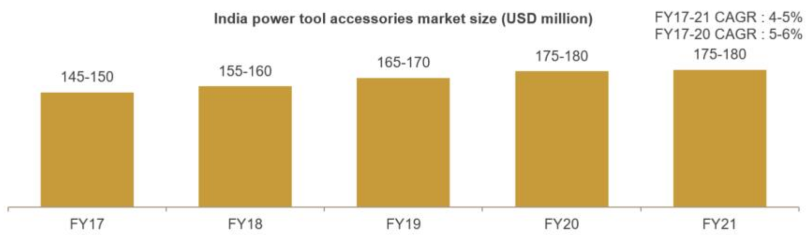
On the other hand, power tool accessories is a highly fragmented market with presence of imports and domestic brands.

Source: CRISIL Research, Industry

Note: Market share data is estimated based on extensive primary interactions in the industry

Demand review - PTA

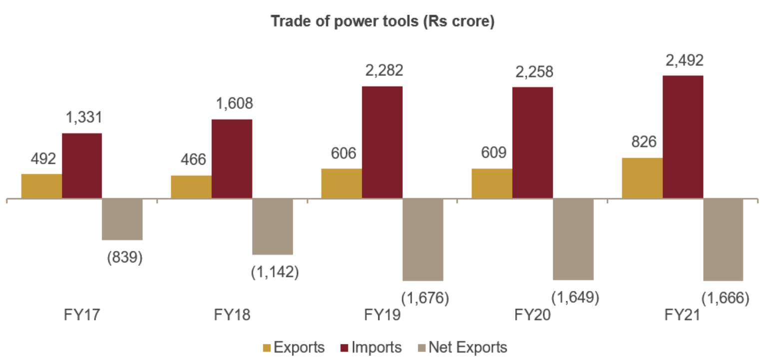
Demand for PTA has mimicked the growth in power tool machines. Additionally, increasing intensity of power tool usage in residential and commercial applications has driven the replacement demand for PTA.



Source: CRISIL Research, Industry

Trade

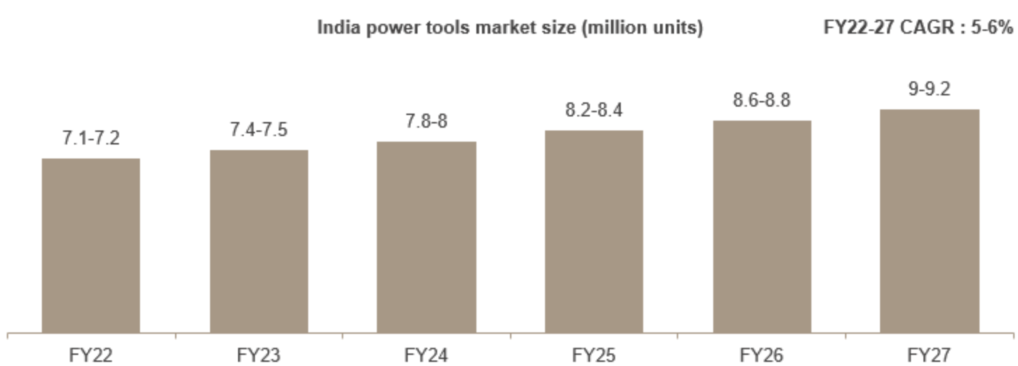
India is a net importer of power tools due the limited manufacturing capabilities in power tools (which are mainly operated by global MNCs) and comparatively cheaper imports from China. More than 70% of imports are from China. Other key countries exporting to India are Belgium, Germany and Japan. Over 50% of the exports are to the US. Other key export destinations are the UAE, Mexico and Russia.



Source: DGFT (HS Code – 8467)

Demand outlook

Demand for power tools is expected to clock 5%-6% CAGR over the next 5 years due to the demand for cordless power tools that are compact and mobile, the rising demand for fastening tools in industrial environments, and a growing construction industry. Within power tools, drilling and fastening tools are expected to witness healthy demand.



Source: CRISIL Research, Industry

Note: the above numbers are indicative of power tool machines segment which constitutes to the major share

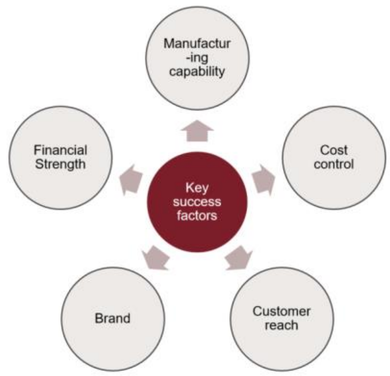
- ***Key growth drivers for tools demand***

Construction and infrastructure. The construction and infrastructure segments are the largest consumers of hand and power tools such as hammers, drills, saws, chisels, grinding and cutting tools and compressors. The growing number of infrastructure projects across roads, railways, irrigation, buildings, ports and airports is expected to drive demand for tools used at construction sites.

Electronics. The government's focus on making India a manufacturing hub will play a vital role in driving demand for tools such as screwdrivers, tweezers, wire strippers and pliers. Indian Electronics Manufacturing Service (EMS) Industry is expected to grow 6.5x from $23.5 billion in 2020 to reach $152 billion by 2025

Automotive. Hand tools and power tools find application in automobile manufacturing as well as after-sales service. Commonly used tools in the auto industry are wrenches, ratchets, jacks, screwdrivers, compressors, hammers, drills and air pumps. The growth in the automobile sector is expected to remain healthy due to higher domestic consumption on account of rising incomes, increasing affordability and urbanisation, while exports will be driven by the lower cost of manufacturing.

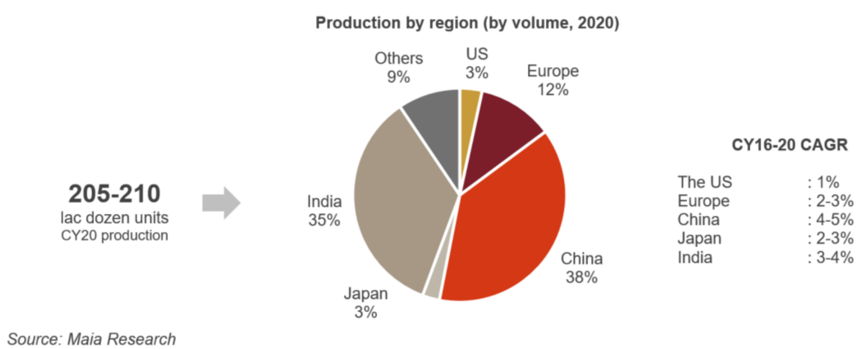
Key success and risk factors



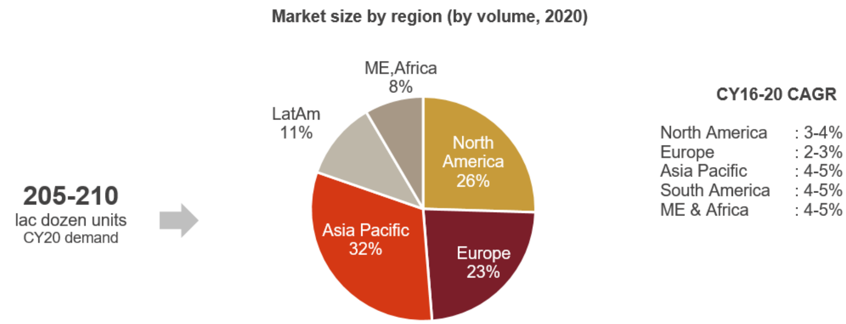
Global steel files and tools industry

- ***Overview***

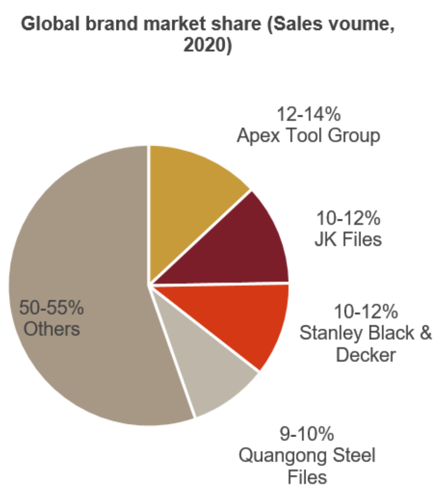
A file is a tool that is used to remove fine amounts of material from a work piece. It is predominantly used in metalworking, woodworking, and similar trade tasks in engineering, automotive, construction, defense, jewelry, watchmaking, agriculture, carpentry, fabrication, masonry, and forestry. Approximately 210 lac dozen files were produced globally in 2020, with Asian countries being the major producers and Western countries the major consumers.



Asian countries like China, India and Japan together account for more than 75% of total steel files produced as the enjoy relative cost advantages, robust manufacturing ecosystems, domestic industry demand and availability of raw materials. Some leading Asian manufacturers are JK Files, Hebei Quangong Steel File, Nanhe Ruixin Steel file Co., and Guowu Steel File. JK Files is a leading player in the global files industry, with one of the largest manufacturing capacities in the world.



Source: Maia Research



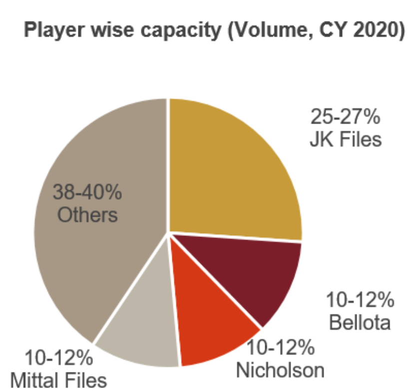
Source: Maia Research

North America and Europe account for close to 60% of global consumption, with industrial applications, general purpose applications in households, and precision manufacturing driving demand.

The top four players accounted for nearly 50% of the global sales with the leading brands – Apex Tool Group, JK Files & Engineering Ltd and Stanley Black & Decker Inc. having a market share of ~12% each.

These brands are able to maintain a high market share owing to their global presence, superior manufacturing capabilities and wide variety of products catering to the needs to various industries.

JK Files with 10-12% volume share is the second largest supplier globally in 2020 with a strong presence in Asia, Africa and LatAm regions. It is the largest brand in the African market with a market share of 50-55% by volume in 2020.



Source: Industry

As per industry estimates, the current global installed steel files manufacturing capacity is ~270 lac dozen units.

Based on installed capacity, JK Files & Engineering Ltd has the largest installed manufacturing capacity with 25-27% global capacity.

The other leading manufacturers of steel files are Bellota, Nicholson (Apex Tool Group), Mittal Files and Tools Private Ltd, etc.

Given the nature of files manufacturing, large manufacturers are able to derive economies of scale, resulting in better unit economics of production.

- ***Industry structure***

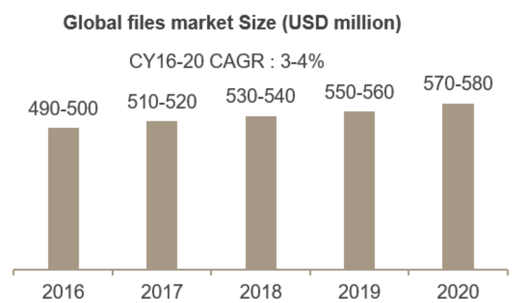
Developed economies. In developed economies like the United States and Europe, large corporations such as the Apex

Tool Group, and Stanley Black & Decker Inc. procure files from their own plants or from third-party manufacturers. These companies tend to be highly focused on R&D, given the mature nature of customers in these markets and the use of files in engineering and other specialized applications. Another differentiating characteristic of these markets are their well-developed, modern trade channels (such as Lowe's and Home Depot); these are important channel partners for manufacturers who often sell products under their own labels.

Developing economies. In developing economies such as Africa, Asia and Latin America, markets tend to be fairly fragmented with several domestic and global players. These regions account for 40%-45% of total global demand, with distributors/ dealers driving sales in these markets. Agriculture is a key industry in these economies and files are widely used to sharpen agricultural equipment.

Demand review

Files consumption clocked 3%-4% CAGR over the last 3-4 years, owing to the steady demand from the developed economies, particularly the industrialized regions of EU and healthy growth in construction activity (both residential and industrial) in these regions and booming infrastructure spending in the Asia Pacific region, particularly China and India.



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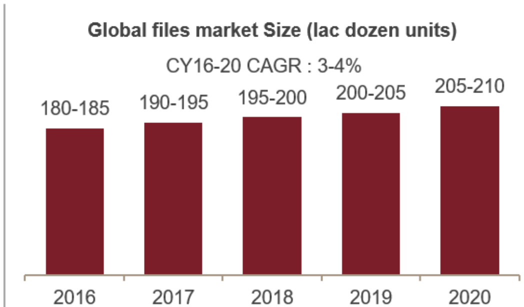
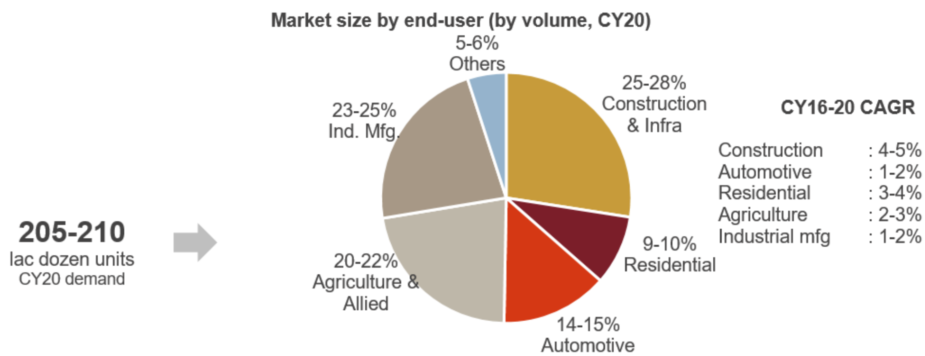


Source: Maia Research



Source: Maia Research
Others includes small scale industries, retail uses, educational institutions, etc.

The construction and residential sectors, which account for approximately 40% of total demand, clocked a healthy approximately 4% CAGR over the last 3-4 years, owing to the high degree of global spending on infrastructure and growth in building construction activity. While engineering files is growing at a rapid pace and are mainly consumed in the industrially developed economies of North America, Europe, Japan, and China; the demand for agricultural files is mainly from Asia, Africa and Latin America and has sustained growth albeit at a slower pace.

Trade

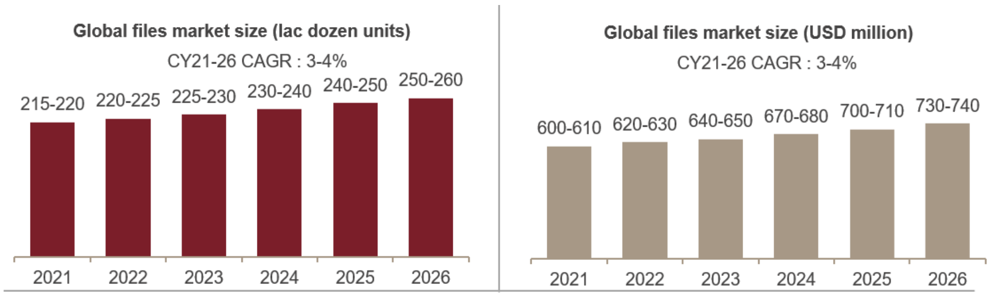
Exports. China and India are the two major global exporters of files, with both countries clocking approximately 4%

CAGR between 2016 to 2019. While India has a good presence in the African and Latin American markets, China has a good presence in the North American and European markets.

Imports. In the European and North American markets, high cost of manufacturing has resulted in key global files manufacturing players outsourcing to low-cost manufacturing players in India. Economic advantages arising from lower manpower and manufacturing costs in Asia have led to the US and Europe increasing sourcing from this region, with imports clocking 3.5%-4% CAGR between 2016 to 2020.

Demand outlook

The global files industry is expected to clock 3%-4% CAGR over the next 5 years, owing to healthy growth in the construction and infrastructure industry in most countries such as the proposed USD 1.2 trillion infrastructure spending in the US and accelerating investments in China, higher global manufacturing output in key sectors such as automotive, oil and gas, capital goods, etc. and improved product features of files for engineering applications.



Source: Maia Research

- ***Key growth drivers***

Key geographies. Growth in the files market is driven by downstream demand. Better product quality and greater affordability will be key growth drivers. Europe and North America have good manufacturing bases and are leaders in the automotive and aerospace manufacturing markets.

Key industries. The global construction industry is expected to clock 4%-5% CAGR over the next 3-5 years (2020 - 2025), after recovering from the impact of the global pandemic. The auto industry is expected to clock 4%-5% CAGR over the next 5-10 years (2020- 2026), owing to growth in personal incomes, increasing affordability, greater adoption of electric vehicles, etc. Agriculture and allied sectors is a key consumer of steel files for sharpening of tools by agriculturists engaged in producing palm oil, sugarcane, coffee, rubber, etc. and provides significant potential for growth. Asia, Africa and Latin America have historically been agriculture driven economies and will continue to be key markets for steel files.

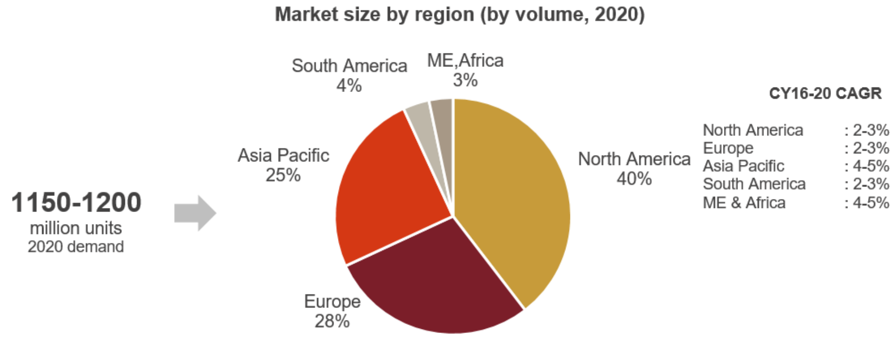
Product characteristics. Cutting tools and PTA have relatively higher frequency of tool change requirements under normal operating conditions.

Other tools market assessment

- ***Drills market assessment***

Overview

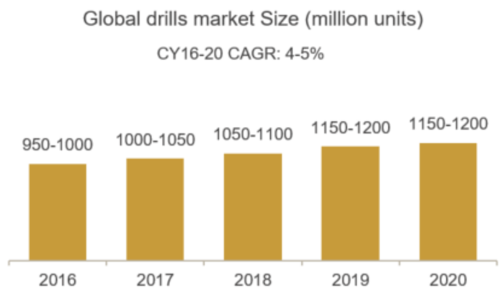
Drill bits are generally classified as Twist Drill, Counterbore, Countersink, Flat Bottom Boring and Specialty. Twist drill bits are the most common type of drill bit and are used for everyday drilling in all types of material. China, the US and Europe accounted for approximately 80% of the production. North America and Europe made up for close to 70% of the global consumption of drill bits due to the highly developed industrial ecosystem in these countries, high consumer awareness of machine tooling, DIY application of drill machines in households, etc.

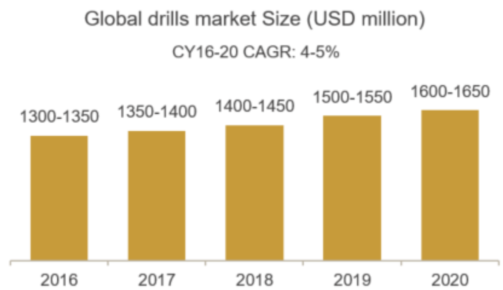


Source: Maia Research

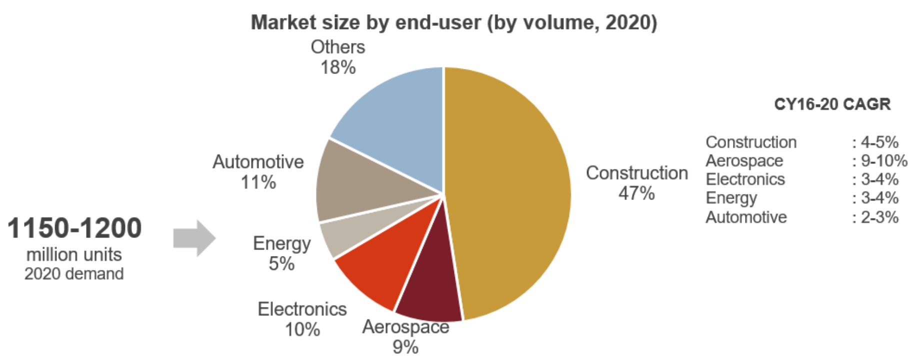
Demand review

The global hand tools market logged a healthy 4%-5% CAGR over 2016-2020 due to growing construction and infrastructure investments globally, strong demand from industries like aerospace and electronics, increasing applications of drilling in the do-it-yourself segment due to urbanization, etc.





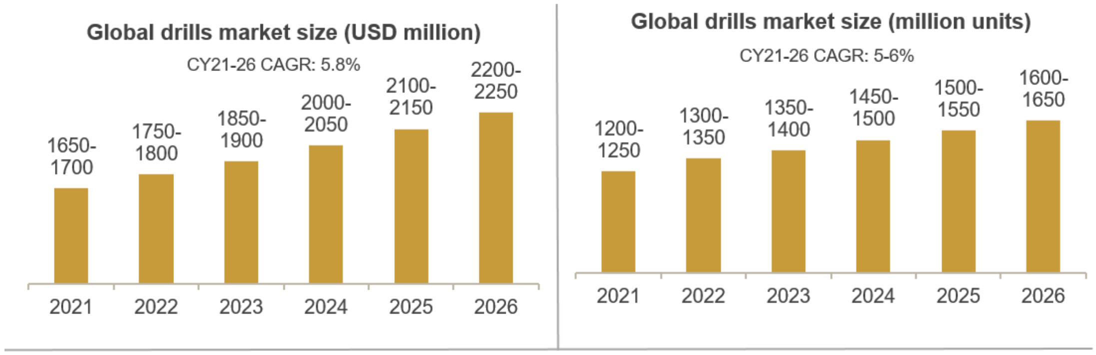
Source: Maia Research



Source: Maia Research
Others includes small scale industries, retail users, educational institutes, etc.

Demand outlook

The global drills industry is expected to clock a healthy 5%-6% CAGR over the next five years as nations ramp up infrastructure development, urbanisation increases, DIY trend catches up among households, and online channels penetrate deeper. The Asia-Pacific region is expected to log a higher growth rate due to rapid industrialisation and surging construction activities in the countries such as India, China, Australia, and Japan.

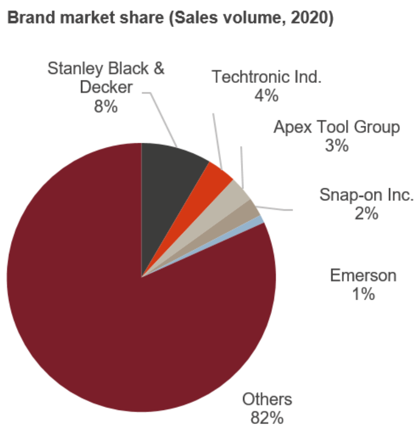


Source: Maia Research

- ***Hand tools market assessment***

Overview

A hand tool is any tool that is powered by hand rather than a motor. Examples include wrenches, pliers, files, screwdrivers and nut drivers, hammers, saws, and knives and blades. In 2020, approximately 4,000 million pieces of hand tools were produced and consumed globally. China, the US and Europe accounted for approximately 80% of the production. North America and Europe made up for close to 60% of the global consumption of these tools due to the highly developed industrial ecosystem in these countries, demand from retail users, high cost of labour, easy availability of global brands, etc.

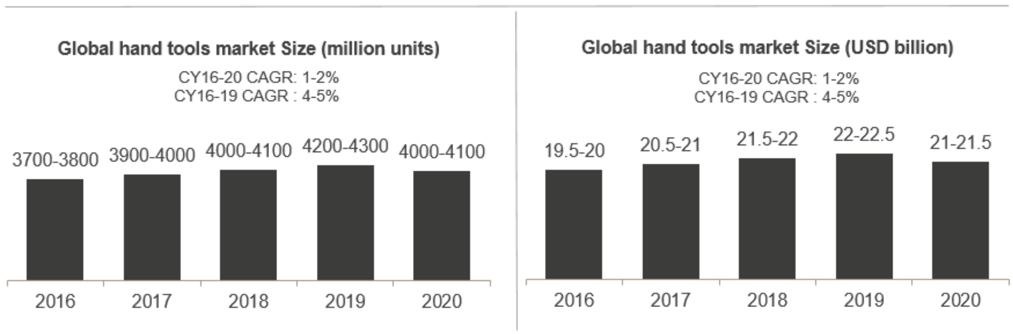


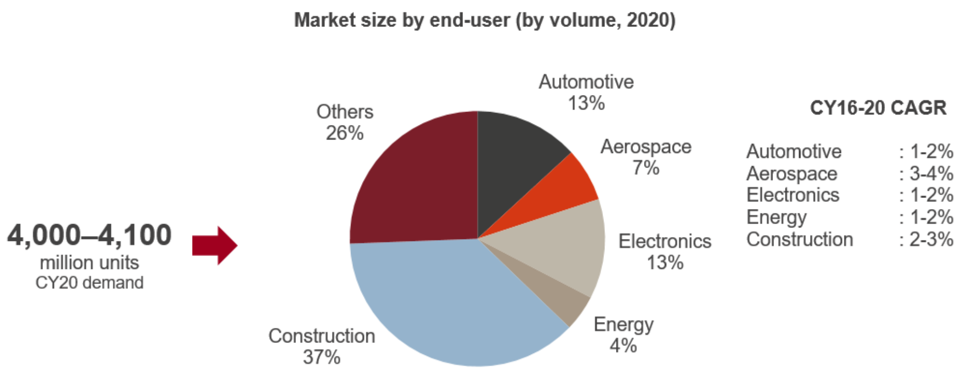
Source: Maia Research

A large number of small manufacturers are engaged in hand tool manufacturing due to their simple design, low production cost and easy availability of raw materials. Some of the key brands globally are Stanley Black & Decker Inc., Techtronic Industries, Apex Tool Group, Snap-on Inc., etc.

Demand review

The global hand tools market logged a 1%-2% CAGR over 2016-2020 due to muted demand from industries, replacement with power tools, limited improvement in their features, etc.

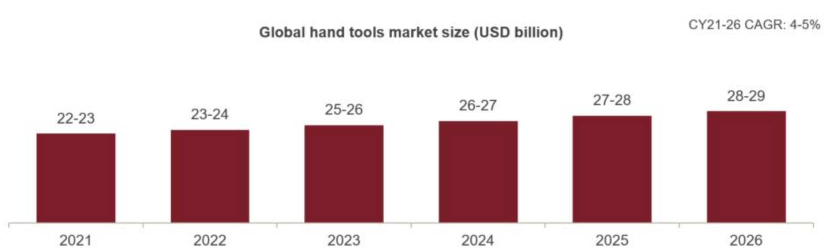




Source: Maia Research
Others includes small scale industries, retail users, educational institutes, etc.

Demand outlook

The global hand tool industry is expected to clock a healthy 4%-5% CAGR over the next five years as nations ramp up infrastructure development, urbanisation increases, DIY trend catches up among households, online channels penetrate deeper, and features of hand tools improve. The Asia-Pacific region is expected to log a higher growth rate due to rapid industrialisation and surging construction activities in the countries such as India, China, Australia, and Japan.



Source: Maia Research

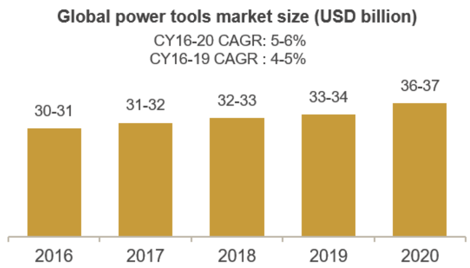
- ***<u>Power tools market assessment</u>***

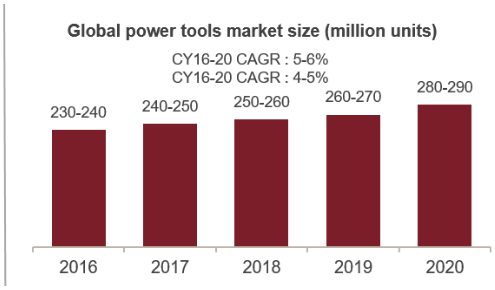
Overview

In 2020, global production of power tools stood at approximately 280 million pieces, with the US, Europe and China accounting for approximately 80% of it. North America and Europe make up for more than 60% of the total global consumption due to the highly developed industrial ecosystem (manufacturing, automotive, aerospace, electronics, etc.), high cost of labour, demand from retail users for DIY tasks, etc.

Demand review

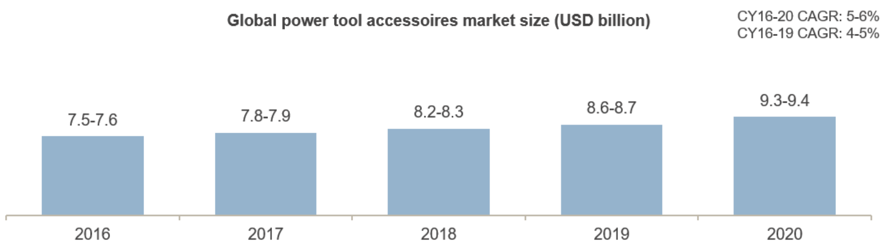
Power tools demand clocked an impressive CAGR of 5%-6% over Fiscals 2017-2021 due to increasing adoption of portable power tools, availability of multi-purpose tools for various applications, growth in global construction and manufacturing industries, etc.





Source: Maia Research
Others includes small scale industries, retail users, educational institutes, etc.

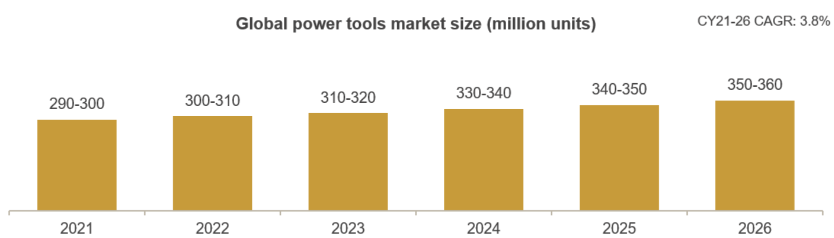
Power tools accessories are additional fittings that are used in various engine-driven power, electric and pneumatic power devices. The PTA market clocked 5%-6% CAGR over the last 4-5 years owing to higher penetration of power tools, better product features, rising share of online and modern trade channels, etc.



Source: Maia Research

Demand outlook

Global demand for hand tools is expected to clock 3.5%-4.0% CAGR over the next five years owing to healthy demand from the infrastructure and construction segment, increasing penetration of power tools in the retail segment through online channels, development of easy to use and multi-functional power tools, increasing affordability and replacement of hand tools with power tools.



Source: Maia Research

Competitive assessment of players

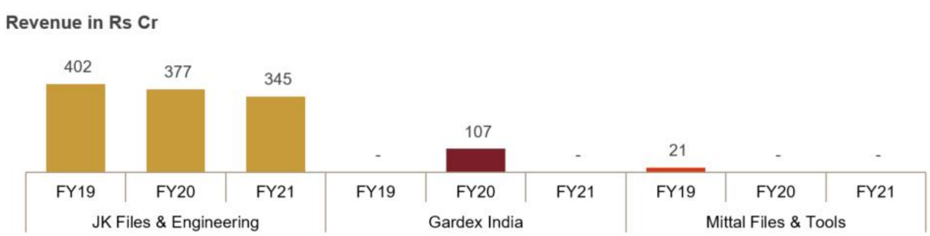
- ***Peer comparison by key operational parameters***

Company name	Files	Hand Tools	Cutting Tools	Power Tools	PTA
JK Files & Engineering Ltd	✓	✓	✓	✓	✓
Gardex India Private Ltd	✓	✓			
Mittal Files & Tools Private Ltd	✓				
Bahco	✓	✓		✓	
Apex Tool Group	✓	✓		✓	
UMV	✓				
PFERD	✓			✓	✓
Bellota	✓	✓			
Birla Precision Technologies Ltd	✓		✓		
Forbes & Company Ltd			✓		
Dormer Tools India Private Ltd (Miranda Tools)			✓		
Addison & Co. Ltd			✓		
Taparia Tools Ltd	✓	✓			
Hindustan Everest Tools Ltd		✓			
Venus Industrial Corporation		✓			
Ambika Overseas Ltd.		✓			

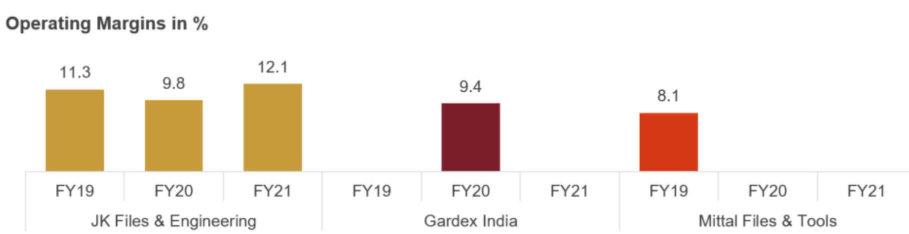
Although files and drills are the key products of JK Files, its product portfolio spans across the spectrum of tools and hardware making it a one stop solution for the customer's tooling needs.

- ***Financial Profile***

Files. JK Files, Mittal Files and Gardex are the key players in India. JK Files, the leading player in the files segment in India and has a revenue of approximately ₹350 crores and is able to maintain a high ROCE (approximately 30%) on account of its superior gross margins and higher realizations. JK Files has improved its gearing ratio from approximately 1 in Fiscal 2019 to approximately 0.1 in Fiscal 2021. Low gearing coupled with healthy profitability has led to an overall improvement in the interest coverage ratio for JK Files. *(Data for Gardex India is unavailable for Fiscal 2019 and 2021, whereas financial data for Mittal Files & Tools is unavailable for Fiscal 2020 and 2021)*

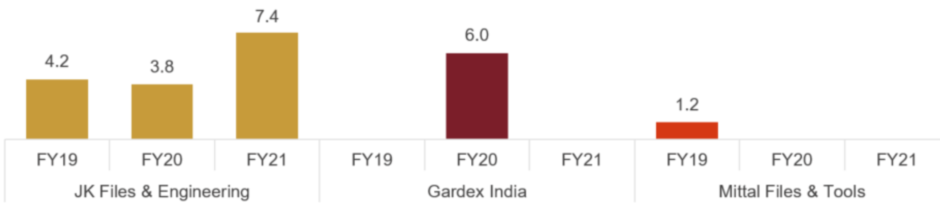


Source: Company data (public documents)



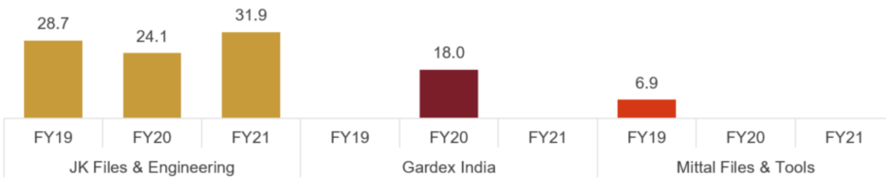
Source: Company data (public documents)

PAT margin in %



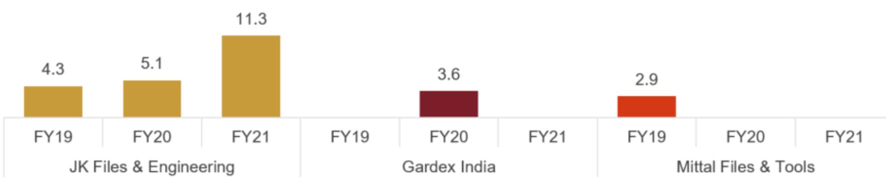
Source: Company data (public documents)

ROCE in %



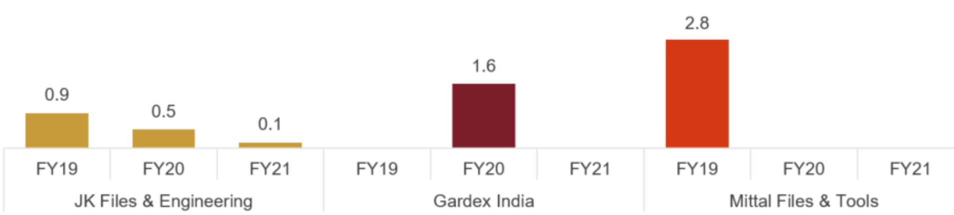
Source: Company data (public documents)

Interest coverage (times)



Source: Company data (public documents)

Gearing ratio

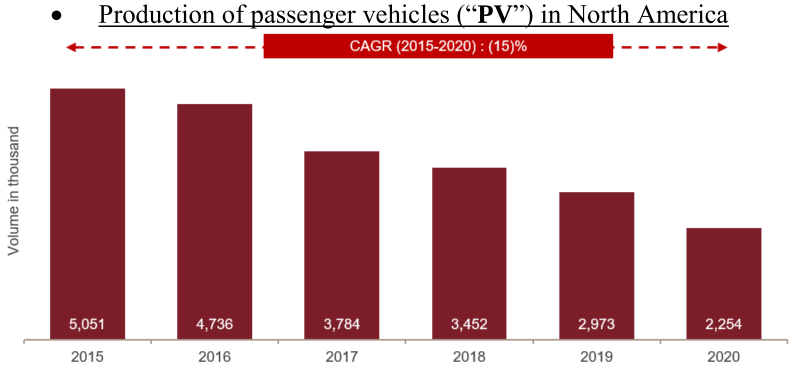


Source: Company data (public documents)

Review and outlook of the North American and European PV industry

Review of the North American PV industry (2015 - 2020)

- <u>Production of passenger vehicles ("**PV**") in North America</u>



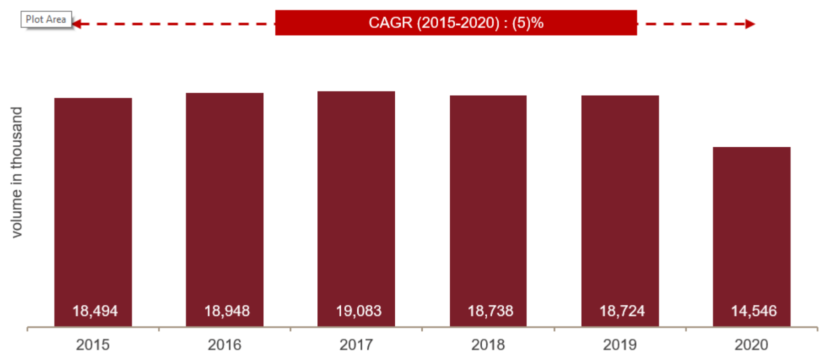
NOTE: Above numbers excludes SUV

Source: OICA.NET, CRISIL Research

More than 85% of the passenger car production in North America is accounted by USA and remaining by Canada. Higher competition due to rise of Chinese car manufacturers has increased pressure on established auto manufacturers. Shift in manufacturing base by several OEMs to other low-cost developing countries such as Mexico and other Asian countries led to a gradual decline in production of PV in North America. This has led to PV production declining from 5.1 million in 2015 to 2.3 million in 2020 i.e. a decline of 15% CAGR between 2015 and 2020.

Review of European PV industry (2015 - 2020)

- Production of PV in Europe



Source: OICA.NET, CRISIL Research

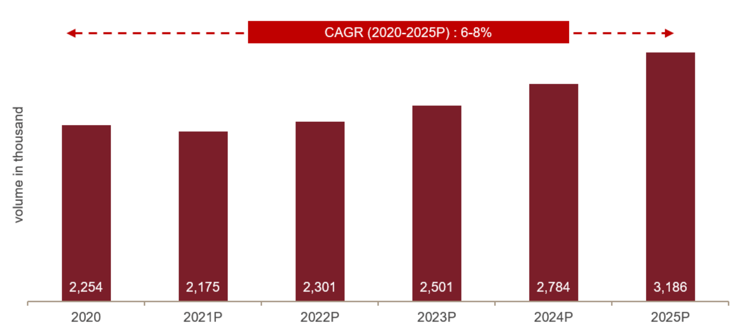
Trends and growth drivers

- ***In North America.*** Production of PVs declined by 24% year-on-year ("**yoy**") in 2020 due to pandemic. Many people lost their jobs or business leading to consumers being conscious in spending on discretionary products like a car. However, buying took place where people did not want to use ride sharing or a public transport to avoid the risk of catching virus. Substantial discounts were also offered to improve sales. Need for personal car to commute is expected to continue. Production of PVs in North America is projected to grow at 6%-8% CAGR between 2020 and 2025. Trend towards SUVs, crossovers and pick up vans is expected to continue.

- ***In Europe.*** In 2020, production of PVs fell by 22% yoy on account of pandemic where Europe was a hotspot of the virus leading to closure of manufacturing plants and later disrupting the supply chain. Production of PVs in Europe is projected to grow at 7%-9% CAGR between 2020 and 2025 on account of low base in 2020. The recovery will be gradual and linked to economic growth in the EU and better global trade. However, the further wave of COVID-19 and supply chain issues will be among key monitorables for the PV industry's growth.

Outlook of the North American PV industry (2020 - 2025P)

- Production of PV in North America

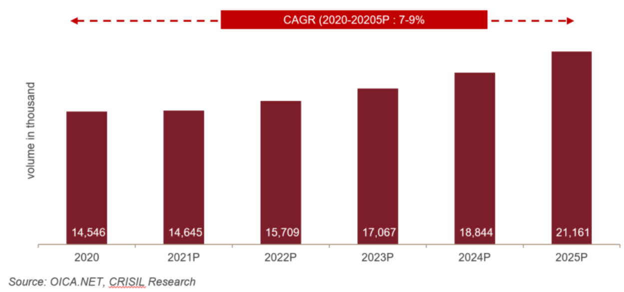


NOTE: Above numbers excludes SUV
Source: OICA.NET, CRISIL Research

PV production is expected to grow at a CAGR of 6%-8% between 2020 and 2025 after declining by 24% yoy in 2020 and expected 4% decline in 2021 owing to the impact of pandemic where demand had plummeted as well as disruption caused to the supply chain.

Outlook of the European PV industry (2020 - 2025P)

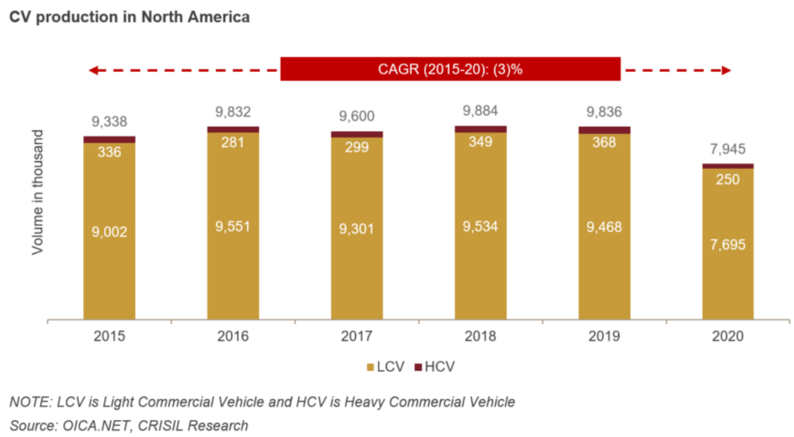
- Production of PV in Europe



PV production is expected to grow at a CAGR of 7%-9% between 2020 and 2025 after declining by 22% yoy in 2020 due to the impact of pandemic where Europe was one of the hotspots of the virus leading to closure of factories. Growth will be driven by replacement buyers from Western Europe and higher first-time buyers will be seen from Eastern Europe in next 5 years. PV exports occupies a substantial share in the production. Healthy global trade will aid the production of PVs in Europe.

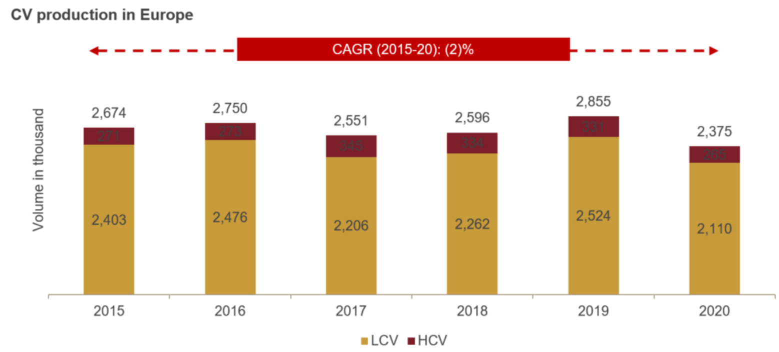
Review and outlook on the North American and European CV industry

Review of the North American CV industry (2015 - 2020)



North America is the largest producer of CVs across continents. In 2020, the USA contributed over 85% of CV production in North America, and LCVs accounted for approximately 96% of CV production in North America.

Review of the European CV industry (2015 - 2020)



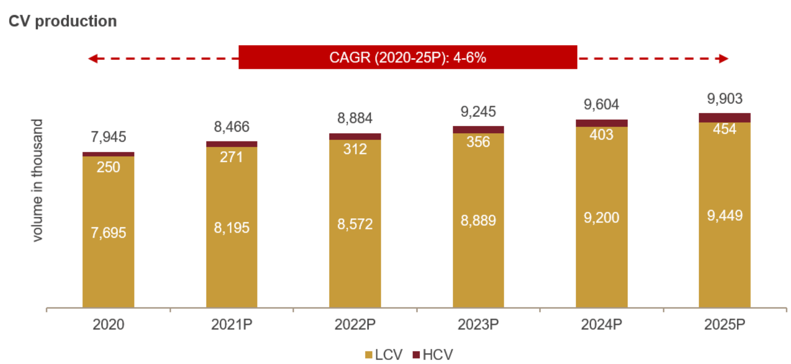
Source: OICA.NET, CRISIL Research

CV production in Europe declined at 2% CAGR between 2015 and 2020, led by a fall of 11% on-year in new sales of LCVs in 2017. However, sales of LCVs are increasing due to rising demand for vans, which are used widely in commercial activities such as construction, postal and courier services, ambulance services, policing and rescue operations, mobile workshops, and passenger transportation.

Trends and growth drivers

- ***Electrification.*** Adoption of electrification in CVs is not as high as in PVs ("**PVs**") because of high lead distance, coupled with high acquisition cost and unavailability of charging infrastructure. Hence, electrification in both the continents in CV industry is expected to be <2% by 2025.

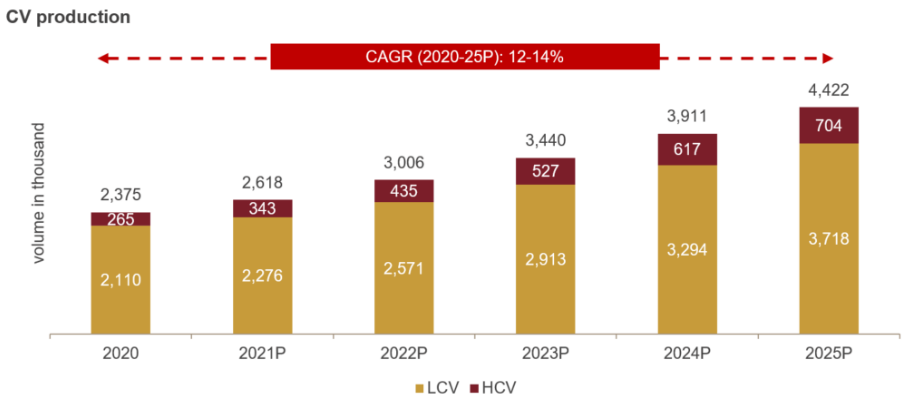
Outlook of the North American CV industry (2020 - 2025P)



Source: OICA.NET, CRISIL Research

CV production in North America is expected to increase at a CAGR of 4%-6% during 2020-2025, largely led by growing demand from logistics and e-commerce. However, the ongoing COVID-19 uncertainty and the implications of the United States-Mexico-Canada (USMCA) trade agreement in 2020 remains a key monitorable.

Outlook of the European CV industry (2020 - 2025P)



Source: OICA.NET, CRISIL Research

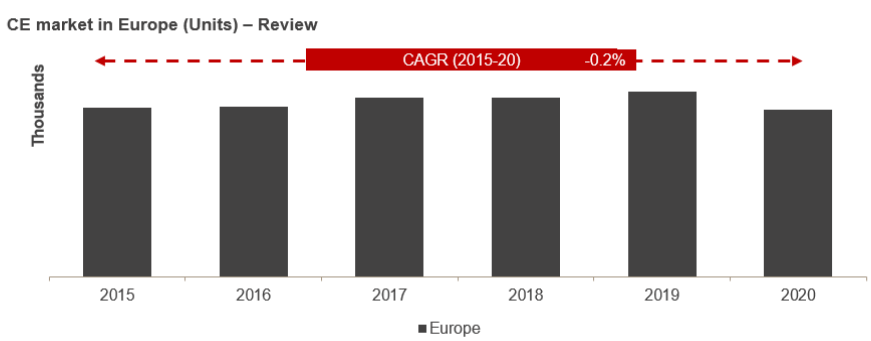
CV production in Europe is expected to grow at a robust pace of 12%-14% CAGR over 2020-2025, largely led by a rise in logistics due to e-commerce and a low base in 2020. Notably, CV production declined 15% YoY in 2020, as Europe was one of the hotspots of the virus, leading to the closure of several factories in 2020. In April 2021, The EU has committed to reduce its carbon dioxide (CO2) emissions by 55% (up from previous target of 40%) by 2030, compared with 1990 levels. However, growing preference for doorstep delivery is likely to support demand for LCVs in ecommerce applications. The European LCV market is expected to grow 11%-13% during the forecast period. Online retail sales and e-commerce have been rising due to the increased penetration of internet connectivity and smartphones, aiding LCV purchases for facilitating the timely delivery of items to buyers.

Review and outlook on the North American and European Construction Equipment ("CE") industry

Review of the North American CE industry (2015 - 2020)

In terms of volume, North America accounted for approximately 12% in global CE market, in calendar 2020. Over the 2015-2020 period, the CE market (in volume terms) in North America declined by 0.7% CAGR, impacted heavily by a 13% on-year decline observed in 2020, the pandemic impacted year. As of 2020, Excavators (37%), Compactors (20%) and Wheeled Loaders (15%) were the largest equipment categories, in terms of units.

Review of the European CE industry (2015 - 2020)



Note: Construction equipment market consists of following equipment: Articulated Dump Truck, Backhoe Loader, Crawler Excavator, Mini Excavator, Rigid Dump Truck, Wheeled Excavator, Wheeled Loader <80 HP, Wheeled Loader >80 HP, Compactors, Pick and Carry Cranes, Crushing, Pulverizing, & Screening Equipment

Source: Markets and Markets

Europe accounted for approximately 14%, in volume terms, in global CE market, in calendar 2020. Over the 2015-2020 period, the CE market (in volume terms) in North America declined by 0.2% CAGR, impacted severely by a 9% on-year decline observed in 2020, the pandemic impacted year. As of 2020, Excavators (47%), Compactors (25%) and Wheeled Loaders (13%) were the largest equipment categories, in terms of units.

Trends and growth drivers

In North America. United States - The construction industry in the US is expected to grow at a decent rate against federal spending cutbacks. However, low-interest rate loans to procure CE will encourage investments by the construction companies.

In Europe. Germany, France, the UK, Italy, Spain, and the Rest of Europe are considered under Europe for market analysis. According to Euroconstruct, the construction industry in countries such as the UK, Ireland, Finland, and Switzerland is estimated to witness a decline in 2020, owing to the COVID-19 pandemic. According to Eurostat, the EU construction industry has witnessed a double-digit decline in April 2020. It has, therefore, hampered the demand for CE in the region.

Outlook of the North American CE industry (2020 - 2025P)

Against a decline of 0.7% CAGR between 2015 and 2020, CE market is expected to grow by 3.2% for 2020-25 period. Among the equipment categories, Crushing, Pulverizing and Screening Equipment will grow at the highest rate (3.9% CAGR) as against a decline of 7.9% CAGR during 2015-2020 period. Pick and Carry Cranes will post the lowest growth rate (1.2% CAGR), in unit terms.

CE market in North America – Growth across equipment categories

Equipment Categories	Units	
	CAGR (2015–2020	CAGR (2020–2025)
Dump Trucks	-1.4%	3.2%
Backhoe Loader	-0.8%	3.1%
Excavators	0.0%	3.6%
Wheeled Loaders	-1.3%	3.7%
Compactors	-0.1%	3.4%
Pick and Carry Cranes	0.3%	1.2%
Crushing, Pulverizing And Screening Equipment	-7.9%	3.9%

Note:

1. *Colour gradients represent the relative value of the parameter for the equipment category vis-à-vis other equipment categories. Green represents the largest value, and red represents the lowest value*
2. *Following equipment categories consist of certain sub-categories, Dump trucks (Articulated Dump Truck and Rigid Dump Truck), Excavators (Crawler Excavator, Mini Excavator and Wheeled Excavator) and Wheeled Loaders (Wheeled Loader <80 HP and Wheeled Loader >80 HP)*

Source: MarketsandMarkets

Outlook of the European CE industry (2020 - 2025P)

- *Euro area recovery on track*

CE market in Europe is expected to grow at 3.6% CAGR during 2020-25, as against -0.2% in previous five years.

Across equipment categories, Dump Trucks will lead in volume terms, while Pick and Carry Crane segment will exhibit lowest growth.

CE market in Europe – Growth across equipment categories

Equipment Categories	Units	
	CAGR (2015–2020)	CAGR (2020–2025)
Dump Trucks	0.9%	6.2%
Backhoe Loader	-4.7%	4.2%
Excavators	-0.2%	3.6%
Wheeled Loaders	1.6%	4.1%
Compactors	-0.8%	3.6%
Pick and Carry Cranes	-0.4%	1.2%
Crushing, Pulverizing And Screening Equipment	1.4%	5.8%

Note:

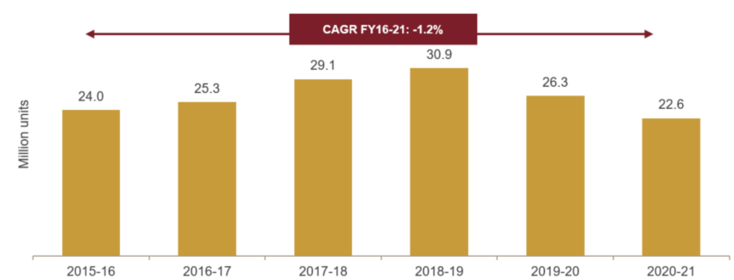
1. *Colour gradients represent the relative value of the parameter for the equipment category vis-à-vis other equipment categories. Green represents the largest value, and red represents the lowest value*
2. *Following equipment categories consist of certain sub-categories, Dump trucks (Articulated Dump Truck and Rigid Dump Truck), Excavators (Crawler Excavator, Mini Excavator and Wheeled Excavator) and Wheeled Loaders (Wheeled Loader <80 HP and Wheeled Loader >80 HP)*

Source: MarketsandMarkets,

Overview of Indian automobile industry

Production of automobile in India increased from 24 million units in Fiscal 2016 to 31 million units in Fiscal 2019, which declined by 15% yoy due to economic slowdown in Fiscal 2020, which further declined by 14% yoy owing to pandemic in Fiscal 2021. Production of two-wheeler dominates the industry, which occupies a share of 81%, followed by PV at 13%, CV and three-wheeler at 3% each as on Fiscal 2021.

Review of total domestic automobile production



Note: (Automobile includes passenger vehicle, commercial vehicle, two-wheeler and three-wheeler)

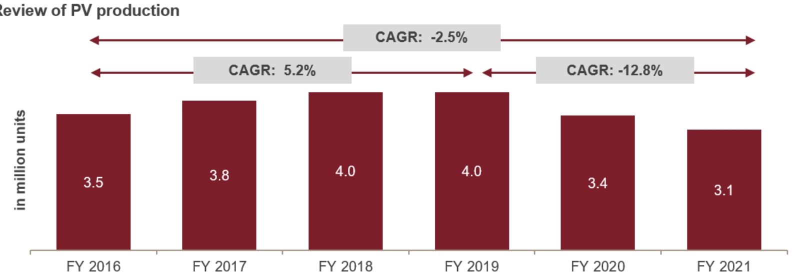
Source: SIAM- Society of Indian Automobile Manufacturers, CRISIL Research

Review of and outlook on the Indian PV industry

Review of the Indian PV industry (Fiscals 2016 – 2021)

- ***Historical production development (Fiscals 2016- 2021).*** Production of PVs in India recorded a healthy growth of 5.2% CAGR between Fiscals 2016 and 2019 due to a spurt in domestic and exports demand. Domestic demand was driven by expansion in the addressable market, development of infrastructure, and stable cost of vehicle ownership, as crude oil prices remained low except in the few months when output was reduced due to sanctions imposed on Iran.

Review of PV production



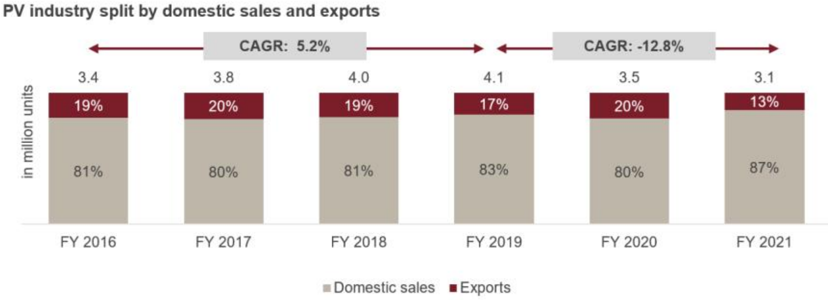
Source: SIAM- Society of Indian Automobile Manufacturers, CRISIL Research

As COVID-19 spreads through close contact, the use of public transportation and shared mobility services expected to be impacted currently. This has given a boost to personal mobility. Despite real GDP likely to contract 7.5% in Fiscal 2021, PV production declined by approximately 11%— domestic sales declined by approximately 2% whereas exports declined sharply by 39%.

- ***Split by domestic sales and exports***

The Indian PV market is focused on the domestic market, with over 85% demand stemming from the domestic market in Fiscal 2021. The ratio of exports-to-production for the industry has declined from 19% in Fiscal 2016 to 13% in Fiscal 2021. This can be attributed to muted exports due to a slowdown in the global automobile industry as well as major OEMs focusing on serving fast-growing domestic markets over foreign markets. In Fiscal 2020, this share had gone up to approximately 20% as OEMs enhance their focus on export markets. Stagnating domestic traction in the past three years has resulted in foreign automobile manufacturers such as Ford India, General Motors (GM), and Volkswagen (VW) increasing their focus on exports, thereby improving utilisation by using spare capacity and boosting revenue. These players are developing India as an export hub, as evidenced by the consistent increase in the proportion of exports to their total production.

PV industry split by domestic sales and exports



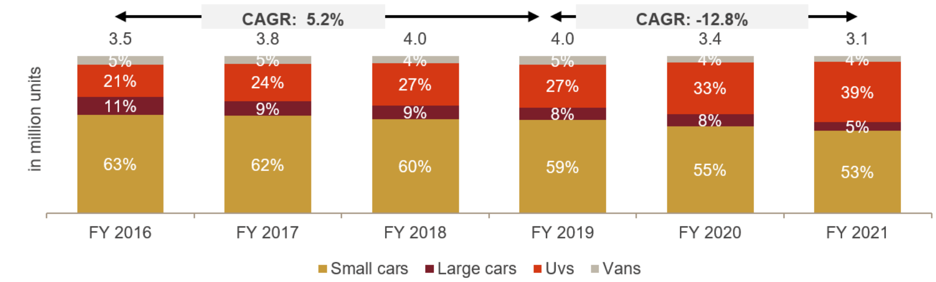
Source: SIAM, CRISIL Research

The domestic PV industry grew 6.6% between Fiscals 2016 and 2019, led by strong growth in utility vehicles (“**UVs**”), which rose 14.9% versus cars, which grew 3.1% during the same period. Improving economic scenario, higher affordability, and new model launches drove demand during this period. PV exports from India remained flat at 1.2% CAGR between Fiscals 2016 and 2019, supported by UV exports, which grew at a CAGR of 10.5%, while car exports fell 1.2% during this period.

- ***Split of industry production volume by PV segments***

Unlike most developed economies and some developing nations, India’s car market is highly underpenetrated. As of Fiscal 2020, India had approximately 24 PVs per 1,000 people. This is significantly lower than both developed nations and even other nations in the BRIC block (Brazil, Russia, and China), based on per-capita GDP. Brazil, Russia and China has 173, 307 and 99 PVs per 1,000 people respectively in 2015. Thus, the country holds tremendous potential for automobile manufacturers. Also, in the penetration of cars and UVs with per-capita GDP across countries, India still lags behind most countries, and CRISIL Research expects the gap to reduce gradually after a decline in Fiscal 2021.

PV production split by vehicle segments



Source: SIAM, CRISIL Research

<u>Outlook on the Indian PV industry (Fiscals 2021 - 2026P)</u>

- ***Production outlook (Fiscals 2021 - 2026P)***

CRISIL Research estimates overall PV production to grow at a 7%-9% CAGR from Fiscal 2021 to 2026, and reach approximately 4.5 million units by Fiscal 2026. However, risk of subsequent waves of COVID-19 and need for the state and central governments to impose localised or extended lockdown to control spread of pandemic may have an impact on supply chains as well as sales going forward. In such a case, overall industry production is also likely to get adversely affected over the short term. The long-term outlook remains bright with regard to exports as efforts to penetrate newer geographies bear fruit and schemes such as PLI incentivises players to tap exports. CRISIL forecasts exports to clock 11%-13% CAGR between Fiscals 2021 and 2026. Rising competition in Europe amid sluggish demand growth, though, will prevent further increase in growth. Moreover, penetration of electric and hybrid vehicles will be a key monitorable.

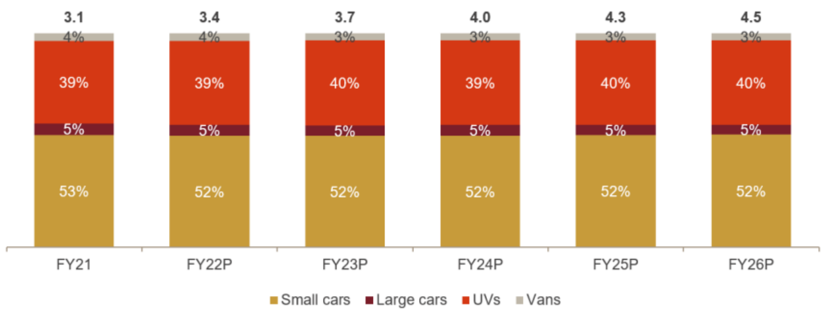
- ***Domestic sales outlook (Fiscals 2021- 2026)***

Domestic PV sales are expected to increase by 8%-10% CAGR over Fiscals 2021 to 2026. The growth is expected to be better (post-Fiscal 2021), as consecutive years of double-digit declines would lead to a very low base in Fiscal 2021.

- ***Split by PV segments***

CRISIL Research projects production of UVs to drive the growth of PV industry in long term. UV segment is expected to grow at a CAGR of 8%-10% from Fiscal 2021 and Fiscal 2026 on a low base of Fiscal 2021. Small cars and vans to grow at a CAGR of 7%-9% and large cars to grow at a stable rate of 3%-5% CAGR between Fiscal 2021 and 2026. Growth will be driven by the improving macroeconomic situation, increasing disposable incomes and the relatively stable cost of vehicle ownership owing to steady fuel oil prices. Other factors aiding demand will be: increased urbanisation, Finance Commission payouts and easy availability of finance. With global automakers flooding India with new models to capitalise on the growth opportunity, buyers will be spoilt for choice. The proportion of replacement demand will rise as car owners opt for newer models due to higher affordability, competitively-priced launches, and easy availability of finance.

PV production outlook by segment

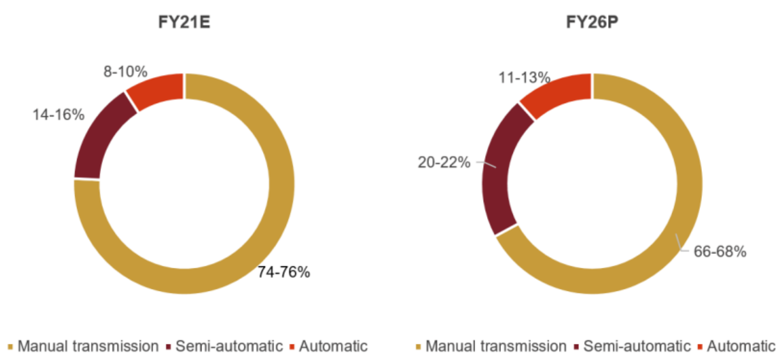


Note: P - Projected

Source: SIAM, CRISIL Research

- ***Split by transmission type***

As on Fiscal 2021, manual transmission is estimated to occupy 74%-76%, followed by semi-automatic and automatic transmission types. The cost of automatic transmission is higher as compared to manual transmission, additionally, the fuel efficiency is also lower, leading to higher share of manual transmission. Manual transmission penetration is higher in SUV as compared to cars.

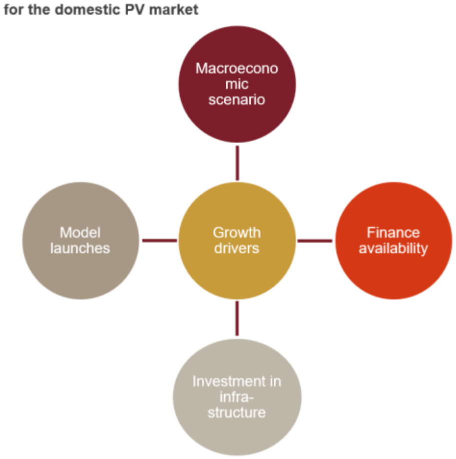


Source: Industry, CRISIL Research

- ***Key trends and growth drivers***

Primary demand drivers for the PV industry include improved affordability, lower cost of ownership, and new model launches.

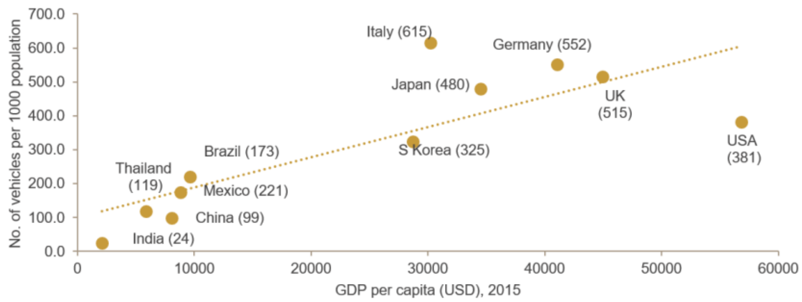
Key growth drivers for the domestic PV market



- ***Future growth drivers for the domestic market***

Significant headroom for growth on account of underpenetrated market. India's car market is highly underpenetrated compared with most developed economies and some developing nations. As of Fiscal 2020, India had approximately 24 PVs per 1,000 people. This is significantly lower than both developed nations and even other nations in the BRIC block (Brazil, Russia, and China), based on per-capita GDP. Brazil, Russia and China has 173, 307 and 99 PVs per 1,000 people respectively in 2015. Thus, the country holds tremendous potential for automobile manufacturers. Furthermore, comparing on the basis the penetration of cars and UVs with per-capita GDP across countries, India still lags behind most countries and, as such, CRISIL Research expects the gap to reduce gradually after a decline in Fiscal 2021.

Country-wise passenger vehicle penetration



Note: Figures except India, are as of calendar year 2015, Dotted line indicates median; Figures in the bracket indicate passenger vehicles per 1,000 people
Source: OICA, World Bank, CRISIL Research

Favourable demographic factors. As per Census 2011, India's population was approximately 1.2 billion, and comprised approximately 246 million households. The population, which grew approximately 18% over 2001 and 2011, is expected to increase approximately 11% over 2011 and 2021 to 1.4 billion. It is expected to reach 1.5 billion by 2031.

Anticipated improvement in rural demand. Rise in finance penetration in the long term, as banks and NBFCs continue to focus on semi-rural and rural areas, will contribute to this

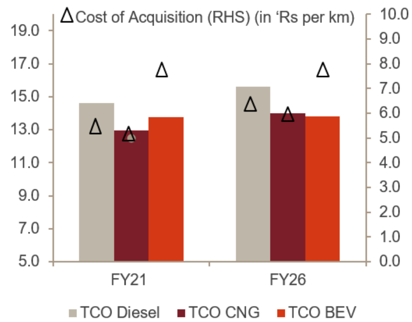
Improvement in finance availability. Given the industry's higher ticket sizes and better credit profile of end customers, finance penetration is higher in the PV industry compared with other automobile segments. CRISIL Research estimates finance penetration levels to reach 79% in Fiscal 2021 from 74% in Fiscal 2016.

- ***Electric PVs to contribute to 4%-6% of domestic sales by Fiscal 2026***

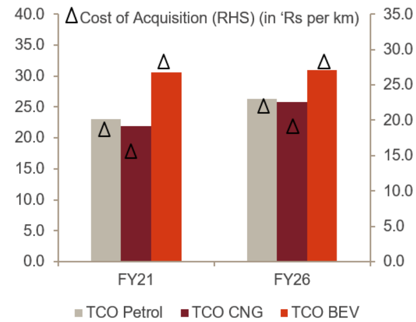
In case of commercial application like cab aggregators, Total Cost of Acquisition ("**COA**") for EVs almost 50% higher for diesel and CNG vehicle. However due to heavy running of the vehicles the Total Cost of Ownership ("**TCO**") of EVs for cab aggregators is lower for EVs compared with diesel alternatives by approximately 6% and higher by approximately 6% than CNG alternatives even in Fiscal 2021. By Fiscal 2026, TCO for EVs is likely to be lower by 11% in with diesel alternatives and marginally lower for CNG alternatives. The lower battery cost is expected to offset the lack of FAME subsidy and will help maintain competitiveness of BEVs against diesel and CNG variants for cab aggregators.

Charging infrastructure, range anxiety and lack of large OEM presence is hindering EV adoption in India. However, battery swapping business model can help in reducing cost of acquisition for buyers, range anxiety, drastically reduces refuelling (charging) time and assuage customer concerns around life of a battery or need for replacement of a battery. However, success of battery swapping also depends on standardization of battery specifications by a central/nodal authority and along with commitment of substantial investments by swapping infrastructure providers for establishment of a dense network of swapping stations across parts of India.

Cab aggregators use case: TCO and COA of EVs is lower due to higher running



Personal use case: High TCO and COA of EVs remain a challenge until fiscal 2026



Note: Total cost of ownership analysis framework takes into consideration down payment/ initial payment, EMI, fuel cost, maintenance cost and battery replacement cost if any over the ownership period adjusted for the resale value TCO is in Rs per km; For cab aggregators, compact sedan has been considered for assessment whereas in personal application hatchback has been considered for evaluation; Holding period of 4 years and 5 years is being considered for cab aggregator and personal use case respectively; annual running of 62,500 km and 12,000 km considered for cab aggregator and personal use case respectively.

Source: Industry, CRISIL Research

TCO and COA of electric personal cars are still higher (approximately 33% and approximately 78%, respectively) compared with the petrol alternative and higher by (approximately 39% and approximately 53%, respectively) due to their lower running. Therefore, EVs are currently not a viable use-case. In Fiscal 2026 however, the gap is expected stay higher prohibiting EV adoption in personal usage segment. In addition, availability of charging infrastructure and range especially for intercity travels are likely to be key bottlenecks for adoption of EVs in the personal car segment. Hence, CRISIL Research expects the share of EVs in total passenger car sales to remain low (4%-6%) in Fiscal 2026. Penetration in Fiscal 2021 was approximately 0.16%. EV penetration can be higher if government adopts stricter policies on OEMs for not meeting CAFÉ norms. The exact quantum of EV penetration in an aggressive case depends on incentives given for adoption and setting up of charging infrastructure. EV penetration will also be propelled by policies adopted by the government for penalising non-adherence to CAFÉ norms. Electrification in PVs is expected to slower on account of limited range of electric vehicles, very higher cost of acquisition for EVs with desired range, lack of total cost of operations with ICE vehicles especially for personal applications, limited availability of charging infrastructure, lack of clarity around vehicle performance and resale value among stakeholders.

Review and outlook on Indian CV industry

<u>Review of Indian CV industry (Fiscals 2016 – 2021)</u>

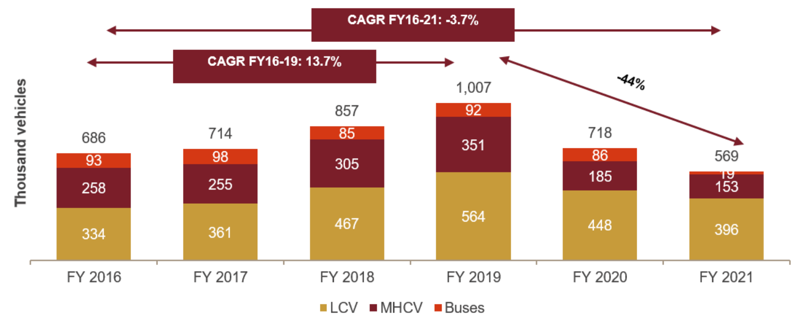
- ***Historic production development (Fiscals 2016 to 2021)***

Production of CVs in India registered a decline of 1.1% compound annual growth rate (CAGR) from Fiscal 2016-2020. Domestic sales posted marginal growth of CAGR 1.1%, whereas exports declined by CAGR 12.4% between Fiscals 2016 and 2020. In Fiscal 2021, production decline by approximately 17% over Fiscal 2020 as the COVID-19 pandemic and ensuing lockdown measures by the government posed severe demand as well as supply-side challenges for industry.

Split by CV category

Between Fiscals 2016 and 2020, domestic CV sales logged 1.1% CAGR. In fact, over Fiscal 2016-2019, domestic sales clocked a CAGR of 14% on the back of robust 17.2% CAGR sales growth in light CV (LCVs) and 9% in medium and heavy CVs (M&HCVs). Over Fiscal 2016-2019, goods vehicles sales clocked a CAGR of 16%, even as bus demand remained flat.

Review of CV segmentwise domestic sales



Note: LCV includes vehicles with Gross Vehicle Weight (GVW) less than or equal to 7.5 tons; M&HCV includes vehicles with GVW greater than 7.5 tons

Source: SIAM and CRISIL Research

In Fiscal 2017, CV sales saw a 7% year-on-year rise over April-October. However, after demonetisation (November 2016), a cash crunch in the economy negatively impacted industrial output and slowed sales growth. However, Fiscals 2018 and 2019 witnessed strong recovery and a healthy 17%-20% growth, supported by the government's focus on road and housing infrastructure development.

Outlook of Indian CV industry (Fiscals 2021 – 2026P)

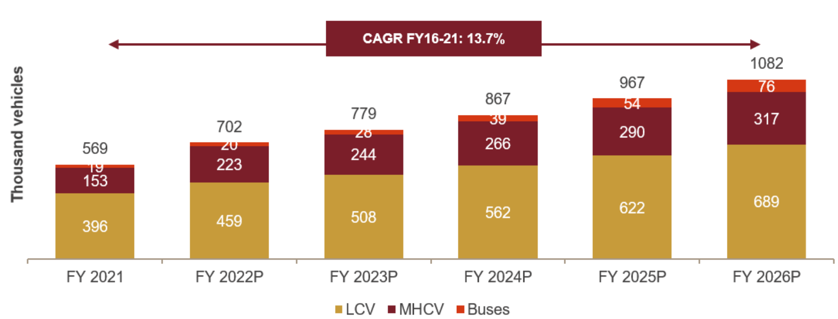
- ***Production outlook (Fiscals 2021 – 2026P)***

Production of CVs in India is expected to increase at robust 13.0% CAGR over Fiscals 2021 to 2026. MHCV production is expected to grow by CAGR of 16.6% and the LCV segment is expected to show CAGR growth of 11.5% in Fiscal 2026 over Fiscal 2021 production. MHCV buses segment in particular is expected to rebound sharply, growing at 35%-40% CAGR over Fiscals 2021 to 2026. In Fiscal 2021, though, the production of buses has sharply declined because of low people mobility due to the pandemic. But Fiscal 2022 onwards, production of buses is projected to rise exponentially as sales recover on a low base of Fiscal 2021 on account of availability of vaccine. Also, production for goods vehicles is estimated to grow at 12.3% CAGR over Fiscal 2021-2026

- ***Split by domestic sales and exports***

The Indian CV industry is expected to remain domestic-focused, with domestic sales comprising approximately 93% share of production even in Fiscal 2026. However, with exports projected to grow at 10.0% CAGR over Fiscals 2021 to 2026, its contribution in overall production is likely to marginally rise over Fiscal 2021. Second wave of COVID-19 outbreak led to lockdown in key affected regions in Q1 of Fiscal 2022. This has impacted domestic sales across segments post a healthy Q4 of Fiscal 2021. Consequently, LCV, MHCV and bus volumes decline by approximately 42%, approximately 63% and approximately 43% qoq (quarter-on-quarter) in Q1 of Fiscal 2022 resulting in approximately 50% qoq decline in overall CV volumes. Also, with significant share of loans under moratorium amid low fleet utilsation and freight rates, risk-averse financiers to limit wholesale offtake.

CV segmentwise domestic sales outlook



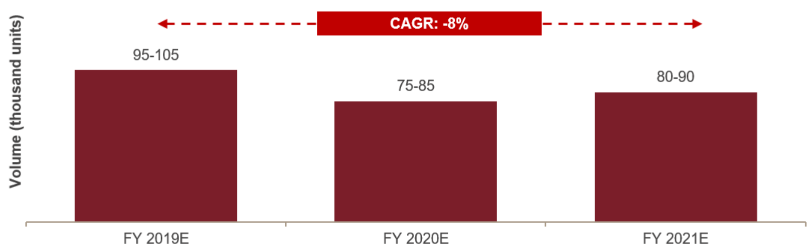
Review and outlook of India's CE industry

The construction industry accounted for 7% of India's GDP in Fiscal 2021. The industry provides huge employment opportunities because it constantly requires skilled and unskilled labourers. Moreover, growth in construction is positive for sectors such as steel and cement, which are key raw materials. The COVID-19 pandemic, the subsequent lockdown, and its financial fallout have impacted construction activities. The Construction sector is projected recording a 25%-30% recovery in Fiscal 2022, from a low base in Fiscal 2021, led by a recovery of investments in construction of buildings to pre-COVID levels by deferred completions and steady growth in infrastructure with healthy rise in central and state capex. CRISIL research expects spends in the construction sector to register a CAGR of 6%-8% over Fiscals 2022 to 2026 to approximately 55-58 lakh crore as against spends of 38 lakh crore with a CAGR of 6% registered over Fiscals 2016 to 2020, driven by the infrastructure segment.

Size of India's CE industry (Fiscals 2019E - 2021E)

CE can be broadly categorised as earthmoving and mining, material handling, road building, concreting, and material processing equipment. Earthmoving and mining equipment (EME) constitutes a major share of the CE industry.

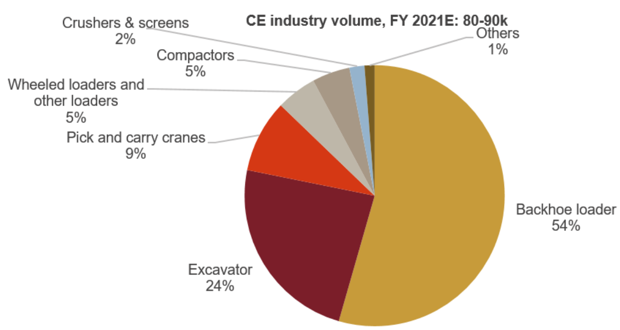
Review of domestic sales of India's construction equipment industry (fiscals 2019E-21E)



Note: E – estimates; construction equipment for our analysis includes backhoe loaders, excavators, wheeled and other loaders, pick and carry cranes, compactors, motor graders, crushers and screeners, and pavers.

Source: Industry, CRISIL Research

Equipment-wise break-up (fiscal 2021E)



Note: E – estimates

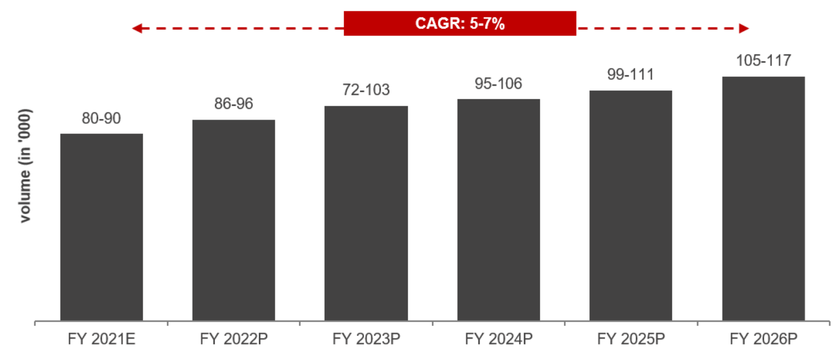
Source: Industry, CRISIL Research

Backhoe loaders and excavators constitute more than 75% of the CE industry. The share of backhoe loaders has improved in the last three years.

Outlook on CE industry (Fiscals 2021E - 2026P)

CE volumes are projected to rise 6%-9% on year in the second wave pandemic impacted Fiscal and on a high base of emission norms led pre-buying witnessed in Fiscal 2021. The uptick in volumes would be led by rising infrastructure capex, expected increase in real estate projects and mining output. However, the sharp rise in input costs and implementation of emission norms would push up prices impacting offtake. Demand is expected to remain strong before moderating in Fiscal 2024 and 2025 pre-and post-the general elections in 2024. The industry is expected to record a growth of 5%-7% CAGR between Fiscal 2021 and 2026.

Outlook on domestic sales of India's construction equipment industry (fiscals 2021E-26P)



Source: Industry, CRISIL Research

Demand for CE will largely be supported by robust infrastructure spend over Fiscals 2021-26. The share of infrastructure projects is expected to increase to 60%-65% in the next five years (Fiscals 2021-26), as against 50%-55% in the past five years because of muted investments in building construction and industrials. The central government's focus on roads, urban infrastructure, and railways will boost infrastructure investments. CRISIL Research also expects metro rail, water supply and sanitation, and railway projects to garner larger shares.

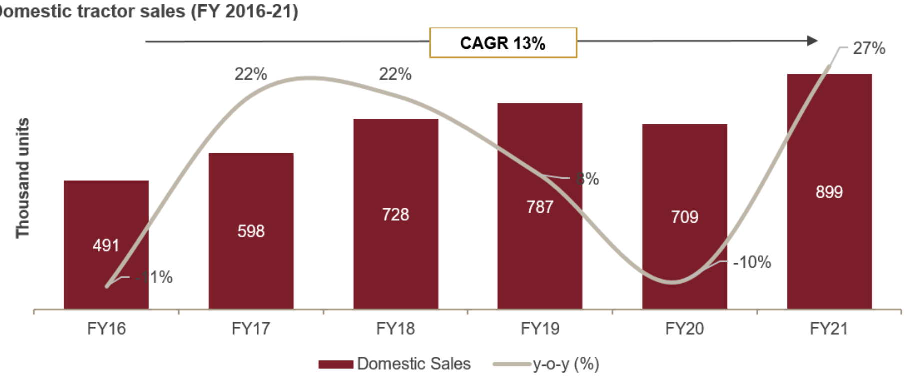
Review and outlook of the Indian tractor industry

Review of the Indian tractor industry (Fiscal 2016 - 2021)

- ***Historic domestic tractor production and sales***

Tractor production grew at a CAGR of 16% over Fiscals 2016 to 2019. It declined by 13% on-year in Fiscal 2020, owing to uneven rainfall distribution leading to crop failure, COVID-19-induced restrictions and increased raw material costs. While, domestic production capacity grew by approximately 30,000 units in Fiscal 2020. Resultantly, capacity utilisation declined to 58%-60% in Fiscal 2020. Tractor production bounced back 25% in Fiscal 2021. Domestic tractor demand rose 27% in Fiscal 2021 due to a higher focus on rural development (allocation to rural development budget increased by 59% last Fiscal) and government support through income support schemes. Further, greater replacement demand, positive farm sentiments on account of better crop profitability, better procurement of field crops and oilseeds, and higher mechanisation requirement for some regions amid reverse migration, boosted domestic demand.

Domestic tractor sales (FY 2016-21)

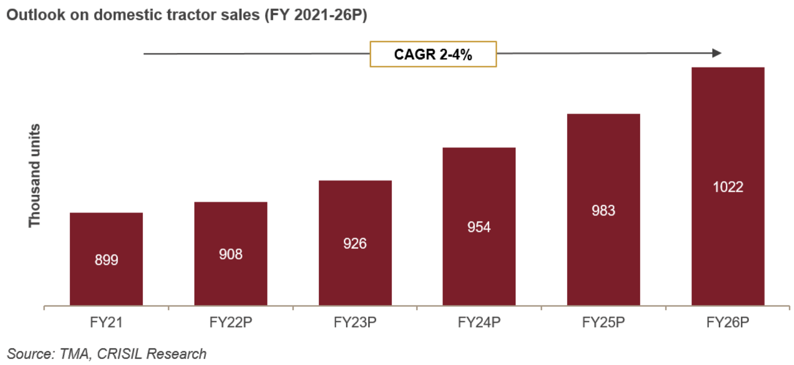


Source: TMA

Outlook on Indian tractor industry (Fiscals 2021 – 2026P)

Production volumes of tractors are expected to grow by 2%-4% on-year in Fiscal 2022, while increasing at 3%-5% CAGR over Fiscals 2016-2021, owing to a high base of Fiscal 2021. The government's aim to double farm income via several initiatives is expected to boost tractor demand. These initiatives include e-NAM (National Agriculture

Market), direct price support, farm loan waivers, expansion of crop insurance coverage, MSP support and improvement in land productivity via soil health cards.



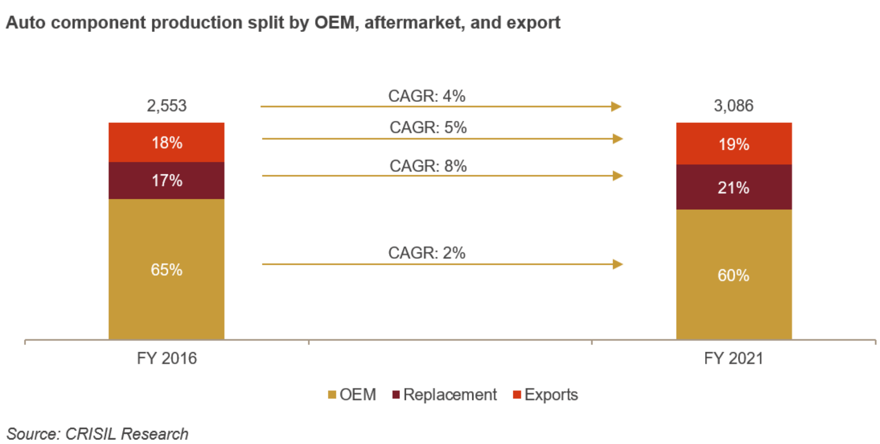
Given the cyclicality, it takes 4-5 quarters for the tractor industry to recover from a downturn. Thus, considering the impact of poor monsoon between Fiscals 2022-2026, the industry could take 4-5 quarters to recover. The domestic sales is expected to grow 0%-3% in Fiscal 22. Our long-term assessment suggests that the tractor industry will grow at a CAGR of 2%-4% over the period of Fiscals 2021-2026. The growth will be supported by low tractor penetration in India (three tractors per 100-hectare area), the government's focus on improving farm incomes through various schemes, promoting farm mechanisation, and improving rural infrastructure.

Review and outlook for the Indian auto component sector

Indian auto component sector by value (Fiscals 2016 – 2021)

Auto component industry by OEM, export, and aftermarket in value terms

Auto component production (which includes sale to OEMs, exports, and replacement market) increased at a CAGR of approximately 4% over Fiscals 2016-21, from ₹2,553 billion to ₹3,086 billion.

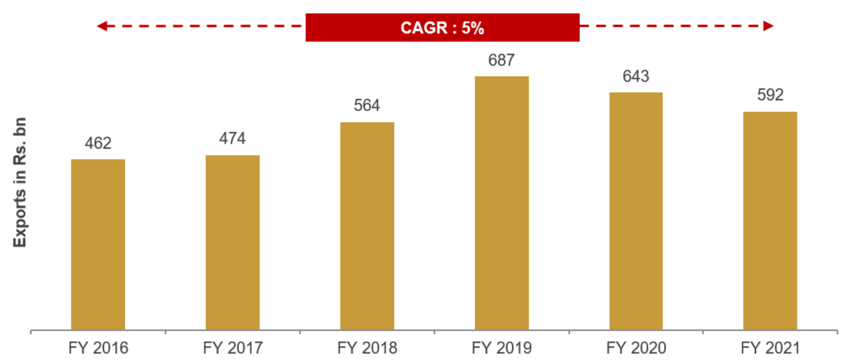


Domestic auto component production revenue has declined by approximately 6% in Fiscal 2021 yoy due to subdued demand across all automobile asset classes (barring tractors) amid continued weakness in the economy and lower demand from the replacement market owing to lower movement of vehicles. On the export front, with the spread of COVID-19 in key export destinations, demand was impacted until August 2020, with exports declining 36% on-year during April-August 2020. However, green shoots were visible in export demand from September 2020 onwards. The recovery was led by an increase in demand from Europe and Asia (primarily Germany and Italy). In Fiscal 2021, exports recorded a de-growth of 8% yoy.

- ***Auto component exports by value over Fiscals 2016-2021***

Exports increased at a CAGR of 14% over Fiscals 2016-19, in line with improvement in global automobile sales. However, global economic slowdown and increasing trade tensions led to a 6% decline in exports in Fiscal 2020. Due to pandemic, global automobile production declined leading to export of auto component declining by 8% yoy in Fiscal 2021.

Auto component export development (Rs billion), fiscals 2016-21

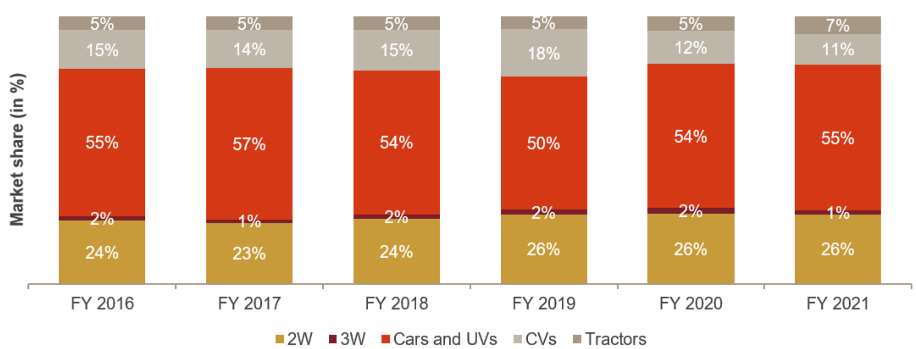


Source: Directorate General of Foreign Trade, CRISIL Research

OEM auto component industry split by vehicle categories in value terms

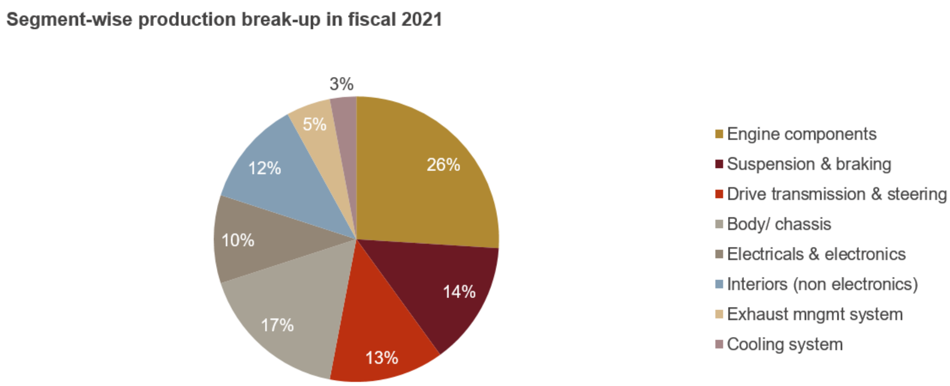
The proportion of manufacturing activity outsourced to auto component makers is the highest for cars and utility vehicles, explaining this segment's prominence.

Auto component production split by vehicle categories (split in value terms)



Source: CRISIL Research

Split by major auto component categories in value terms



Source: Automotive Component Manufacturers Association (ACMA), CRISIL Research

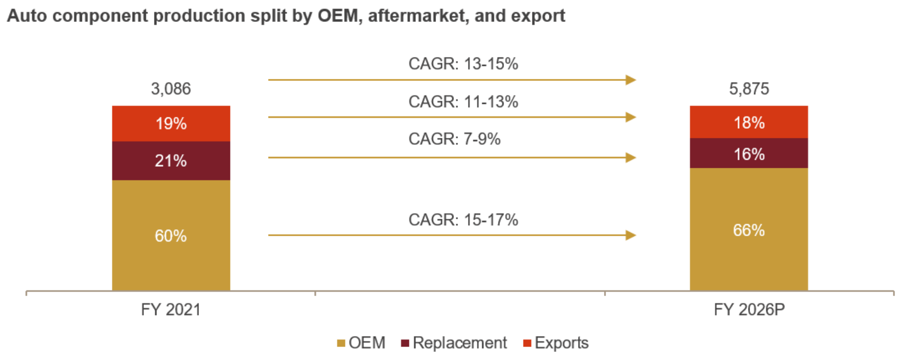
The Indian auto component industry can be broadly classified into organised and unorganised sectors. The organised sector caters to the demand for high-value precision instruments such as engine parts, and the unorganised sector to the aftermarket with low-value products such as switches.

Engine & engine parts	**Suspension & braking parts**	**Drive transmission & steering parts**	**Body and chassis**	**Electrical & electronics parts**	**Interiors (non-electronics)**	**Exhaust management and cooling systems**
Piston and piston parts	Suspension parts	Steering system	Sheet metal parts	Starter motors	Seating system	Exhaust pipes
Fuel injection equipment and carburettors	Braking parts	Axle assembly	Fuel tanks	Generators	Mirrors	Mufflers
Powertrain components (cylinder heads, cylinder blocks)		Clutch assembly	Plastic-moulded components	Alternators	Plastic-moulded components	Catalytic convertors
Engine cooling systems		Wheel and wheel rims	Rubber components	Magnetos	Rubber components	Radiators
Other powertrain components			Locks	Distributors and regulators		Cooling fans
Engine bearings and valves			Ball and roller bearings			
Exhaust systems						
Gaskets, liners, and filters						
Other engine parts such as flywheel, ring gears, etc.						

Source: CRISIL Research

Outlook of Indian auto component sector in value terms (Fiscals 2021 - 2026P)

Auto component industry by OEM, export, and aftermarket in value terms

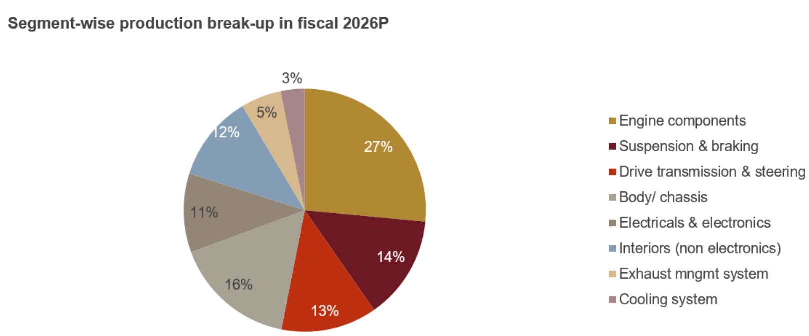


P: Projected

Source: CRISIL Research

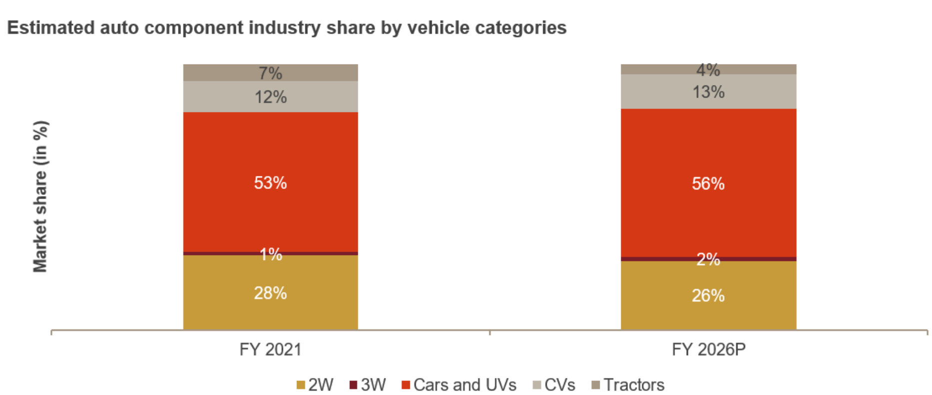
CRISIL Research expects the auto component industry's revenue to be led by OEM demand, which is expected to log a CAGR of 13%-15% over Fiscals 2021-26, to reach ₹5,875 billion. Production growth and higher outsourcing to auto component players by OEMs will drive OEM demand. Exports are expected to increase at a robust CAGR of 11%-13% over Fiscals 2021-26, driven by schemes such as Production-Linked Incentive (PLI) scheme.

Split by major auto component categories in value terms



Source: CRISIL Research

OEM auto component industry split by vehicle categories in value terms



P: Projected

Source: CRISIL Research

Share of each vehicle segment is expected to remain structurally constant. With the drive for the Make in India movement, India's dependence on imports is expected to gradually reduce. Moreover, OEMs are beginning to prefer localised products. The trucking industry is expected to gradually shift towards organised auto component players owing to regulatory changes (with respect to engines) and the GST.

Growth drivers

- ***Demand-side factors.*** Vehicle production across segments is likely to recover on a low base in Fiscal 2021, supported by customer preference for personal mobility options due to social distancing, vaccine availability, government focus on capital expenditure, and the resultant pickup in the economy. CRISIL Research expects almost all vehicle segments to log robust production growth over Fiscals 2021-26. Infrastructure improvements are expected to aid in automobile demand generation on account of employment generation, and improved accessibility and mobility.

- ***Supply-side factors.*** The Indian automobile ancillary sector is transforming itself from a low-volume, highly fragmented sector into a competitive industry, backed by competitive strengths and investments in research and development, resulting in technological improvements. Many domestic manufacturers have successfully entered into strategic alliances/collaborations, while others are actively formulating their plans. Many of the world's leading Tier 1 suppliers have set up manufacturing facilities in India, including Bosch, Delphi, Visteon, and Denso. Additionally, some suppliers already meet global technical and quality standards at the Tier 1 level. Some of India's leading original equipment suppliers (OES) include TACO, Bharat Forge, Sundaram Clayton, and Sundaram Brake Linings.

- ***Policy support.*** Impact of BS-VI emission norms on auto component industry- Implementation of the BS-VI regulation has helped the auto component industry in terms of increased average realisation for components supplied. Other upcoming emission norms line BS VI-B, real-time driving emissions is expected to drive up the realisation of the auto components, mainly engine and exhaust system.

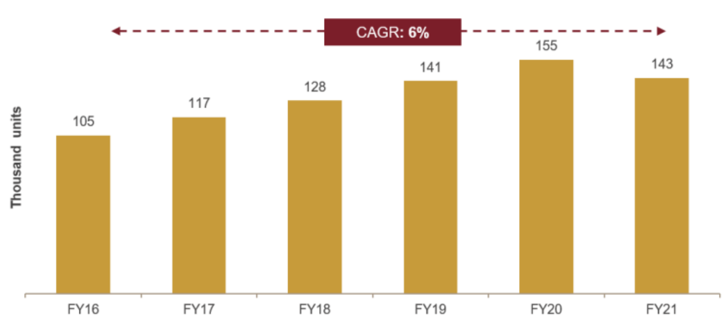
Review and outlook for the Indian genset industry

<u>Review of the Indian genset industry (Fiscal 2016 – 2021)</u>

Historical production development (Fiscal 2016 – 2021)

Indian genset production clocked remarkable growth of 10% CAGR between Fiscals 2016 and 2020, however it declined by 8% yoy in Fiscal 2021 due to pandemic. The high demand for power back up driven by government thrust on Infrastructure development such as metro rail, highway construction, rapid urbanization led to this growth. Government's 'Make in India' campaign to promote local manufacturing further aided the increasing demand for power backup. The other sectors like real estate, telecommunication, airport, marine, ports, construction and industrial sectors have also shown positive growth and it further accelerated domestic demand for generators.

Review of genset production (FY2016-21)



Source: Industry, CRISIL Research

Domestic demand for generators were driven by various industries such as infrastructure, real estate, telecommunication, healthcare, etc. Gensets are used in infra projects at construction stage as prime power source whereas gensets are used as a standby in several infra projects such as airports, ports, railways post operationalisation in case of power failure. Gensets are also used as standby power in case of data centers, hospitals, and commercial real estate projects.

Classification of genset on the basis of power rating and key end user industry

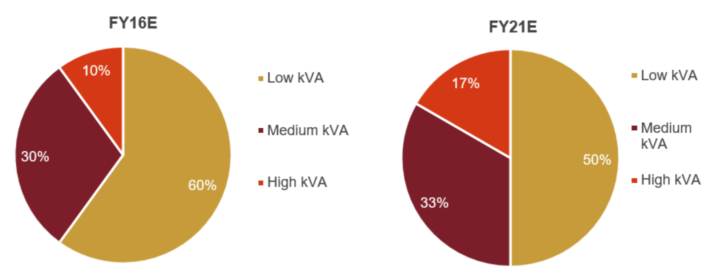
The power provided by the generator sets is measured in kVA ratings. Larger the electricity requirement of the application, larger is the kVA rating of the generator needed to provide the backup. On the basis of power rating capacity, genset are classified into major three segment: (i) low kVA segment: less than 125kVA; (ii) medium kVA segment:125kVA -750kVA; and (iii) High kVA segment: 750kVA and above.

Segment wise key end user Industries-

Power rating KVA	Key end user
Low kVA segment	Telecom
	Retail (Petrol pump, malls, stores)
	Hospitality
	Small restaurant
	Small Industries
	Commercial complex (shopping mall, corporate offices, etc.)
Medium kVA segment	Manufacturing
	Healthcare/hospitals
	Residential reality
	Agriculture
	Aquaculture/poultry farm
	Large industries (Marine, mining and ports, construction)
	Infrastructure (Metro, rail, road)
	Real estate (residential/commercial)
	Healthcare
	IT/ITES
	Hospitability
High kVA segment	Large industries (Automobile, Iron/ steel, textile, cement etc.)
	IT/ITES/BFSI/E-commerce
	Real estate

Source: Genset manufacturers, industry interaction, CRISIL Research analysis

Split by kVA power rating (Fiscals 2016 – 2021E)



E - Estimates

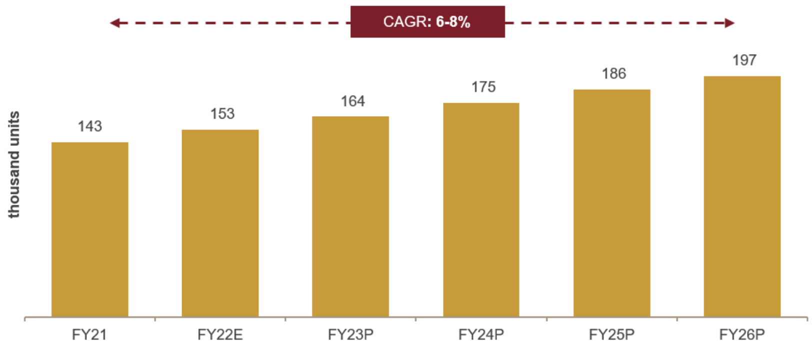
Source: Industry, CRISIL Research

<u>Outlook on Indian genset industry (Fiscal 2021 - 2026P)</u>

Production outlook Fiscal 2021 - 2026P

CRISIL Research projects production of genset will see moderate growth of 6%-8% CAGR during the Fiscal 2021 to 2026 on a low base of Fiscal 2021 due to pandemic. In Fiscal 2021, the overall genset industry witness a slowdown owing to the ongoing to the pandemic. lower industry growth, hospitality sector majorly affected due to travel restriction, decline in telecom majorly in the first half of Fiscal 2021 impacted the industry's growth. The market revival observed from fourth quarter of Fiscal 2021 has set a momentum and industry is expected to have growth in Fiscal 2022 over the Fiscal 2021.

Demand outlook for genset for Fiscal 2021 – 2026P



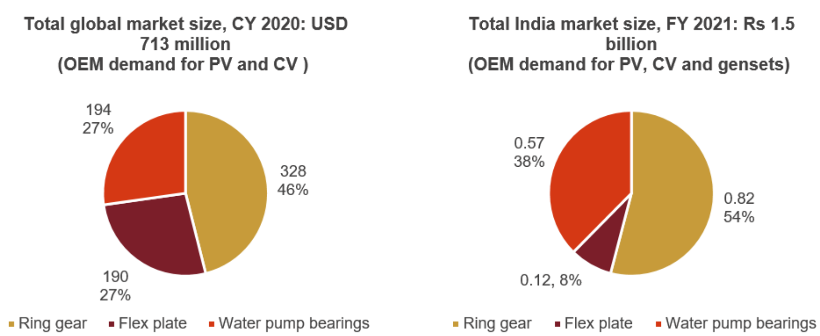
Note: P - Projected
Source: Industry, CRISIL Research

- ***Major factors for growth outlook in Fiscal 2022-26***

The power genset market shows promising growth opportunity from Fiscal 2022-26. The market will remain positive as growth in housing, industrial and infrastructure will drive the demand for genset. Total budgetary allocation on capital expenditure in infrastructure for Fiscals 2021-2022 saw a 20% rise over revised estimates for Fiscal 2021-2022 to ₹5.64 lakh crore with roads and railways being the biggest beneficiaries. Real estate is one of the major key end user of genset, investment in building construction show optical jump in Fiscal 2022, would still below pre-COVID levels. CRISIL research estimates construction investment to grow at 6%-8%CAGR between Fiscal 2022 and 2026. The Power genset segment is expected to gain traction as a result of increased spending on infrastructure (NIP pipeline), manufacturing (PLI Scheme), healthcare, data centres and telecom

Market sizing and outlook of relevant auto component segments

Ring gears, flex plates and water pump bearings are used in various applications such as PV, CV within automotive segment. Ring gears and water pump bearing also find applications in non-automotive applications such as tractors, marine, CEs, etc. Ring Gears, Flex plates and Water pump bearings are precision engineered products involving significant manufacturing value add. In 2020, this combined global market of ring gear, flex plates and water pump bearing is estimated at USD 713 million as on 2020 which is expected to reach USD 1,052 million by 2025 growing at 7%-9% CAGR over 2020 to 2025 period. For India, in Fiscal 2021, the combined domestic size of ring gears, flex plates and water pump bearing is estimated at ₹1.5 billion which is expected to reach ₹2.9 billion by Fiscal 2026 growing at 13%-15% CAGR over Fiscal 2021 to 2026.



<u>Ring gears</u>

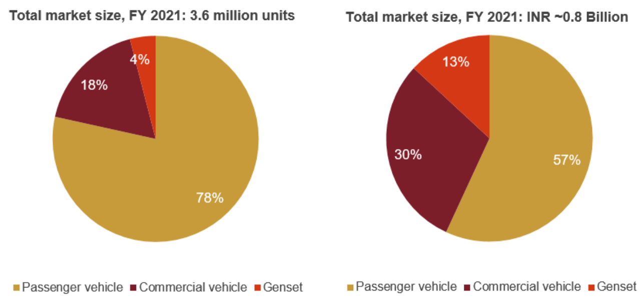
Ring gear also known as a starter ring gear transfers torque from the starter motor to the crankshaft of an engine in order to start the engine. Ring gears have diversified applications spanning across automotive and non-automotive applications such as PV, CV, earth moving equipment, industrial and power genset, lawn mower. Ring gears are used in ICE Engine, across both Manual and Automatic Manual Transmissions (semi-automatic transmission). The realisation of a ring gear is mainly dependent on the size i.e. diameter, weight, raw material used. One ring gear is required per Ignition Combustion Engine (ICE) engine. Ring gear is a part of transmission assembly, hence there will not be a significant impact of emission norms on the product.

Indian ring gears market

- *Review, Fiscal 2021*

Ring gear finds its application in PV, CV in automotive segment and used in non-automotive applications such as gensets, tractors, marine, CEs, etc. CRISIL Research estimates the size of the ring gear industry (catering to OEM demand) at 3.6 million units in Fiscal 2021. PV industry occupies the highest share of 78%, followed by CV industry at 18% and genset at 4%. Per unit realisation is higher in case of gensets and CV as compared to PV due to higher weight and dimension requirement. Therefore, the size of the ring gear industry (catering to OEM demand) in value terms is estimated at ₹0.8 billion in Fiscal 2021. PV industry still occupies the highest share of 57%, followed by CV industry at 30% and genset at 13%.

Ring gear industry split by application in volume and value terms (OEM demand), fiscal 2021



NOTE: Ring gear finds its application in passenger vehicle, commercial vehicle in automotive segment and used in non-automotive applications such as gensets, tractors, marine, construction equipments, etc. The above market size, captures demand for ring gears across passenger vehicles, commercial vehicles and genset demand from OEMs.

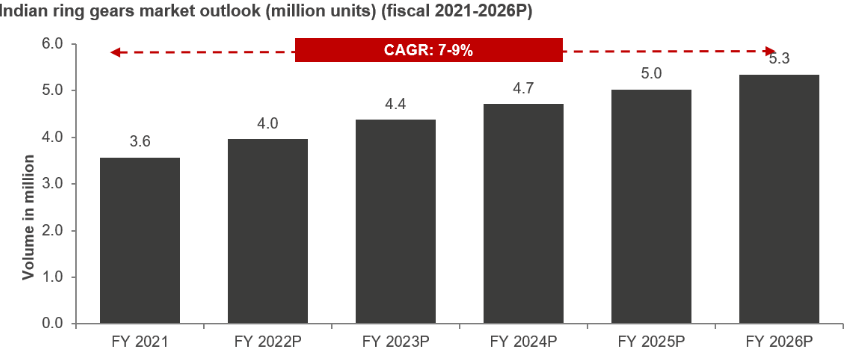
SOURCE: Industry, SIAM, CRISIL Research

- *Key players*

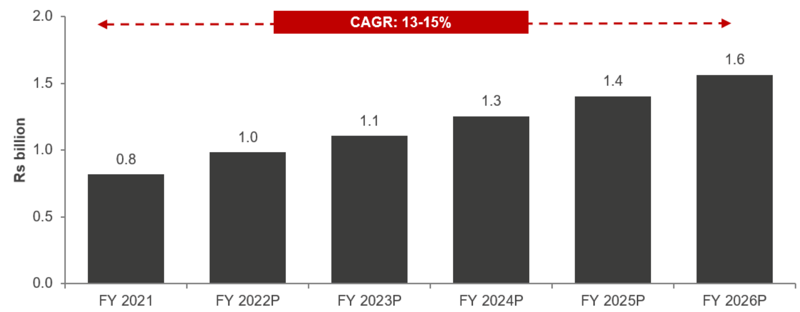
Key players in this industry includes Amalgamation Repco Ltd., ARGL Ltd., Flywheel Ring Gears Pvt. Ltd. and Ring Plus Aqua Ltd. Ring Plus Aqua Ltd. is estimated to occupy highest volume share of 52%-56% in domestic PV industry and of 46%-50% in domestic CV industry (share represents supply to OEM for domestic production) in Fiscal 2021. OEMs play a vital role in selection of ring gear suppliers through tier I component manufacturers. The validation process for vendor on boarding is stringent and lengthy. Customer requirements with quality, cost and delivery are very specific to individual customers and models. The program pipelines continue multiple years, typically till the vehicle model stays in production. As a result, OEM and tier I players prefer procuring from regular suppliers entering into multiyear contracts which results in customer stickiness and create strong barriers to entry.

- *Outlook, Fiscals 2021- 2026*

Indian ring gears market outlook (million units) (fiscal 2021-2026P)

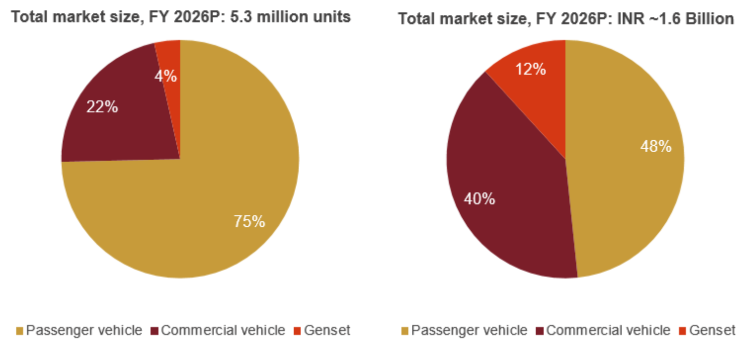


Indian ring gears market outlook (Rs billion) (fiscal 2021-2026P)



SOURCE: Industry, SIAM, CRISIL Research

Ring gear industry split by application in volume and value terms (OEM demand), fiscal 2026



NOTE: Ring gear finds its application in passenger vehicle, commercial vehicle in automotive segment and used in non-automotive applications such as gensets, tractors, marine, construction equipments, etc. The above market size, captures demand for ring gears in passenger vehicles, commercial vehicles and genset demand from OEMs.

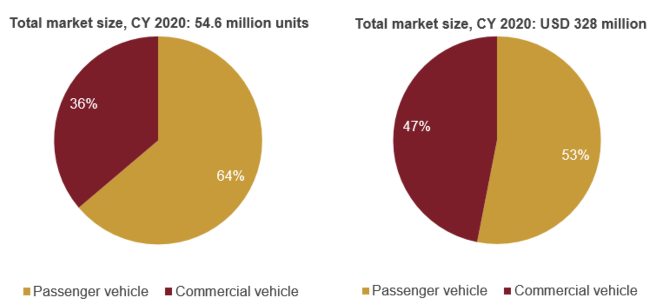
SOURCE: Industry, SIAM, CRISIL Research

Global ring gears market

- *Review, Fiscal 2021*

Globally the realisation of ring gears is higher as compared to domestic market. The below market size, captures passenger and CV from OEM. CRISIL Research estimates the size of the global ring gear industry (catering to OEM demand) at 54.6 million units and USD 328 million in 2020.

Ring gear market split by vehicle category in volume and value terms (OEM demand), CY 2020



NOTE: Ring gear finds its application in passenger vehicle, commercial vehicle in automotive segment and used in non-automotive applications such as tractors, marine, gensets, construction equipments, etc. The below market size, captures demand for ring gears in passenger and commercial vehicles from OEM.

SOURCE: Industry, OICA, CRISIL Research

- *Key Players*

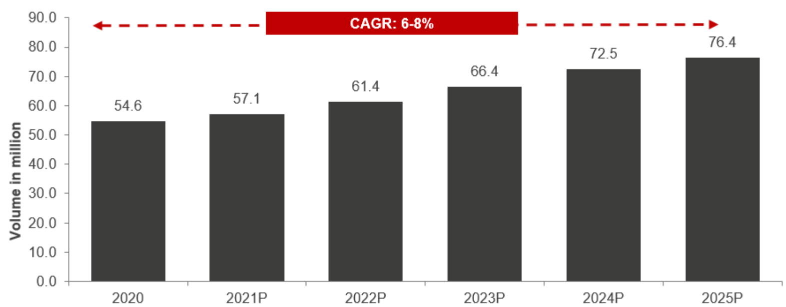
Global players such as Benda-Kogyo Co. Ltd., Dahua Machine Manufacturing Co. Ltd., KLS Ljubno d.o.o and Ring

Plus Aqua Ltd. are present in ring gear manufacturing.

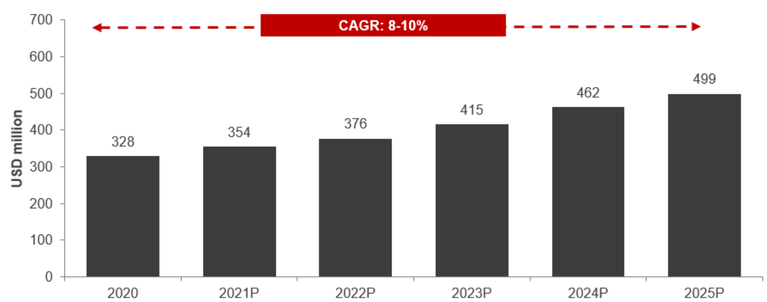
- *Outlook, 2020- 2025*

Global PV industry is expected to grow at a CAGR of 7%-9% from 2020 till 2025. Industry growth will be aided by economic revival across nations after seeing a hit in 2020 due to pandemic. The global CV industry is expected to grow at a 10%-12% CAGR over 2020-2025, growth will be led by economic revival across nations, following the recovery from the pandemic. Shift to automatic transmission where preferred transmission technologies include AT and CVT are likely to impact demand for ring gears. AT and CVT is likely to capture 36%-38% (increase from 34%-36% in Fiscal 2021- growing at 6%-7% CAGR from 2020 to 2025), 2%-4% (decline from 4%-6% share in Fiscal 2021 growing at <1% CAGR) share by Fiscal 2026 in PV and CV respectively. However, for a player who also has flex plate in its product portfolio, shift to automatic transmission presents additional opportunity even as ring gears are replaced with flex plate. Flex plate command almost 2.5-3x realization as compared to ring gears. Despite rising electrification demand for ring gears globally in PV and CV applications is expected to grow from 54.6 million units to 76.4 million units at a CAGR of 6%-8% whereas value growth is expected to be 8%-10% CAGR between 2020 and 2025 and be USD 499 million industry by 2025. The share of CV is expected to increase by 2025 due to expected higher volume growth as compared to PV.

Global ring gears market outlook (million units) (CY 2020-2025P)



Global ring gears market outlook (USD billion) (CY 2020-2025P)



NOTE: Ring gear finds its application in passenger vehicle, commercial vehicle in automotive segment and used in non-automotive applications such as tractors, marine, gensets, construction equipments, etc. The below market size, captures demand for ring gears in passenger and commercial vehicles from OEM.

SOURCE: Industry, OICA, CRISIL Research

Flex plates

Flex plate is used to connect the output of an engine to the input of a torque converter of an automatic transmission of a vehicle. Flex plate is used in automatic transmission type such as for torque converter and Continuously Variable Transmission ("**CVT**") technology, whereas flywheel is used in manual transmission. Flex plates are generally thinner and lighter than flywheels due to the smooth coupling action of the torque converter and the elimination of the clutch surface.

Indian flex plates market

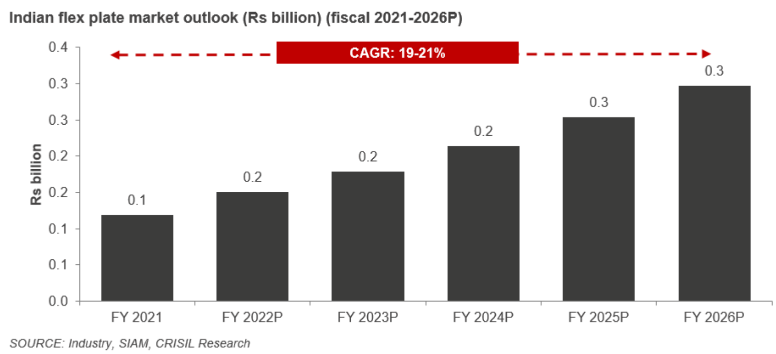
- *Review, Fiscal 2021*

In India, automatic transmission is being preferred only in PV whereas CVs remain highly underpenetrated. While automatic manual transmission ("**AMT**") technology dominates automatic transmission sales in India due to its lower cost; torque convertor and CVT technology is being preferred in premium and luxury vehicles like Baleno, City, Verna, Fortuner, Creta, Innova, Thar, Harrier etc as these technology provide superior driving experience as compared to AMT. Penetration of automatic transmission (torque converter and CVT) in PV is estimated to be 7%-9% as on Fiscal 2021. In technology such as either manual transmission or AMT, ring gears will find its application.

- *Key players*

Currently flex plates are largely imported in India. Ring Plus Aqua Ltd. is the sole domestic manufacturer of flex plates in India Ring Plus Aqua Ltd. is estimated to cater to 25%-27% of flex plate volume demand for PV domestic production as on Fiscal 2021.

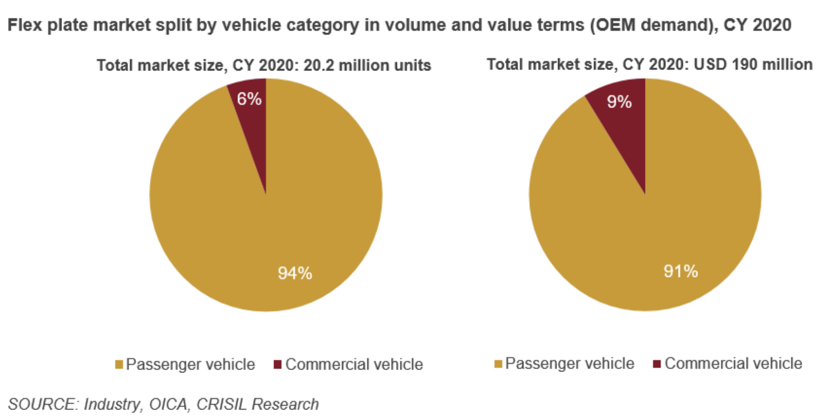
- *Outlook, Fiscals 2021- 2026*

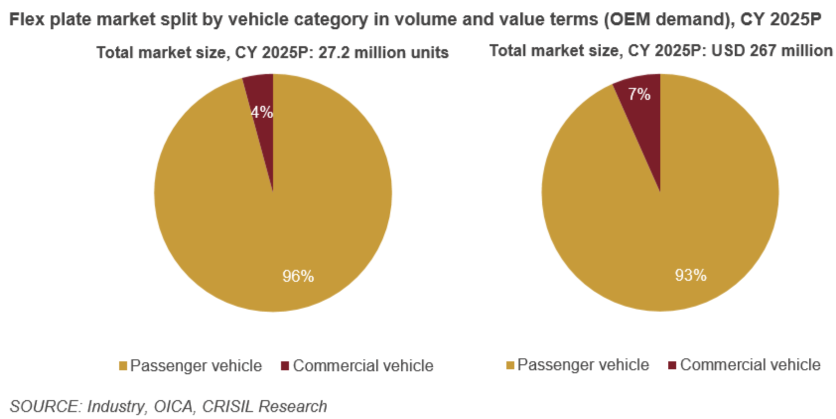


Global flex plate market

- *Review, Fiscal 2021*

CRISIL Research estimates the size of the flex plate industry (catering to OEM demand) at 20.2 million units and USD 111 million in 2020. Globally, flex plates are required in PV as well as CVs, for CVT and torque converter technology. Penetration of automatic (CVT and torque converter) is estimated to be 34%-36% for PV and 4%-6% for CV as on 2020.

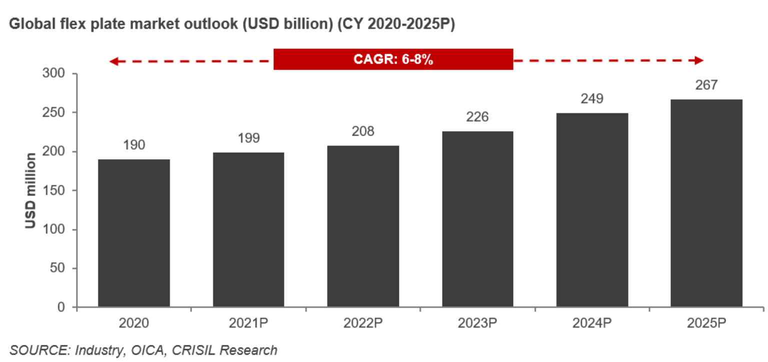




- *Key players*

Key players in this industry include Benda-Kogyo Co. Ltd., Dahua Machine Manufacturing Co. Ltd., Winkelmann Automotive, Magna International Inc., Mulhoff Umformtechnik GmbH, etc.

- *Outlook, 2020- 2025*



Water pump bearings

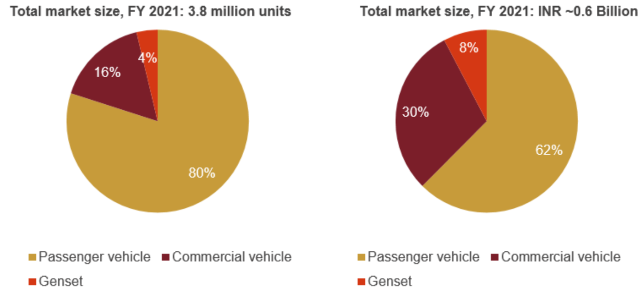
Water pump bearing is largely used in automotive applications. It is used in a vehicle to keep the temperature of an engine at an optimum level. The pump circulates the fluid when the engine is running. The water pump is vital to the operation of a vehicle engine as it ensures that coolant flows through the cylinder head, radiator, hoses, and cylinder block and maintains the optimum automotive operating temperature; it is usually driven by a belt from a crankshaft pulley or sprocket. Water pump bearing is used in these pumps. It is used to circulate the coolant in the engine. They are of two types – ball to ball type and ball to roller type. Depending on the design of an engine, either of them is used.

Indian water pump bearing market

- *Review, Fiscal 2021*

Water pump bearing finds its application in PV, CV in automotive segment and used in non-automotive applications such as tractors, marine, CEs, etc. CRISIL Research estimates the size of the water pump bearing industry (catering to OEM demand) at 3.8 million units and ₹0.6 billion in Fiscal 2021.

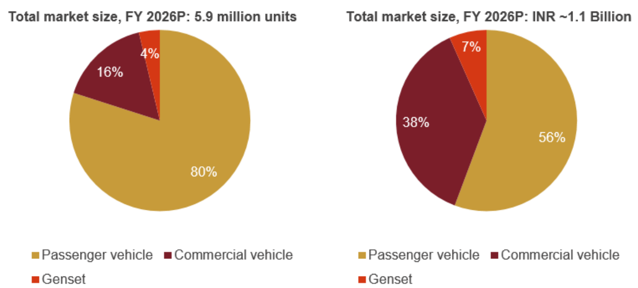
Water pump bearing market split by vehicle category in volume and value terms (OEM demand), fiscal 2021



NOTE: Water pump bearings finds its application in passenger vehicle, commercial vehicle in automotive segment and used in non-automotive applications such as gensets, tractors, marine, construction equipments, etc. The above market size, captures demand of water pump bearings in passenger and commercial vehicles and genset demand from the OEMs.

SOURCE: Industry, SIAM, CRISIL Research

Water pump bearing industry split by application in volume and value terms (OEM demand), fiscal 2026



NOTE: Water pump bearings finds its application in passenger vehicle, commercial vehicle in automotive segment and used in non-automotive applications such as gensets, tractors, marine, construction equipments, etc. The above market size, captures demand of water pump bearings in passenger and commercial vehicles and genset demand from the OEMs.

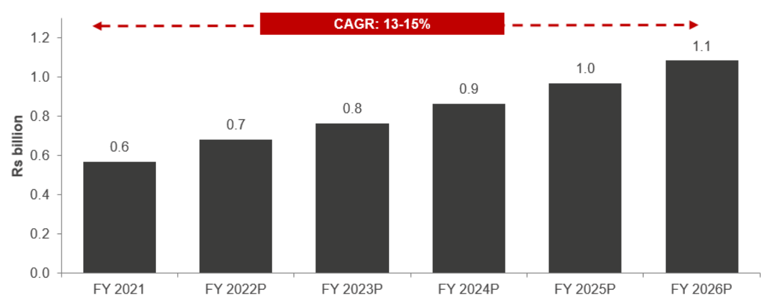
SOURCE: Industry, SIAM, CRISIL Research

- *Key players*

Key players in this industry includes National Engineering Industries Ltd. and Ring Plus Aqua Ltd. Ring Plus Aqua Ltd. is one of the key players of water pump bearing with an estimated market share (volume terms) of 14%-18% for domestic PV and CV industry as on Fiscal 2021.

- *Outlook, Fiscals 2021- 2026*

Indian water pump bearing market outlook (Rs billion) (fiscal 2021-2026P)



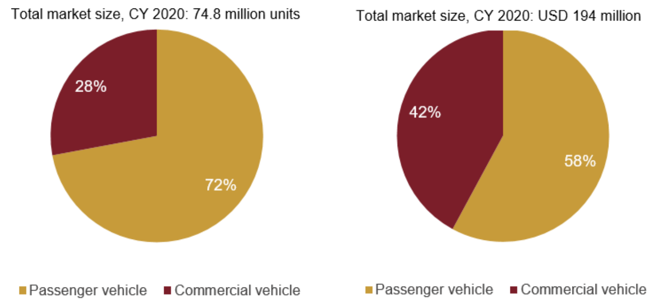
SOURCE: Industry, SIAM, CRISIL Research

NOTE: Water pump bearings finds its application in passenger vehicle, commercial vehicle in automotive segment and used in non-automotive applications such as gensets, tractors, marine, construction equipments, etc. The above market size, captures demand of water pump bearings in passenger and commercial vehicles and genset demand from the OEMs.

Global water pump bearing market

- *Review, Fiscal 2021*

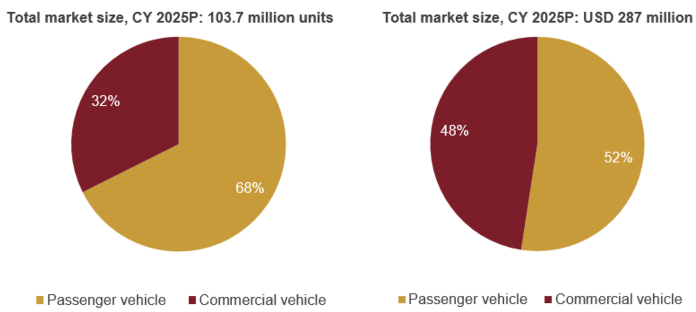
Water pump bearing industry split by vehicle category in volume and value terms (OEM demand), CY 2020



NOTE: Water pump bearings finds its application in passenger vehicle, commercial vehicle in automotive segment and used in non-automotive applications such as gensets, tractors, marine, construction equipments, etc. The above market size, captures demand of water pump bearings in passenger and commercial vehicles and genset demand from the OEMs.

SOURCE: Industry, OICA, CRISIL Research

Water pump bearing industry split by vehicle category in value terms, CY 2025



NOTE: Water pump bearings finds its application in passenger vehicle, commercial vehicle in automotive segment and used in non-automotive applications such as gensets, tractors, marine, construction equipments, etc. The above market size, captures demand of water pump bearings in passenger and commercial vehicles and genset demand from the OEMs.

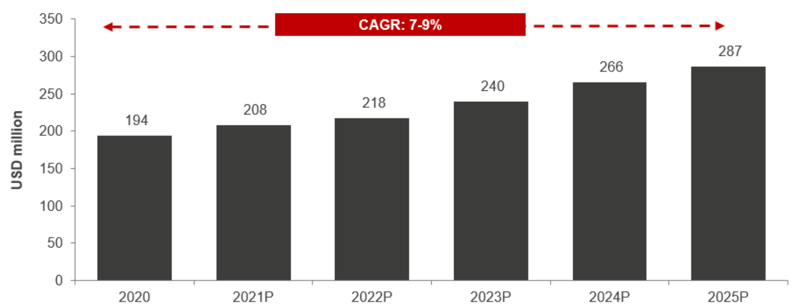
SOURCE: Industry, OICA, CRISIL Research

- *Key players*

Key players in this industry includes C&U Bearings, Koyo (JTEKT Corporation's bearing brand), NSK Ltd., etc.

- *Outlook, 2020- 2025*

Global water pump bearing market outlook (CY 2020-2025P)



SOURCE: Industry, OICA, CRISIL Research

Key player profiles

Domestic players

Amalgamations Repco Ltd. (AMREP). Product range includes ring gear, inertia ring, inertia ring gear, magneto ring gear, stamped rings, etc. Its products are supplied to PV, CV and tracts industry. It has three plants located at Chennai and Kakkalur in Tamil Nadu, Mysore in Karnataka.

Flywheel Ring Gears Pvt. Ltd. It is a part of Precision Group. It manufactures ring gears for applications ranging from stationary engines, cars, trucks, buses, tractors, power generators, tillers, racing cars and marine. Company has presence in Indian and Global market. Its manufacturing facility is located in Nashik, Maharashtra.

National Engineering Industries Ltd. It is a part of CK Birla Group. It manufactures bearings such as taper roller bearing, cylindrical roller bearing, spherical roller bearing, water pump bearings, etc. for automotive, industrial and railway applications. Company has presence in Indian and Global market. It has 5 manufacturing plants located at Jaipur, Newai (Rajasthan), Manesar (Haryana) and Vadodara (Gujarat).

Ring Plus Aqua Ltd. ("RPAL"). RPAL is a subsidiary of the Raymond group. It manufactures high precision products such as ring gears, flex plates and water pump bearings. It has its presence in domestic, exports and aftermarket as well. These products are supplied to applications such as PVs, CVs, gensets and other non-auto applications such as marine, CEs, etc. RPAL offers the wide range of Ring Gears in terms of size (from 150mm to 1500mm). The wide range of sizes offered have utility ranging from a small PV engine to marine engines. It has three plants which are located in Nashik, Maharashtra.

- ***Global players***

Benda Kogyo Co., Ltd. It is a part of Benda Group based in Japan. It manufactures products such as ring gears, flywheel assemblies, boss rings, inertia rings, etc. It supplies its products to various applications such as automotive, agriculture and CEs, etc. It has presence in domestic and global market. Its plant is located in Hiroshima, Japan.

C&U Bearings. It is based in china. It manufactures products such as ball bearing, roller bearing and speciality bearing such as water pump bearing. Products find its applications in automotive, off road, pumps and compressor industries, etc.

Dahua Machine Manufacturing Co. Ltd. It is based in China. Company manufactures products such as ring gears, flywheel assemblies, crankshaft damper and drum brake. It has presence in domestic and global market. Its headquarters is located in Changchun City. They have production plants in Changchun, Dehui, Wuhu, and Dahua Global office in United States.

KLS Ljubno d.o.o. It is based in Slovenia, Europe. It produces rings such as starter ring gears, signal rings and mass rings for engine flywheels. It has presence in domestic and global market. Its plant is located in Slovenia, Europe.

Koyo (JTEKT Corporation's bearing brand). It is based in Japan. It produces bearings such as deep groove ball bearing, tapered roller bearing, needle roller bearing, water pump bearing, oil seals, etc. Products find its presence in various applications such as automotive, aircraft, machine tools, construction machinery, etc.

Winkelmann Automotive. It supplies engine and transmission components such as pulley and timing belt, fuel distribution system, vibration dampers, flex plates, etc. It is headquartered in Germany and Europe. It manufactures its products in Germany, Poland, Turkey, China and Mexico.

Magna International Inc. Magna is in range of products such as body exteriors, powertrain and transmission technologies such as flex plates, lighting, seating, etc. It caters to applications such as automotive as well as non-automotive applications such as CEs, aircrafts, etc. Globally it is present in North and South America, Europe, Asia and Africa.

Mühlhoff Umformtechnik GmbH. It is based in Germany. It manufactures components for chassis, powertrain, etc. for automotive application.

NSK Ltd. NSK manufactures bearings such as ball bearing, roller bearing, water pump bearings, etc., automotive components and precision machinery components such as ball screws, linear guides, etc. Products finds its applications in automotive, aircrafts, construction machinery, etc.

Financial benchmarking of key competition

Companies/Particulars	Operating income (₹ million)	Operating income CAGR (FY16-FY21)	Operating EBITDA (₹ million)	PAT (₹ million)	Operating EBITDA margin (%)	PAT margin (%)	ROCE (%)	ROE (%)	Gearing ratio
Key competitors across ring gears, water pump bearing market									
Amalgamations Repco Ltd (AMREP)	1,592	-3%	88	44	6%	3%	21%	16%	2.5
ARGL Limited	1,261	-14%	355	-480	28%	-38%	6%	-300%	24.8
Flywheel Ring Gears Pvt. Ltd.^	254	6%	13	1	5%	0%	12%	2%	2.4
National Engineering Industries Limited	18,354	1%	3,398	776	19%	4%	5%	3%	0.6
Ring Plus Aqua Ltd (RPAL)	1,973	4%	403	225	20%	11%	19%	15%	0.6
Average		**-1%**			**15%**	**-4%**	**13%**	**-53%**	**5.4**

Note:
Figures at standalone level for Fiscal 2021 unless otherwise specified
^ Financials of this company available till Fiscal 2020
EBITDA – Earnings Before Interest Tax Depreciation and Amortisation, PBT – Profit Before Tax, PAT – Profit After Tax, ROCE – Return on Capital Employed, ROE – Return on Equity
Operating EBITDA: Indicates operating earnings before interest, taxes, depreciation and amortization which takes into consideration only operating income whereas non-operating income is excluded
Operating EBITDA margin: Operating EBITDA / Operating income
PAT margin: PAT/ Operating income
ROCE: PBIT/ total debt plus tangible net worth
ROE: PAT/ tangible net worth
Gearing ratio: Total debt/ Tangible networth
Source: Company Financials, CRISIL Research

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 25 for a discussion of the risks and uncertainties related to those statements and "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations-Significant Factors Affecting our Results of Operations" beginning on pages 27, 248 and 330, 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.

*Our Promoter, Raymond Limited, transferred by way of delivery, its entire shareholding in Scissors Engineering Products Limited ("**SEPL**") to our Company at nil consideration with effect from October 31, 2021 and subsequently, SEPL transferred by way of delivery, its shareholding in Ring Plus Aqua Limited ("**RPAL**") to our Company at nil consideration with effect from November 11, 2021. As a result, SEPL and RPAL became subsidiaries of our Company with effect from October 31, 2021 and November 11, 2021, respectively, and the auto components and engineering products business was consolidated with the tools and hardware business. Accordingly, our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus relates to periods prior to the SEPL and RPAL Transfer and therefore only include the consolidated financial results of our Company (i.e. our tools and hardware business). We have included in this Draft Red Herring Prospectus, the Pro Forma Consolidated Financial Information (to be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations – Basis of Preparation of the Pro Forma Consolidated Financial Information" on page 335) as at and for the year ended March 31, 2021 and as at and for the three months ended June 30, 2021. See "Financial Information – Pro Forma Consolidated Financial Information" on page 311. Also, see "Financial Information – Restated Consolidated Financial Information" for our financial position prior to the SEPL and RPAL Transfer and "History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years" on page 215 for more details on the SEPL and RPAL Transfer. Also, see "Risk Factors - We have recently completed the SEPL and RPAL Transfer after the period covered by the Restated Consolidated Financial Information, due to which the Restated Consolidated Financial Information may not be indicative of our future performance, and we may face administrative and operational difficulties as well as be unable to successfully integrate and manage SEPL and RPAL into our Company, which may expose us to business and financial risk. The Pro Forma Consolidated Financial Information may also not be indicative of our actual results of operations for the indicated periods." on page 29.*

Unless otherwise indicated or the context requires otherwise, the financial information for Fiscals 2019, 2020 and 2021 and the three months ended June 30, 2021 included herein is based on our Restated Consolidated Financial Information. Our Fiscal ends on March 31 of each year, and references to a particular Fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated or the context requires otherwise, in this section, references to "we", "us" or "our" refers to JK Files & Engineering Limited together with our Subsidiaries, on a consolidated basis, reflecting the effects of the SEPL and RPAL Transfer and references to "the Company" or "our Company" refers to JK Files & Engineering Limited on a standalone basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Assessment of Indian and Global markets for specific precision engineered components in Tools & Hardware and Auto Components Industry", December 2021 ("**CRISIL Report**") prepared exclusively for the Offer and released by CRISIL Research, a division of CRISIL Limited and commissioned and paid by us in connection with the Offer. For more information, see "Risk Factors - Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks" on page 47.*

Overview

We are engaged in the business of manufacturing, sale and distribution of precision engineered components for tools and hardware such as steel files and drills, and marketing, sale and distribution of hand tools, power tool accessories and power tool machines, and through our subsidiary, RPAL, manufacturing, sale and distribution of auto components and engineering products such as ring gears, flexplates and water pump bearings.

According to the CRISIL Report, our Company has the largest installed manufacturing capacity of steel files with a share of 25%-27% of the global capacity as of 2020 and was the second largest supplier globally of steel files with a market share of 10%-12% of the sales volume in 2020. Our Company is also the market leader in the files segment in India with a market share of 64%-66% in India by sales volume in Fiscal 2021. Our Company also has a strong presence in the Asian, African and Latin American regions and is the largest brand in the African market with a market share of 50%-55% by volume in steel files in 2020. In addition, our Company is also one of the leading players in the drills segment in India with the market share of 8%-10% in value terms in Fiscal 2021. (*Source: CRISIL Report*)

RPAL is estimated to occupy the highest volume share of 52%-56% in the domestic passenger vehicle ("**PV**") industry and 46%-50% in the domestic commercial vehicle ("**CV**") industry in terms of supply to original equipment manufacturers ("**OEMs**") for domestic production in Fiscal 2021 and is amongst the key players in the ring gears industry globally. RPAL is the sole domestic manufacturer of flexplates in India and is estimated to cater to 25%-27% of the flexplate volume demand for PV domestic production in Fiscal 2021. (*Source: CRISIL Report*)

Our businesses are technology driven with a strong focus on design, engineering and automation capabilities. Our business model is well diversified by customers, geographical spread and end-segment:

Customer Base. We have a strong customer focus and our customer base comprises business-to-business ("**B2B**") customers as well as business-to-consumer ("**B2C**") customers spread in more than 60 countries, as of June 30, 2021, located across Asia-Pacific, Africa, Latin America, Europe and North America.

- <u>*B2B business*</u>: We manufacture and supply to: (i) multiple global files and drill companies and provide end-to-end manufacturing solutions for manufacturing of files; and (ii) OEMs and Tier-1 suppliers (who are primarily directed by OEMs). We have also developed long-standing relationships with several customers. Our B2B business accounted for 52.15% and 58.11% of proforma total sale of product in Fiscal 2021 and the three months ended June 30, 2021, respectively.

- <u>*B2C business*</u>: Our Company has a well-established network of over 730 active distributors in India catering to more than 600 towns and over 150,000 retail outlets, and over 135 active distributors across international markets for our tools and hardware business, as of June 30, 2021. We have also developed long-standing relationships with several distributors. Our B2C business accounted for 47.85% and 41.89% of proforma total sale of product in Fiscal 2021 and the three months ended June 30, 2021, respectively.

Geographical Spread. We generate a significant amount of revenues from various markets, including India, Europe, Latin America, Africa, North America and Asia-Pacific. Our revenues from sale of products from exports contributing 52.99% and 65.58% of proforma total sale of products in Fiscal 2021 and the three months ended June 30, 2021, respectively.

End-use Segment. We derive our revenue from multiple end-segments from each of our businesses. Our tools and hardware products are used in, amongst others, the engineering, agriculture, construction, industrial, automotive, carpentry, saw and plumbing end-segments. We provide our auto components and engineering products to OEMs and Tier-1 engaged in the automotive, tractor, power generators, marine, lawn mower and construction segments. In Fiscal 2021, engineering and industrials, home improvement and carpentry, automotive and agriculture end-segments contributed 22.76%, 19.11%, 17.78% and 10.73%, respectively, of our proforma total revenue from operations, while in the three months ended June 30, 2021, these end-segments contributed 22.99%, 23.05%, 18.57% and 12.68%, respectively, of our proforma total revenue from operations.

Tools and Hardware Business

We provide customers with a wide range of tooling solution and have over seven decades of experience in the manufacturing of files and three decades in the manufacturing of drills. We have developed a presence for our tools and hardware products in both the B2C and B2B businesses. We primarily sell and market our tools and hardware products in India through our umbrella brand, '*JK SuperDrive*', and in the international markets, through various sub-brands including '*JK Sun Flower'*, '*JK Eye*', '*JK Three Files*', '*JK Two Files',* '*Premium Scissors*', '*JK Sher*', '*JK*

Thunderbolt', '*JK Uno*', '*JK Two Tusk*' and '*MJK*'. '*JK SuperDrive*' is synonymous with files in India due to its strong brand (*Source: CRISIL Report*). Our Company has entered into strategic alliances with global files and drills companies such as Apex Tools Group, LLC headquartered in the United States for providing end-to-end manufacturing solution for files. In addition, Raymond Limited, our Promoter, entered into an agreement to form a joint venture with MOB Mondelin (French Tool manufacturer), for manufacturing, sale and distribution of files, and our Company has entered into a co-branding arrangement with Yunda International Trading Co Ltd under the brand, '*JK Cleveland*', in the Indian market for high performance taps in the cutting tool category.

Our manufacturing capabilities involve complex and critical processes with value addition resulting in a portfolio of the following high precision products that have diverse applications in agriculture, engineering, defence, fabrication, automotive, construction, home improvement, carpentry, saw, masonry, forestry, lumber and wood-working as well as high precision applications such as jewellery, watch-making and dentistry.

The following table sets forth the revenue generated from sale of each of our products in our tools and hardware business for the periods indicated:

Products	Fiscal 2021		Three months ended June 30, 2021	
	Revenue from sale of products	% of total sale of products	Revenue from sale of products	% of total sale of products
	(₹ million)	(%)	(₹ million)	(%)
Files	1,992.83	59.77%	749.37	70.90%
Drills	705.10	21.15%	181.95	17.22%
Hand Tools and Power Tool Accessories	530.25	15.90%	90.64	8.58%
Power Tool Machines	3.14	0.09%	0.35	0.03%
Others	102.98	3.09%	34.56	3.27%
Total Sales of Products	**3,334.30**	**100.00%**	**1,056.87**	**100.00%**

Files. Our Company has the largest installed manufacturing capacity of steel files with a share of 25%-27% of the global capacity as of 2020 (*Source: CRISIL Report*). As of June 30, 2021, our Company's installed capacity for files was 7.44 million dozens. Our manufacturing capabilities enable us to manufacture three files per second. Our Company was the second largest supplier globally of steel files with a market share of 10%-12% of the sales volume in 2020 (*Source: CRISIL Report*). Our Company is also the market leader in the files segment in India with a market share of 64%-66% in India by sales volume in Fiscal 2021 (*Source: CRISIL Report*). Our Company's products include a wide range of files (from rasps and machinist files to precision files such as needle files and diamond coated files). We primarily market our files under our own brands in Asia, Africa and certain parts of Latin America and Europe. Our Company also has a strong presence in the Asian, African and Latin American regions and is the largest brand in the African market with a market share of 50%-55% by volume of steel files in 2020 (*Source: CRISIL Report*). We export our files under white labels to global files and drills companies in Europe, United States of America, Latin America and Asia such as Apex Tools Group, LLC. In Fiscal 2021 and the three months ended June 30, 2021, sales of files accounted for 59.77% and 70.90%, respectively, of our total sale of products in the tools and hardware business of which exports of files accounted for 64.66% and 80.17%, respectively, in the same periods. The following table sets forth the revenue generated from sale of each of the end-use segments for files for the periods indicated:

End-use segment	Fiscal 2021		Three months ended June 30, 2021	
	Revenue from sale of products	% of total sale of products of files	Revenue from sale of products	% of total sale of products of files
	(₹ million)	(%)	(₹ million)	(%)
Files-Saw	1,034.76	51.92%	416.10	55.53%
Files-Engineering	563.81	28.29%	176.11	23.50%
Files-Agro	394.26	19.79%	157.16	20.97%
Total	**1,992.83**	**100.00%**	**749.37**	**100.00%**

Drills. Our Company is one of the leading players in the Indian drills market and has a strong presence in the retail market catering primarily to the retail users (*Source: CRISIL Report*). We manufacture various products such as jobber drills (ground and roll-forged), masonry drills, taper shank drills and drill blanks. As of June 30, 2021, we had an installed manufacturing capacity for drills of 13.20 million units.

Hand Tools and Power Tool Accessories. We leveraged our established distribution network and brand strength to expand into the hand tools business in 2008 and power tool accessories business in 2011. Our hand tools include hammers, screw drivers, pliers, spanners, wrenches and power tools accessories include diamond blades, tungsten carbide tips wheels, cutting wheels, grinding wheels, hammer drills and circular saws.

Power Tool Machines. We offer a premium range of wired and cordless power tool machines in the domestic market which include impact drilling machines, blowers, rotary hammers, angle cutters and grinders, chainsaw machines, routers and putty mixers.

As of June 30, 2021, our pan-India distribution network consisted of more than 730 active distributors with a retail reach of over 150,000 outlets spread across more than 600 towns in India and three strategically located depots in the northern, western and eastern regions of India, enabling us to establish a regional presence. Our global distribution and delivery capabilities enables us to export files and drills to over 55 countries across regions located in Africa, Latin America, Asia-Pacific, Europe and North America and derive a significant amount of revenue from exports, accounting for 46.79%, 48.58%, 47.19% and 64.44% of our total sale of products in the tools and hardware business in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, respectively.

Our tools and hardware business operates five manufacturing facilities in India with two located at Chiplun and one at Ratnagiri in Maharashtra, one in Pithampur in Madhya Pradesh and Vapi in Gujarat, which are primarily involved in the manufacturing of files and drills. As of June 30, 2021, our installed capacity for manufacturing files and drills was 7.44 million dozens and 13.20 million units, respectively. We have equipped our manufacturing facilities with custom-made, specialised equipment, which strengthens our manufacturing capabilities. We believe our unique proposition of backward integration due to our hot rolling mill facility provides us with a competitive advantage and flexibility in the manufacturing of different sizes of files as well as cost advantage with quality assurance and faster turnaround time. Our decades of relationships with suppliers of steel have enabled us to source smooth supply of the raw material, for making diverse offerings to our customers.

Our restated profit for the year increased at a CAGR of 23.42% from ₹167.87 million in Fiscal 2019 to ₹255.69 million in Fiscal 2021, despite of the impact of the COVID-19 pandemic, and was ₹96.08 million in the three months ended June 30, 2021. In Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, our EBITDA was ₹472.96 million, ₹390.19 million, ₹477.62 million and ₹160.46 million, respectively. Our Operating RoCE for Fiscals 2019, 2020 and 2021 and for the three months ended June 30, 2021 was 30.50%, 25.69%, 48.76% and 55.55% (annualised), respectively, while PAT margin was 4.16%, 3.74%, 7.31% and 8.59%, respectively, in the same periods. For the reconciliation of non-GAAP measures, see "*Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Restated Consolidated Financial Information*" on page 351.

Auto Components and Engineering Products Business

Our auto components and engineering products business involves the manufacturing of high precision components such as ring gears, flexplates and water pump bearings. According to the CRISIL Report, RPAL is estimated to occupy the highest volume share for ring gears of 52%-56% in the domestic PV industry and 46%-50% in the domestic CV industry in terms of supply to OEMs for domestic production in Fiscal 2021 and is amongst the key players in the ring gears industry globally (*Source: CRISIL Report*). By leveraging our long-term presence in tailor-made ring gears and long-standing relationships with OEMs and Tier-1 suppliers to OEMs, we have been able to develop a strong presence in the manufacturing of flexplates and water pump bearings. As of June 30, 2021, we manufactured over 750 active stock keeping units ("**SKUs**") of ring gears, flexplates and water pump bearings, with varied applications in the automotive industry such as passenger vehicle ("**PV**") and commercial vehicle ("**CV**") as well as non-automotive industry such as construction and mining equipment, tractors, industrial power generators, marine engine and lawn mowers.

We sell our products directly to OEMs and Tier-1 supplier to OEMs. According to the CRISIL Report, the validation process for vendor on-boarding is stringent and lengthy in the ring gear segment and the program pipelines continue multiple years, typically till the vehicle model stays in production. Each customer requirement is very specific in relation to quality, cost and delivery to each individual customers and models (*Source: CRISIL Report*). We believe our differentiation in manufacturing capabilities, operational know how and competence in machining have enabled us to become a 'qualified supplier' to and developed long-term relationships with marquee Indian and international OEM such as Kirloskar Oil Engines Limited, Cummins India Limited, Mahindra & Mahindra Limited and Tata Motors

Ltd., and Tier-1 suppliers such as Magna Powertrain Inc, ZF India Private Limited, Sogefi Engine Systems India Private Limited, Metelli S.p.a and SATA S.p.a. As of June 30, 2021, we have been awarded programs from 20 customers across our product portfolio, where the start of production is either during or after Fiscal 2022.

Ring Gears. According to the CRISIL Report, RPAL is estimated to occupy the highest volume share for ring gears in the domestic PV industry and CV industry of 52%-56% and 46%-50%, respectively, in terms of supply to OEMs for domestic production in Fiscal 2021. Globally, RPAL is also among the key players in the ring gears segment (*Source: CRISIL Report*). The Indian ring gear industry is expected to grow at a CAGR of 13% to 15% between Fiscals 2021 to 2026 (*Source: CRISIL Report*). Our in-house engineering and design capabilities help us offer a wide-ranging portfolio of over 400 active SKUs ring gears, as of June 30, 2021, ranging from small sized ring gears (starting from 150 millimetre ("**mm**")) used for PVs to large sized ring gears (up to 1,500 mm) used for construction and heavy equipment. We provide ring gears to leading international and Indian OEMs clients and Tier-1 suppliers such as Tata Motors Ltd., Mahindra & Mahindra Limited, Kirloskar Oil Engines Limited, Toyota Industries Engine India Private Limited, John Deere India Private Limited, Cummins India Limited, Magna Powertrain Inc, SATA S.p.a, ZF India Private Limited and M.Paccagnini & C.Sas with whom we have developed long-standing relationships. As of June 30, 2021, we had installed manufacturing capacity for ring gears of 8.20 million units. In Fiscals 2019, 2020 and 2021 and for the three months ended June 30, 2021 sales of ring gears accounted for 73.08%, 74.14%, 71.60% and 73.81%, respectively, of our total sale of products in the auto components and engineering products business.

Flexplates. RPAL is the sole domestic manufacturer of flexplates in India and is estimated to cater to 25%-27% of the flexplate volume demand for PV domestic production in Fiscal 2021 (*Source: CRISIL Report*). Flexplates are primarily used in automatic transmission. The growth in flexplates in India is expected to be at a CAGR of 18% to 20% between Fiscals 2021 to 2026 (*Source: CRISIL Report*). We sell flexplates directly to OEMs such as Cummins India Limited and Mahindra & Mahindra Limited. As of June 30, 2021, we had installed manufacturing capacity for flexplates of 0.62 million units. In Fiscals 2019, 2020 and 2021 and for the three months ended June 30, 2021 sales of flexplates accounted for 8.87%, 10.05%, 9.00% and 7.71%, respectively, of our total sale of products in the auto components and engineering products business.

Water Pump Bearings. RPAL is one of the key players of water pump bearing with an estimated market share (volume terms) of 14%-18% for domestic PV and CV industry in Fiscal 2021 (*Source: CRISIL Report*). Our end-customers for water pump bearings include OEMs and Tier-1 suppliers such as Mahindra & Mahindra Limited, Tata Motors Ltd., Sogefi Engine Systems India Private Limited, KSPG Automotive India Pvt Ltd and Metelli S.p.a. As of June 30, 2021, we had installed manufacturing capacity for water pump bearings of 3.90 million units. RPAL, along with Perfect Polymers, also hold a patent for sealing device for integral shaft bearings. In Fiscals 2019, 2020 and 2021 and for the three months ended June 30, 2021 sales of water pump bearings accounted for 17.38%, 15.33%, 18.92% and 17.92% of our total sale of products in the auto components and engineering products business.

Our focussed effort with development capabilities in the auto components and engineering products business has achieved significant presence in exports with revenue from exports accounting for 65.65%, 64.74%, 63.61%, 67.44% of our total sale of products in the auto components and engineering products business in Fiscals 2019, 2020 and 2021 and for the three months ended June 30, 2021 respectively. Globally, the realization of ring gears is higher as compared to the domestic market (*Source: CRISIL Report*). Our sale of ring gears in export primarily caters to non-automotive segment such as industrial and power generators, construction and mining equipment, agricultural, lawn mower and marine applications.

RPAL operates three manufacturing facilities in India located in the industrial belt of Nashik, Maharashtra, which are involved in the manufacturing of ring gears, flexplates and water pump bearings. RPAL also operates five warehouses across Canada, United States and Germany. Our strategic location and close proximity to our OEM and Tier-1 suppliers to OEMs enable us to meet our customers' just-in-time delivery schedules, achieve economies of scale and logistical advantages for our customers, and to insulate them from local supply or other disruptions. Our manufacturing facilities include modern equipment, engineered layout with process controls and necessary automations for quality and productivity.

We use various grades of steel (including carbon steel for ring gears, hot rolled/ cold rolled sheets for flexplates and alloy steel for water pump bearings) in our production process. Majority of our steel requirement are sourced from a number of vendors based on our engineering designs ensuring supplies meeting required composition, strength and hardness. We have developed long-term relationships with our suppliers which ensures timely availability, smooth supplies and facilitate us to customize products as per requirements which enables us to manufacture quality products for our customers.

RPAL's (*i.e.* our auto components and engineering products business) revenue from operations was ₹1,973.16 million and ₹700.14 million in Fiscal 2021 and in the three months ended June 30, 2021, respectively, while profit for the year was ₹225.17 million and ₹78.05 million, respectively, in the same periods. RPAL's RoCE for Fiscal 2021 and the three months ended June 30, 2021 was 17.79% and 24.60%, respectively, while PAT margin was 11.05% and 10.78%, respectively, in the same periods.

We are led by Balasubramanian Vishwanathan, Managing Director of our Company, who has 35 years of experience and was working as a Whole-Time Director in RPAL and Hukumchand Lakhotiya, Chief Executive Officer of the tools and hardware business of our Company, who has 25 years of experience. We also have a diversified Board of Directors, which is supplemented by a management team with significant experience. Our senior management team also includes Arun Agarwal and Akshat Chechani, who have significant experience in the industries in which we operate.

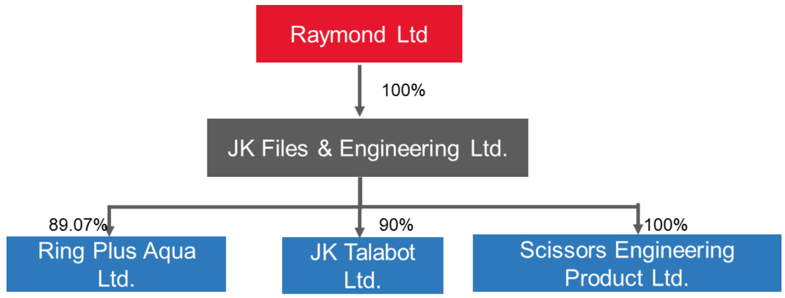
We are a subsidiary of Raymond Limited, the flagship company of 'The Raymond group'. Raymond Limited is a diversified and market-leading conglomerate with interests in textile and apparel sectors as well as has presence across diverse segments such as real estate, fast-moving consumer goods and engineering in domestic and international markets (*Source: CRISIL Report*). The Raymond group has a rich history of over 95 years and its long and successful track-record has enabled it to establish itself as the leader in the worsted suiting fabrics segment in India (*Source: CRISIL Report*). The Raymond group is also amongst the leading men's tailored suit manufacturers in the world and one of the leading players in branded apparel menswear segment (*Source: CRISIL Report*). Raymond group is known for its manufacturing facilities which are strategically located across India and carry out seamless integration with supply chain network to create products. (*Source: CRISIL Report*).

SEPL and RPAL Transfer

Raymond Limited, our Promoter, transferred by way of delivery under Section 123 of the Transfer of Property Act, 1882, its entire shareholding in SEPL to our Company at nil consideration with effect from October 31, 2021. Subsequently, SEPL transferred by way of delivery under Section 123 of the Transfer of Property Act, 1882, its shareholding (aggregating to 89.07% of the equity share capital of RPAL) in RPAL to our Company at nil consideration with effect from November 11, 2021. As a result, SEPL has become a wholly owned subsidiary of our Company and RPAL has become a subsidiary of our Company with effect from October 31, 2021 and November 11, 2021, respectively, and the auto components and engineering products business was consolidated with the tools and hardware business. As of the date of this Draft Red Herring Prospectus, our Company held 100.00% and 89.07% of the equity shareholding of SEPL and RPAL, respectively.

Our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus relate to periods prior to the SEPL and RPAL Transfer and therefore only include the consolidated financial results of our Company (*i.e.* the tools and hardware business). See "*Financial Information – Restated Consolidated Financial Information*" page 249 for our financial position prior to the SEPL and RPAL Transfer and "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 215 for more details on the SEPL and RPAL Transfer.

The following chart provides a snapshot of our corporate structure (after reflecting the SEPL and RPAL Transfer) as of the date of this Draft Red Herring Prospectus:



We have included in this Draft Red Herring Prospectus, the Pro Forma Consolidated Financial Information (to be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Basis of Preparation of the Pro Forma Consolidated Financial Information*" on page 335) as at and for the year ended March 31, 2021 and as at and for the three months ended June 30, 2021. See "*Financial Information – Pro Forma Consolidated Financial Information*" on page 311.

Our Competitive Strengths

Leadership position in complex and high-quality precision engineered and automotive components

Our precision engineered and automotive components are manufactured using complex engineering processes, and given their importance in performing various applications, they require a high level of precision, adherence to high standard of quality and low margin of error. Industrial customers tend to focus on product quality and brand for purchase decisions (*Source: CRISIL Report*). With a track record of manufacturing files for over seven decades, and drills and automotive components for over three decades, we have been able to gather significant industry expertise, develop a wide sales and distribution network and strategic customer relationships, manufacture products across automotive and non-automotive sectors, and achieve brand recognition and market leadership positions.

Tools and Hardware Business. Our Company has the largest installed manufacturing capacity of steel files with a share of 25%-27% of the global capacity as of 2020 and the single-largest player of steel files in the domestic market in Fiscal 2021 (*Source: CRISIL Report*) Owing to our long operating history of over seven decades and pan-India and international distribution network, we have been able to develop customer loyalty and brand equity in the Indian and international markets. Our Company was also the second largest supplier globally with a market share of 10%-12% of the sales volume of steel files in 2020 and had a market share of 64%-66% in India by sales volume of steel files in Fiscal 2021 (*Source: CRISIL Report*). Our Company also has a strong presence in the Asian, African and Latin American regions and is the largest brand in the African market with a market share of 50%-55% by volume of steel files in 2020 (*Source: CRISIL Report*). Further, our Company is also one of the leading players in the drills segment in India with the market share of 8%-10% in value terms in Fiscal 2021 (*Source: CRISIL Report*). We derive our competitive advantage through our diversified product portfolio with multiple SKUs, established market position, extensive experience, wide global distribution channel with over 730 active distributors with a retail reach of over 150,000 outlets spread across more than 600 towns in India and over 135 active distributors in the international markets, as of June 30, 2021, which has enabled us to establish presence in over 55 countries across Latin America, Africa, Asia-Pacific, Europe and North America, and strategically position ourselves to achieve better brand recognition and recall for our own brands and facilitate customer acceptance. '*JK SuperDrive*' is synonymous with files in India due to its strong brand (*Source: CRISIL Report*).

According to the CRISIL Report, western countries are looking to increase sourcing from Asia due to the relative cost benefits, low labor costs, economies of scale in Asian regions due to established capacities, and acceptable quality standards. We have been able to develop our market leadership position by leveraging our high-quality products with low-cost manufacturing, brand strength and long-term distributor and customer relationships. Further, in the B2B business, our Company has been able to enter into strategic alliances for end to end manufacturing solution of files global files and drills companies such as Apex Tools Group, LLC headquartered in the United States. Our Company features in the qualified vendors list of various industrial buyers (*Source: CRISIL Report*). In addition, Raymond Limited, our Promoter, entered into an agreement to form a joint venture with MOB Mondelin (French Tool manufacturer) for manufacturing, sale and distribution of files, and our Company has entered into a co-branding arrangement with Yunda International Trading Co Ltd under the brand, '*JK Cleveland*', in the Indian market for high performance taps in the cutting tool category. All products in India and Africa are sold under the "*JK*" files brand and we enjoy a pricing premium of up to 40% in files (*Source: CRISIL Report*). In addition, we have also received various awards and recognitions including 'Hottest Brand' from Paul Writer in 2018, 'Best Exhibitor' at the National Hardware Show in 2019, and 'Outstanding Exporter' from DHL in 2007 as well as 22 awards from the Engineering Export Promotion Council during 1981 and 2020 for various categories such as 'Best Exporters', 'Star Performer – Hand Tools Large Enterprise', 'All India Export Excellence' and 'Regional Highest Exporter'.

<u>Auto Components and Engineering Products Business.</u> RPAL is estimated to occupy the highest volume share for ring gears of 52%-56% in the domestic PV industry and 46%-50% in the domestic CV industry in terms of supply to OEMs for domestic production in Fiscal 2021 and is amongst the key players in the ring gears industry globally (*Source: CRISIL Report*). Our long-standing relationships with OEMs and Tier-1 suppliers as well as established presence in ring gears has allowed us to further diversify our product portfolio to include flexplates and water pump bearings. RPAL is the sole domestic manufacturer of flexplates in India and is estimated to cater to 25%-27% of the flexplate volume demand for PV domestic production in Fiscal 2021 (*Source: CRISIL Report*). In addition, RPAL is one of the key players of water pump bearing with an estimated market share (volume terms) of 14%-18% for domestic PV and CV industry in Fiscal 2021 (*Source: CRISIL Report*)**.** Our market position is the result of our established presence in the industry and our ability to manufacture and supply specialized, complex, high-quality and a wide range of ring gears, flexplates and water pump bearings according to our customers' specifications, has led us to become the preferred supplier to various OEM and Tier-1 suppliers.

We believe our leading market positions are supported by significant barriers to entry including long customer validation process and developing strategic and long-term relationships with OEMs and Tier-1 suppliers, high degree of product and technical precision and complexity, and stringent specifications. Our quality, cost and delivery capabilities ("**QCD**") capabilities have allowed us to sell products in customized lot sizes and enabled us to develop an established track record of meeting the QCD requirements. Our comprehensive product portfolio supported by in-house engineering and design capabilities have varied applications in the automotive industry such as PV and CV as well as non-automotive industry such as construction and mining equipment, tractors, industrial power generators, marine engine and lawn mowers. In recognition of our efforts and ability to meet our customers' requirements, we have received numerous awards and accolades, including the 'Engineering Export Star Performer' in 2013, 2014, 2015 and 2017 by Engineering Export Promotion Council (EEPC).

Comprehensive product portfolio with wide ranging applications across end-segments and industries

Our diverse portfolio of products in each of our businesses are suited for various applications, ensuring that our products remain relevant across a wide range of industries, attract new customers, improve our share of business amongst existing customers and reduce our reliance on end-users from any particular industry.

<u>Tools and Hardware Business.</u> We offer customers a wide range of tooling solution through our comprehensive product portfolio. The following table sets forth certain information regarding our diverse product portfolio and various applications:

Product Category	Types of Products	End-Segment and Application**
Files	Over 3,200 SKUs of files*, including machinist, saw, rasp, special, needle and diamond coated files as well as key file and engineer file sets.	• Engineering and industrial manufacturing • Home improvement/ Carpentry, primarily used by carpenters, artisans and lumbers • Agriculture: used as a sharpening tool • Construction and infrastructure • Real estate
Drills	Over 1,600 SKUs of drills*, including jobber drills (ground and roll-forged), masonry drills, taper shank drills, tool-bits and drill blanks	• Engineering and industrial manufacturing • Home improvement/Carpentry primarily used by carpenters, artisans and lumbers • Construction and infrastructure • Real estate
Hand Tools and Power Tool Accessories	Over 500 SKUs of hand tools*, including hammers, screw drivers, pliers, spanners and wrenches; and power tools accessories* (which are attached to power tool machines as consumables), including diamond blades, cutting wheels, grinding wheels,	Primarily used by carpenters and masons in: • Construction • Home improvement & carpentry

Product Category	Types of Products	End-Segment and Application**
	hammer drills and circular saws	
Power Tool Machines	Over 300 SKUs of premium power tool machines*, including impact drilling machines, blowers, rotary hammers, angle cutters and grinders, chainsaw machines, routers and putty mixers	• Construction • Real estate • Automobile • Forestry • Tile and marble cutting, metal fabrication

** As of June 30, 2021.*
*** Source: CRISIL Report.*

The following table sets forth certain information relating to the sale of products from each of our products in the tools and hardware business for the periods indicated:

Products	**Fiscal 2019**		**Fiscal 2020**		**Fiscal 2021**		**Three months ended June 30, 2021**	
	Revenue from sale of products	**% of total sale of products**	**Revenue from sale of products**	**% of total sale of products**	**Revenue from sale of products**	**% of total sale of products**	**Revenue from sale of products**	**% of total sale of products**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**	**(₹ million)**	**(%)**	**(₹ million)**	**(%)**
Files	2,518.85	65.63%	2,260.10	62.80%	1,992.83	59.77%	749.37	70.90%
Drills	773.11	20.14%	734.12	20.40%	705.10	21.15%	181.95	17.22%
Hand and power tool accessories	494.83	12.89%	560.83	15.58%	530.25	15.90%	90.64	8.58%
Power Tool Machine	3.72	0.10%	3.82	0.11%	3.14	0.09%	0.35	0.03%
Others	47.23	1.24%	40.24	1.11%	102.98	3.09%	34.56	3.27%
Total	**3,837.74**	**100.00%**	**3,599.11**	**100.00%**	**3,334.30**	**100.00%**	**1056.87**	**100.00%**

Auto Components and Engineering Products Business. As of June 30, 2021, we manufactured over 750 active SKUs of ring gears, flexplates and water pump bearings, with varied applications in the automotive industry such as PV and CV as well as non-automotive industry such as construction and mining equipment, tractors, industrial power generators, marine engine and lawn mowers. RPAL provides a wide range of ring gears (from 150 mm to 1,500 mm) across the automotive and non-automotive industries.

The following table sets forth certain information regarding our diverse product portfolio and various applications:

Product Category	Types of Products	Application and End-Segment/ Industry**
Ring Gears	Over 400 active SKUs* Range: 150 mm to 1,500 mm in size Types: large varieties of hardness profile and tooth chamfers Special features: including drilled, tapped holes, steps, grooves on diameters, blind holes, milled, slant teeth.	• Automotive: PV and CV. • Non-automotive: construction equipments and mining, such as earthmoving equipment, industrial power generators and marine engine.
	Diameter Range	
	Up to 300 mm	• PV and lawn mower
	Up to 500 mm	• CV
	Up to 1,500 mm	• Non-automotive: tractors, marine engines, industrial applications such as power generators; construction and mining equipment.
Flexplates	60 active SKUs* Range: 250 mm to 450 mm in size and 2.0 mm to 3.2 mm in sheet metal thickness.	• Automatic transmission cars and continuously variable transmission.
Water pump bearings	Over 280 active SKUs* Range: 20 mm to 60 mm in sleeve diameter, 12 mm to 30 mm in shaft	• Automotive applications, used in both manual and automatic transmissions • Aftermarket presence.

** As of June 30, 2021.*

*** Source: CRISIL Report.*

The following table sets forth revenue generated from sale of each of our products in the auto components and engineering products business for the periods indicated:

Products	**Fiscal 2021**		**Three months ended June 30, 2021**	
	Revenue from sale of products	**% of total sale of products**	**Revenue from sale of products**	**% of total sale of products**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Ring Gears	1,301.88	71.60%	476.53	73.81%
Flexplates	163.66	9.00%	49.81	7.71%
Water pump bearings	344.04	18.92%	115.71	17.92%
Others	8.81	0.48%	3.61	0.56%
Total	**1,818.39**	**100.00%**	**645.66**	**100.00%**

De-risked business model with diversification across geographies, customers and end-segments

Our business model is well diversified by geographical spread, customers and end-segment. We continuously leverage core competencies to diversify into new markets and products and acquire new customers.

<u>*Geographical spread*</u>: We have focused on increasing our export revenues with a view to reduce dependence on the Indian market for each of our businesses.

- *Tools and Hardware Business.* We exported files and drills to over 55 countries located across regions in Latin America, Africa, Asia-Pacific, Europe and North America, as of June 30, 2021. The following table sets out the revenue from sale of products by geographical spread of our tools and hardware business for the periods indicated:

Geography	**Fiscal 2019**		**Fiscal 2020**		**Fiscal 2021**		**Three months ended June 30, 2021**	
	Revenue from sale of products	**% of total sale of products**	**Revenue from sale of products**	**% of total sale of products**	**Revenue from sale of products**	**% of total sale of products**	**Revenue from sale of products**	**% of total sale of products**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**	**(₹ million)**	**(%)**	**(₹ million)**	**(%)**
India	2,042.11	53.21%	1,850.71	51.42%	1,760.68	52.81%	375.87	35.56%
Africa	635.95	16.57%	625.49	17.38%	441.31	13.24%	246.45	23.32%
Asia (excluding India)	476.56	12.42%	436.55	12.13%	211.96	6.36%	123.86	11.72%
Europe	196.05	5.11%	152.14	4.23%	118.71	3.56%	43.52	4.12%
Latin America	420.96	10.97%	473.53	13.16%	723.91	21.71%	243.47	23.04%
North America	66.11	1.72%	60.69	1.68%	77.73	2.32%	23.70	2.24%
Total	**3,837.74**	**100.00%**	**3,599.11**	**100.00%**	**3,334.30**	**100.00%**	**1,056.87**	**100.00%**

- *Auto Components and Engineering Products Business.* Globally, the realization of ring gears is higher as compared to the domestic market (*Source: CRISIL Report*). We are an export-oriented business and our revenues from sale of products are geographically diversified primarily from Asia, Europe, North America, South America and Australia. The following table sets out the sale of products by geographical spread of our auto components and engineering products business for the periods indicated:

Geography	**Fiscal 2021**		**Three months ended June 30, 2021**	
	Revenue from sale of products	**% of total sale of products**	**Revenue from sale of products**	**% of total sale of products**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
India	661.68	36.39%	210.22	32.56%
Europe	621.87	34.20%	233.39	36.15%

Geography	Fiscal 2021		Three months ended June 30, 2021	
	Revenue from sale of products	% of total sale of products	Revenue from sale of products	% of total sale of products
	(₹ million)	(%)	(₹ million)	(%)
North America	371.81	20.45%	151.81	23.51%
Asia (excluding India)	152.39	8.38%	49.81	7.72%
South America	8.69	0.48%	0.31	0.05%
Australia	1.95	0.10%	0.12	0.01%
Total	**1,818.39**	**100.00%**	**645.66**	**100.00%**

Customer base: We have a diversified and increasing customer base in each of our businesses.

- *Tools and Hardware Business.* We have developed a diverse presence in the B2C business through our own brand and wide distribution network and in the B2B business through white label and end to end manufacturing solution. We have network of active distributors of over 730 in India and over 135 across international markets as of June 30, 2021. The following table sets forth our revenue from sale of products in the B2B and B2C businesses in the tools and hardware business for the periods indicated:

Businesses	Fiscal 2019		Fiscal 2020		Fiscal 2021		Three months ended June 30, 2021	
	Revenue from sale of products	% of total sale of products	Revenue from sale of products	% of total sale of products	Revenue from sale of products	% of total sale of products	Revenue from sale of products	% of total sale of products
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
B2C business	3,051.53	79.51%	2,935.70	81.57%	2,465.74	73.95%	713.24	67.49%
B2B business	786.21	20.49%	663.41	18.43%	868.56	26.05%	343.63	32.51%
Total	**3,837.74**	**100.00%**	**3,599.11**	**100.00%**	**3,334.30**	**100.00%**	**1,056.87**	**100.00%**

- *Auto Components and Engineering Products Business*. We generate revenues from selling products directly to a number of OEMs and Tier-1 suppliers (who are primarily directed by OEMs). We supplied products to 20 OEMs and 108 Tier-1 suppliers Fiscals 2021 and are continuously pursuing new OEMs and Tier-1 customer relationships. The following table sets forth our revenue from sale of products each of from our top 10 customers in Fiscal 2021 in terms of revenues in the auto components and engineering products business for the periods indicated:

Customer	Fiscal 2021		Three months ended June 30, 2021	
	Sale of products	% of Total sale of products	Sale of products	% of Total sale of products
	(₹ million)	(%)	(₹ million)	(%)
Customer 1	159.47	8.77%	57.27	8.87%
Customer 2	141.87	7.80%	64.44	9.98%
Customer 3	104.62	5.75%	36.14	5.60%
Customer 4	94.10	5.17%	37.31	5.78%
Customer 5	86.81	4.77%	18.92	2.93%
Customer 6	81.52	4.48%	30.11	4.66%
Customer 7	73.25	4.03%	19.71	3.05%
Customer 8	62.92	3.46%	29.49	4.57%
Customer 9	60.71	3.34%	32.50	5.03%
Customer 10	58.69	3.24%	28.73	4.45%
Total	**923.97**	**50.81%**	**354.62**	**54.92%**

End-segment: We derive our revenue from multiple end-segments from each of our businesses. In the tools and hardware business, we primarily derive revenue from the engineering, agriculture, construction, industrial, automotive, carpentry, saw and plumbing end-segments. While in the auto components and engineering products business, we derive revenue from multiple segments within the automotive sector, including the PV, CV, and agriculture vehicle, non-automotive segments and aftermarket verticals. In particular, within the export markets, we cater primarily to the non-automotive segments such as industrial and power generators, construction and mining equipment, agricultural, lawn mowers and marine applications.

The following table sets forth proforma revenues generated from the sale of products from each of the end-segments for both of our businesses for the periods indicated:

End-use Segment	Pro Forma Consolidated Financial Information			
	Fiscal 2021		Three months ended June 30, 2021	
	Revenue from sale of products (₹ million)	% of total revenue from operations (%)	Revenue from sale of products (₹ million)	% of total revenue from operations (%)
Engineering and industrials	1,232.57	22.76%	414.94	22.99%
Home improvement and carpentry	1,034.76	19.11%	416.10	23.05%
Automotive	962.93	17.78%	335.11	18.57%
Agriculture	580.96	10.73%	228.88	12.68%
Multiple end-use segment				
-Drills	705.10	13.02%	181.95	10.08%
-Hand tools and power tool accessories	530.25	9.79%	90.64	5.02%
-Power tool Machines	3.14	0.06%	0.35	0.02%
Total multi end-use segment tools	1,238.49	22.87%	272.94	15.12%
Others	102.98	1.03%	34.56	1.92%
Total	**5,152.69**	**95.15%**	**1,702.53**	**94.33%**
Process waste sale and others	262.42	4.85%	102.31	5.67%
Total Revenue from Operations	**5,415.11**	**100.00%**	**1,804.84**	**100.00%**

Long term and well established relationships with distributors and marquee domestic and global OEMs supported by an extensive distributor network

Tools and Hardware Business. We primarily sell our tools and hardware products in India and the international markets through our wide distribution network. In particular, our Company's pan-India distribution network consists of over 730 active distributors with a retail reach of over 150,000 outlets spread across more than 600 towns in India and three strategically located depots, with one depot each in the northern, western and eastern regions of India, as of June 30, 2021. In addition, our Company had over 135 active distributors in the international markets, as of June 30, 2021, which has enabled us to establish presence in over 55 countries across Latin America, Africa, Asia-Pacific, Europe and North America.

By establishing long-term relationships with our distributors, we are able to leverage on their market reach and relationships of our distributors with their customers. Our Company has also leveraged such relationships to provide end to end manufacturing solutions to global files and drills companies such as Apex Tools Group, LLC. Raymond Limited, our Promoter, has also entered into an agreement to form a joint venture with MOB Mondelin for manufacturing, sale and distribution of files. The following table sets forth certain information in relation to duration of relationships with our distributors and customers:

Distributors and customers	Minimum number of fiscal years of relationship (years)
Aggarwal Agency	Over 40 years
Shah Files & Drills Pvt. Ltd.	Over 40 years
Vilco International SA	Over 37 years
Mazumder Trade International	Over 35 years
MOB Mondelin	Over 30 years
Rupa Export	Over 30 years
Grow Well Impex	Over 25 years
Herramientas Hecort SA de CV	Over 25 years

Distributors and customers	Minimum number of fiscal years of relationship (years)
SH Trader	Over 20 years
The Organic Tool Corporation	Over 15 years
Jindal Traders	Over 15 years
SH Enterprises	Over 15 years
Prakash Trading Corporation	Over 15 years
Gupta Hardware Stores	Over 15 years
Guru Overseas	Over 12 years
Renuka Tools	Over 5 years
Apex Tools Group, LLC	Over 4 years
Yunda International Trading Co Ltd	Over 4 years

Auto Components and Engineering Products Business. We have been successful in the long customer validation processes of OEMs and Tier-1 suppliers, which has enabled us to become a qualified supplier to and developed relationships with marquee Indian and international OEMs such as Toyota Industries Engine India Private Limited, Kirloskar Oil Engines Limited, Cummins India Limited, Mahindra & Mahindra Limited, Tata Motors Ltd. and John Deere India Pvt Ltd, and Tier-1 suppliers such as Magna Powertrain Inc, ZF India Private Limited, Sogefi Engine Systems India Private Limited, Metelli S.p.a, SATA S.p.a., KSPG Automotive India Pvt Ltd and M.Paccagnini & C.Sas. The program pipelines continue multiple years, typically till the vehicle model stays in production. As a result, OEM and tier I players prefer procuring from regular suppliers entering into multiyear contracts which results in customer stickiness and create strong barriers to entry. (*Source: CRISIL Report*).

The following table sets forth certain information in relation to duration of our relationships with certain OEMs and Tier-1 suppliers:

OEMs and Tier-1 suppliers	Minimum number of fiscal years of relationship
M.Paccagnini & C.Sas	Over 20 years
Tata Motors Ltd.	Over 13 years
Mahindra & Mahindra Limited	Over 13 years
Cummins India Limited	Over 10 years
Kirloskar Oil Engines Limited	Over nine years
ZF India Private Limited	Over six years
Magna Powertrain Inc	Over nine years
Metelli S.p.a	Over 10 years
SATA S.p.a	Over 12 years
Sogefi Engine Systems India Private Limited	Over six years
KSPG Automotive India Pvt Ltd	Over four years
Toyota Industries Engine India Private Limited	Over one year

In Fiscal 2021, none of our customers individually contributed more than 10% of our revenue from operations from the auto components and engineering products business.

As of June 30, 2021, we have been awarded programs from 20 customers in the automotive and non-automotive sectors across our product portfolio, where the start of production is either during or after Fiscal 2022. The table below sets forth a list of programs which have been awarded to us, along with their corresponding details. The table includes those programs for which the start of production year for our customers is either Fiscal Year 2022 or a period subsequent to Fiscal Year 2022. Accordingly, some of these programs have commenced production in Fiscal Year 2022, while others are expected to commence production in a period subsequent to Fiscal Year 2022.

S. No	Description about Program	Product
1	Domestic Tier-1 customer, supplier to OEM into CV and non-auto segment	Water Pump Bearings
2	Domestic Tier-1 customer, supplier to OEM into PV segment	Ring Gears
3	European OEM into PV segment	Flexplates
4	Domestic customer for after-market segment	Water Pump Bearings
5	Global Engine OEM customer into CV and non-automotive end segment	Flexplates
6	Domestic Tier-1 customer, supplier to OEM into CV and agriculture segment	Ring Gears
7	Domestic Tier-1 customer, supplier to OEM into CV and agriculture segment	Water Pump Bearings
8	European Tier-1 customer, supplier to CV and non-automotive segment	Ring Gears

S. No	Description about Program	Product
9	Domestic customer for after-market segment	Ring Gears
10	Domestic Tier-1 customer, supplier to OEMs of PV segment	Ring Gears and Flexplates
11	Domestic OEM customer into PV, CV and agriculture segment	Flexplates
12	European customer for after-market segment	Water Pump Bearings
13	Global Japanese OEM customer into PV segment	Flexplates
14	Domestic Tier-1 customer, supplier to OEM of PV, CV and EV segment	New Products
15	Domestic Tier-1 customer, supplier to OEM of PV segment	Water Pump Bearings
16	Domestic Tier-1 customer, supplier to OEM of non-automotive segment	Ring Gears
17	Domestic Tier-1 customer, supplier to OEM of PV segment	Water Pump Bearings
18	Domestic Tier-1 customer, supplier to OEMs of PV, CV and agriculture segment	Ring Gears
19	Global Tier-1 customer, supplier to OEMs of PV segment	Ring Gears
20	United States customer for after-market segment	New Product

Strong engineering capabilities with strategically located manufacturing facilities resulting in continuous product development and cost efficiencies

We are engineering-led in our capabilities, with integrated operations across the product manufacturing cycle in both of our businesses.

Tools and Hardware Business. Our Company operates five manufacturing facilities to manufacture files and drills, which are equipped with modern equipment and efficient manufacturing processes. Our Company's manufacturing facilities are installed with specially-designed equipments, which strengthens its reputation for manufacturing excellence. We also design some of our machines required for production of our products, which enables us to customize the process. Our Company does manual testing for 100% of the files and this manual intervention of skill set and checking requires special experience and expertise, which provides our Company an edge over and above its competitors (*Source: CRISIL Report*). As a result of our engineering capabilities, we have also been able to qualify the long vendor validation process of other global files and drills companies such as Apex Tools Group, LLC, and MOB Mondelin, who have outsourced their manufacturing of files to us.

We leverage our design, engineering, automation and flexible manufacturing capabilities to optimise product cycle times, enhance productivity and continue to develop products to meet the requirements of our customers.

- *Design and engineering capabilities*: Our design and engineering capabilities comprise product, process and drills design as well as advanced engineering capabilities, which have enabled us to support our customers through multiple development of critical products, develop new innovative products and further strengthened our relationships. For instance, we launched 54 new SKUs between April 1, 2018 and June 30, 2021.

- *Automation capabilities*: We have implemented various automation process for teeth cutting, annealing and hardening as well as installed machine tending robots in the hardening process.

According to the CRISIL Report, our Company's low-cost manufacturing base provides access to several markets along with a significant cost advantage. Our market leadership along with high volume requirement of steel has enabled us to develop long-term relationships with various steel suppliers such as Bhushan Power and Steel Limited for over 10 years, and secure a smooth supply of raw materials to manufacture quality products for our customers. We believe such relationships acts as an important entry barrier for other players who do not have easy access to procure steel billets.

Auto Components and Engineering Products Business. We have developed strong in-house engineering and manufacturing capabilities to deliver technology-driven products to OEMs and Tier-1 suppliers that enable us to manufacture high precision and customer-specific products, which we believe are a significant barrier to entry for other manufacturers. For instance, we undertake induction hardening and hobbing processes through computer numerical control ("**CNC**") machines, including high speed 6 axis hobbing machines, which are the most critical processes in manufacturing ring gears. For the manufacture of flexplates, we use advanced laser welding technologies as well as inert gas welding technology. All our flexplates are checked for dynamic balance and corrected as per our customers' standards. Additionally, we use both semi-automatic and fully automatic assembly equipment for water pump bearings. Components for our water pump bearings are put through critical grinding and super finish with advanced machining equipment. We have comprehensive design, testing and product validation capabilities for all of our products and such test facilities for function and durability are developed in-house and customised for the various applications and customer requirements. Further, our production line configurations are flexible, and allowing us to modify our production schedules between our product categories.

Consistent financial performance

In Fiscal 2021 and the three months June 30, 2021, our proforma total income was ₹5,532.97 million and ₹1,842.64 million, respectively, while our proforma EBITDA was ₹880.58 million and ₹293.43 million, respectively, in the same periods. Our proforma EBITDA Margin was 15.92% and 15.92% in Fiscal 2021 and the three months June 30, 2021, respectively, while our proforma PAT Margin was 8.69% and 9.45%, respectively, in the same periods. Our proforma RoCE for Fiscal 2021 and the three months ended June 30, 2021 was 23.59% and 32.32%, respectively, while proforma Operating RoCE was 36.85% and 46.62%, respectively, in the same periods. We are also net debt free on a proforma level, as of June 30, 2021. For the reconciliation of Non-GAAP Measures, see "*Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Pro Forma Consolidated Financial Information*" on page 351.

Tools and Hardware Business. The following table sets forth certain information relating to revenues from operations from our tools and hardware business for the periods indicated:

Particulars	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021***	**Three months ended June 30, 2021***
Total Income (₹ million)	4,038.05	3,820.47	3,496.63	1,118.80
EBITDA(1) (₹ million)	472.96	390.19	477.62	160.46
EBITDA Margin(2) (%)	11.71%	10.21%	13.66%	14.34%
Net Debt to Equity Ratio(3) (x)	0.86x	0.47x	0.09x	0.08x
RoE(4) (%)	25.72%	17.85%	24.81%	34.18%**
RoCE(5) (%)	28.48%	23.89%	31.67%	42.84%**
Operating RoCE(6) (%)	30.50%	25.69%	48.76%	55.55%**

Notes:

**In Fiscal 2021 and the three months ended June 30, 2021, the COVID-19 pandemic had an adverse impact on our business, financial condition and results of operations. See "Risk Factors - The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance." and "Management's Discussion and Analysis of Financial Conditional and Results of Operations – Results of Operations" on page 30 and 330, respectively.*

*** Annualized*

(1) EBITDA is calculated as restated profit for the year/ period plus tax expense, finance costs, depreciation and amortization expense, and exceptional item. For the reconciliation of EBITDA, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Restated Consolidated Financial Information - Reconciliation for EBITDA" on page 351.

(2) EBITDA Margin is calculated by dividing our EBITDA during a given period by total income during that period, and is expressed as a percentage. For the reconciliation of EBITDA Margin, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Restated Consolidated Financial Information - Reconciliation for EBITDA Margin" on page 351.

(3) Net Debt to Equity ratio is calculated as net debt (non-current borrowings plus current borrowings less cash and cash equivalents, bank balances and current investments) divided by equity (equity share capital plus instruments entirely equity in nature and other equity). For the reconciliation of Net Debt to Equity Ratio, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Restated Consolidated Financial Information - Reconciliation for Net Debt to Equity and Net Debt to EBITDA" on page 353.

(4) RoE is equal to restated profit attributable to the owner of the parent divided by the equity (equity share capital plus instruments entirely equity in nature and other equity) during that period, and is expressed as a percentage. For the reconciliation of RoE, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Restated Consolidated Financial Information - Reconciliation for Return on Equity ("RoE")" on page 353.

(5) RoCE is calculated by dividing EBIT by capital employed. For the reconciliation of RoCE, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Restated Consolidated Financial Information - Reconciliation for Return on Capital Employed ("RoCE")" on page 352.

(6) Operating RoCE is calculated by dividing our EBIT (excluding interest income) by operating capital employed (excluding cash and cash equivalents, bank balances, current investments and loans). For the reconciliation of Operating RoCE, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Restated Consolidated Financial Information - Reconciliation for Operating Return on Capital Employed ("Operating RoCE")" on page 353.

Auto components and engineering products business. As of June 30, 2021, RPAL (*i.e.* auto components and engineering products business) was net-debt free. The following table sets forth certain information relating to revenues from operations from our auto components and engineering products business for the periods indicated:

Particulars	Fiscal 2021*	Three months ended June 30, 2021*
Total Income (₹ million)	2,036.94	723.93
EBITDA(1) (₹ million)	403.13	132.98
EBITDA Margin(2) (%)	19.79%	18.37%
Net Debt to Equity Ratio(3) (x)	(0.03)	(0.08)
RoE(4) (%)	14.53%	19.18%**
RoCE(5) (%)	17.79%	24.60%**
Operating RoCE(6) (%)	**28.39%**	**38.44%***

Notes:

** In Fiscal 2021 and the three months ended June 30, 2021, the COVID-19 pandemic along with increase in freight cost and lag in passing the increase in commodity prices had an adverse impact on our business, financial condition and results of operations. See "Risk Factors - The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance." and "Management's Discussion and Analysis of Financial Conditional and Results of Operations – Results of Operations" on page 30 and 330, respectively.*

*** Annualised*

(1) EBITDA is calculated as restated profit for the year/ period plus tax expense, finance costs, depreciation and amortization expense, and exceptional item. For the reconciliation of EBITDA, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our RPAL's audited financial statements for our Subsidiary, RPAL - Reconciliation for EBITDA" on page 356.

(2) EBITDA Margin is calculated by dividing our EBITDA during a given period by total income during that period, and is expressed as a percentage. For the reconciliation of EBITDA Margin, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our RPAL's audited financial statements for our Subsidiary, RPAL - Reconciliation for EBITDA Margin" on page 356.

(3) Net Debt to Equity ratio is calculated as net debt (non-current borrowings plus current borrowings less cash and cash equivalents, bank balances and current investments) divided by equity (equity share capital plus instruments entirely equity in nature and other equity). For the reconciliation of Net Debt to Equity Ratio, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our RPAL's audited financial statements for our Subsidiary, RPAL, RPAL - Reconciliation for Net Debt to Equity and Net Debt to EBITDA" on page 358.

(4) RoE is equal to restated profit attributable to the owner of the parent divided by the equity (equity share capital plus instruments entirely equity in nature and other equity) during that period, and is expressed as a percentage. For the reconciliation of RoE, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our RPAL's audited financial statements for our Subsidiary, RPAL - Reconciliation for Return on Equity ("RoE")" on page 357.

(5) RoCE is calculated by dividing EBIT by capital employed. For the reconciliation of RoCE, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our RPAL's audited financial statements for our Subsidiary, RPAL - Reconciliation for Return on Capital Employed ("RoCE")" on page 357.

(6) Operating RoCE is calculated by dividing our EBIT (excluding interest income) by operating capital employed (excluding cash and cash equivalents, bank balances, current investments and loans). For the reconciliation of Operating RoCE, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our RPAL's audited financial statements for our Subsidiary, RPAL - Reconciliation for Operating Return on Capital Employed ("Operating RoCE")" on page 357.

Strong parentage of the Raymond group and experienced senior management team

We are a subsidiary of Raymond Limited, the flagship company of 'The Raymond group'. The Raymond group has a rich history of over 95 years and its long and successful track-record (*Source: CRISIL Report*). Raymond Limited is a diversified and market-leading conglomerate with interests in textile and apparel sectors as well as has presence across diverse segments such as real estate, fast-moving consumer goods and engineering in domestic and international markets (*Source: CRISIL Report*).

We are led by an experienced management team that has the expertise and vision to manage and grow both of our businesses. Balasubramanian Vishwanathan, Managing Director of our Company, has 35 years of experience and was working as a Whole-Time Director in RPAL and Hukumchand Lakhotiya, Chief Executive Officer of the tools and hardware business of our Company, has 25 years of experience. In addition, other members of our senior management team comprise experienced and qualified professionals with industry knowledge and experience. For further details, see "*Our Management*" on page 220. We believe that the knowledge and experience of our senior management team, and our team of engineers, sales and marketing employees provide us with a competitive advantage as we seek to expand in our existing markets and enter new geographic markets. Our senior management team contributes to our overall strategic planning and business development and is also instrumental in the growth in our revenues and operations. Our experienced senior management team and technically skilled employee base have contributed to the growth of our operations and the development of in-house processes and competencies.

Our Strategies

Increase our wallet share of business with existing distributors and customers and acquire new business

<u>Tools and Hardware Business</u>. We intend to further enhance and consolidate our market leadership position, particularly in the automotive and industrial files segment in both the domestic and export markets. The domestic market for files is expected to grow at a CAGR of 4%-5% between Fiscals 2022 and 2027, while the global files market size is expected to grow at a CAGR of 3%-4% during 2021 and 2026, in lakh dozen units (*Source: CRISIL Report*). Moreover, the Indian economy is expected to experience a significant growth in industrial, construction and real estate sectors, which would require quality branded products (*Source: CRISIL Report*). India is also expected to experience consumption of more branded high quality products compared to products from the unorganized sector (*Source: CRISIL Report*). We intend to leverage our pan-India distribution network (comprising over 730 active distributors with a retail reach of over 150,000 outlets spread across more than 600 towns both in urban and rural markets, as of June 30, 2021) that typically sells steel hardware consumables and capitalize on the '*JK*' brand to increase our presence in the drills, hand tools and power tools accessories businesses. We also aim to leverage on our international distribution network to expand our presence in various markets such as North America, Europe, Latin America, Asia and Africa. Further, in certain markets such as Africa, we sell products under our own brand and we believe there are further opportunities to increase our market share.

In the export market, particularly European and North American markets, high cost of manufacturing has resulted in key global files manufacturing players outsourcing to low-cost manufacturing players in India. Supply chain disruptions caused during the pandemic has led to a 'China plus one' strategy among global companies. As these companies look to enhance supply chain resilience by diversifying manufacturing into other countries, India stands as an attractive option owing to its strategic location, large domestic market, skilled manpower and low labour cost. The Indian Government has been focusing on making India an attractive investment destination for global companies through various initiatives such as Atmanirbhar Bharat and production-linked incentive scheme. (*Source: CRISIL Report*) We believe we are well-positioned to capitalize on such industry trends by leveraging our comprehensive product portfolio and low-cost manufacturing. We have established strategic alliances global files and drills companies such as Apex Tools Group, LLC and MOB Mondelin, as of June 30, 2021, for providing end-to-end manufacturing solution for files. We intend to continue to build such relationships with white label customers and offer them our high-end range of drills and other cutting tools for industrial applications in addition to files. Our quality and delivery performance has led to certain customers sourcing their files requirements from us and also helped us in becoming the exclusive supplier for two customers.

<u>Auto Components and Engineering Products Business.</u> We intend to build on our market leadership position in India in the ring gears and flexplates to strengthen our relationship with our existing customers with a focus on increasing the wallet share, and enhancement of the customer base by marketing our existing products to potential new customers. According to the CRISIL Report, India's car market is highly underpenetrated compared with most developed and some developing nations. As of March 31, 2020, India had only approximately 24 passenger vehicles per 1,000 people. Overall, PV production is expected to grow at a CAGR of 7%-9% from Fiscal 2021 to Fiscal 2026 in India. Domestic PV sales expected to increase by 8%-10% CAGR over Fiscals 2021 to 2026. PV production is expected to increase at a robust pace over the next five Fiscals on account of an increase in domestic and export demand. Production of CVs in India is also expected to increase at a CAGR of 12%-14% during Fiscal 2021 to 2026. Further, medium and heavy CVs and buses segment are expected to rebound sharply and grow at a CAGR of 35%-40% during Fiscal 2021 and 2026. (*Source: CRISIL Report*) Accordingly, we intend to capitalize on this growing demand for PVs and CVs in India and increase our share of business in the domestic market supported by our long-standing relationships with OEMs and Tier-1 suppliers. We also intend to explore opportunities across customers from various end-user segments ranging from automotive to off-highway to heavy equipment by leveraging our wide range of products.

According to the CRISIL Report, the large, highly skilled but low-cost manufacturing base in India makes partnering linkages with overseas players attractive. Further, as the spread of COVID-19 increased, global supply chains got severely impacted due to high dependence on China for several raw materials and intermediates, including auto components. Therefore, as global economies start to revive from the COVID-19 pandemic, global OEMs and Tier-1 auto component suppliers are increasingly focussing on diversifying their supplier base to de-risk their supply chains. With supply chain realignment, several countries (including India) are likely to emerge as global outsourcing hubs in the future. Many of the world's leading Tier-1 suppliers have set up manufacturing facilities in India. (*Source: CRISIL Report*) With our adherence to stringent quality standards, availability of skilled labour and the relevant know-how, we intend to capitalize on such production outsourcing trends and increase our customer base for all products, which would enable us to enter into new geographies and further expand our global market share in North America and Europe. In addition, we believe we are well-positioned to meet the increasing demand attributable to import substitution by OEMs, which would benefit to increase our sales of flexplates. Moreover, we intend to benefit from our presence in ring gears export and grow in the non-auto market such as marine, power generators and construction equipment sectors.

Focus on development and introduction of new products

Tools and Hardware Business. We have been successful in developing new products and we launched 54 new SKUs between April 1, 2018 and June 30, 2021. According to the CRISIL Report, the domestic demand for drills, hand tools and power tools markets are expected to grow at a CAGR of 5%-7%, 6%-8% and 5%-6%, respectively, between Fiscals 2022 and 2027. In line with such expected industry growth, we intend to continue to expand our range of drills, hand tools, power tools accessories and power tools machines. In particular, we intend to install our own manufacturing facility for cutting tools (apart from drill), power tools and hand tools, which we believe will help us in increasing our capacity and efficiency in developing high quality products to end-customers as well as improve margins. In addition, we intend to focus on consolidating our leading market position, both in the domestic and international markets, across our existing product portfolio and by expanding our product portfolio. We believe our long-standing experience and extensive product portfolio makes us well positioned to increase our penetration in various geographies as well as end-segments such as agriculture, industrial and automotive.

Auto Components and Engineering Products Business. Our engineering expertise, design and development skills, and know-how to research and develop new products have enabled us to develop new engine agnostic products, which are in advanced stages of development and are in the process of commencing pilot production.

According to the CRISIL Report, the overall PV production is expected to grow at a 7%-9% CAGR from Fiscals 2021 to 2026, and reach approximately 4.5 million units by Fiscal 2026. Further, production of CVs in India is expected to increase at 12-14% CAGR over Fiscals 2021 to 2026. Over short to mid-term COVID-19 induced demand for personal mobility is likely to support PV sales, over mid to long-term, moderate macroeconomic growth, increasing disposable income, relatively stable cost of vehicle ownership, and lower fuel prices are likely to drive demand for passenger vehicles. Global automobile manufacturers see India as a manufacturing hub for auto components and are rapidly increasing the value of components they source from India due to cost competitiveness in terms of labour and raw material. India is also known to have an established manufacturing base. Components of fine quality are now being manufactured in India (used as original components in vehicles manufactured by Mercedes, IVECO and Daewoo, among others). (*Source: CRISIL Report*) We intend to capitalize on such industry opportunities by broadening the portfolio of products we offer, increasing our engagement with customers specifically during new product development and investing in our manufacturing infrastructure. By leveraging our long-standing relationships with OEMs and Tier-1 suppliers and established track record on QCD, we will be able to leverage introduction of new products that have similarities to our current products and processes.

Increasing manufacturing capacity to capitalize on favorable macro-economic trends

With our product offerings providing various applications across industries, we believe we are well-positioned to gain from high growth industry trends as well as various initiatives introduced by the Government of India to facilitate the growth of the automotive, agriculture and construction and infrastructure industries. Some of the key high growth industry trends from which we expect to benefit are set forth below:

- *Automotive sector*: Exports in PVs and CVs are estimated to grow by 11%-13% and 10% CAGR, respectively, between Fiscal 2021 and 2026. The auto component market size to grow at a 13%-15% CAGR between Fiscals 2021 and 2026 to reach approximately ₹5,832 billion on the back of robust production growth across asset classes in the medium term (on a low base) and also aided by realization growth via OEM price increases. Moreover, exports in the auto component market are expected to increase at a robust CAGR of 11%-13% over Fiscals 2021 and 2026, driven by schemes such as production-linked incentive scheme. In addition, the global auto industry is expected to register a 4-5% CAGR during 2020 and 2026, owing to, amongst others, growth in personal incomes, increasing affordability and greater adoption of electric vehicles. (*Source: CRISIL Report*)

- *Agriculture sector*: The Indian agricultural sector is predicted to increase to US$ 24 billion by 2025. Agriculture and allied sectors is a key consumer of steel files for sharpening of tools by agriculturists engaged in producing, amongst others, palm oil, sugarcane, coffee and rubber, and provides significant potential for growth. Asia, Africa and Latin America have historically been agriculture driven economies and will continue to be key markets for steel files. (*Source: CRISIL Report*)

- *Construction and infrastructure sector*: Construction investments in India are expected to register a 6%-8% CAGR between Fiscals 2022 and 2026 led by a 7%-9% growth in the infrastructure segment and a 6%-8% rise in building construction during this period. Further, the global construction industry is expected to register a 4%-5% CAGR during 2020 and 2026, after recovering from the impact of the COVID-19 pandemic. (*Source: CRISIL Report*)

- *Government initiatives and macro-economic developments*: The Government of India has budgeted approximately ₹1.7 lakh crore as production-linked incentives to local manufacturing companies in 13 sectors. Further, the Government of India also aims to reduce India's dependence on raw material imports from China. (*Source: CRISIL Report*)

In order to capitalize on such opportunities, we intend to increase our manufacturing capacities for the manufacture of products in both of our businesses, which we intend to fund through internal accruals. In particular, we are currently in the process of expanding our ring gear manufacturing capacity from 8.20 million units per annum, as of June 30, 2021 to 9.20 million units per annum and water pump bearing capacity from 3.90 million units per annum, as of June 30, 2021 to 5.70 million units per annum. Further, based on our pipeline of programs, we also intend to undertake another phase of capacity expansion to further increase our ring gears and water pump bearing capacity by 2.00 million units and 3.00 million units, respectively. In addition, we intend to increase the manufacturing capacity for flexplates by 0.40 million units.

Focus on operational efficiencies to improve returns and achieve synergies

In Fiscal 2019, 2020 and 2021 and the three months ended June 30, 2021, we have been able to deliver EBITDA margin of 11.71%, 10.21%, 13.66%, 14.34%, respectively, and Operating RoCE of 30.50%, 25.69%, 48.76% and 55.55% (annualized), respectively. RPAL had an EBITDA Margin of 19.79% and 18.37% and Operating RoCE 28.39% and 38.44% (annualized) in Fiscal 2021 and the three months ended June 30, 2021. For the reconciliation of Non-GAAP Measures, see "*Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures*" on page 351. We continue to focus on improving operational efficiency, including by way of the following key initiatives:

- We have implemented various automation solutions in our facilities to reduce cycle times and manpower requirements. For instance, we have automated the teeth cutting and annealing. Further, we have switched from traditional manual hardening process to automated robotic system.

- Our operations are integrated across the product cycle, and almost all of our manufacturing processes are carried out in-house. This allows us to respond quickly and efficiently to any customer requirements or changes in product specifications without needing to depend on any external vendors. This helps us closely monitor product quality, production costs and delivery schedules.

- We believe our ongoing initiative regarding digital control and data analytics will provide significant benefits going forward by improving capacity utilisation, providing effective control and cost efficiencies and improving productivity levels. Further, we have implemented various automation solutions in our facilities to reduce cycle times and reduce manpower requirements.

- We constantly look to improve capacity utilisation through methods such as lean manufacturing, theory of constraints, kaizen and optimum utilisation of existing capacities to realise cost efficiencies.

- We continue to undertake various measures to improve operational efficiencies including reduction in lead-time in manufacturing processes, leveraging our sourcing networks to control raw material costs through bulk purchases, improving inventory management to optimize transportation costs and expedite raw materials procurement and product delivery, and controlling consumption and wastage through effective supervision of manufacturing processes. We have employed just-in-time inventory, which has resulted in efficient inventory management.

We believe the SEPL and RPAL Transfer which has resulted in the consolidation of the businesses of tools and hardware, and auto components and engineering products would help us achieve synergy benefits in the following:

- *Procurement of steel*. Steel being an essential raw material in both these businesses, we could negotiate significantly larger amounts at relatively lower costs by leveraging our market leadership in files and ring gears, which we believe could provide us with a competitive advantage.

- *Rationalisation of logistics expenses*. Rationalisation of freight costs including through combined negotiations, we believe will enable us to improve our cost structure and margins. We intend to leverage the distribution centres of our auto components and engineering products business for our tools and hardware business to improve lead time to customers in the international markets.

- *Integration of skilled workforce*. Both of our businesses employ a skilled set of employees, which could be utilized interchangeably between the businesses for, amongst others, process efficiency and technological advancements.

- *Cross-selling*. Our auto components and engineering products business's long-standing relationships with established OEMs and Tier-1 suppliers in the automotive sector could be leveraged by our tools and hardware business to penetrate into the automotive files business.

We believe the integration between our businesses will also enable us to be flexible, responsive to markets, innovative and faster in introducing our products leading to sustained growth, cost-efficiencies and operational excellence.

Expand our business through strategic alliances or inorganic opportunities

We believe that strategic alliances and acquisitions of businesses in the industries we operate may act as an enabler for growing our businesses. We intend to selectively pursue opportunities that will consolidate our market leadership position as a tools and hardware, and auto components and engineering products manufacturer and enhance our financial position, expand our existing product portfolio and increase our distribution network, customers and geographical reach. Our efforts at diversifying into newer categories of our existing business or into new domestic or international markets may be facilitated by investing in similar business opportunities or making acquisitions of existing brands or businesses with manufacturing facilities, market share or growth potential, whose operations, resources, capabilities and strategies are complementary to our existing business.

Description of our Businesses

Our business operations primarily divided into: (i) tools and hardware business; and (ii) auto components and engineering products business.

The following table sets forth certain information relating to revenues from operations from each of our businesses for the periods indicated:

Businesses	**Fiscal 2021**		**Three months ended June 30, 2021**	
	Revenue from Operations (₹ million)	**% of Total Revenue from Operations (%)**	**Revenue from Operations (₹ million)**	**% of Total Revenue from Operations (%)**
JKFL Group (*i.e.* tools and hardware business)	3,442.55	63.57%	1,104.79	61.21%
RPAL (*i.e.* auto components and engineering products business)	1,973.16	36.44%	700.14	38.79%
Less: intercompany/ Group eliminations	(0.60)	(0.01%)	(0.09)	0.00%
Total	**5,415.11**	**100.00%**	**1,804.84**	**100.00%**

Tools and Hardware Business

Products Portfolio

Our tools and hardware products comprise (i) files; (ii) drills; (iii) hand tools and power tool accessories; and (iv) power tool machines. A brief description of each of our products is as follows:

Files

Files can be classified based on the following:

- *Applications*, which include (i) machinist files, which are also known as engineer's file and are designed for shaping and finishing material; (ii) saw files, which are also referred to as sharpening files and are most commonly used for sharpening bladed tools; (iii) rasp files, which are coarse files used for coarsely shaping wood and other material; and (iv) special purpose files. (*Source: CRISIL Report*)

- *Shape*, which include flat, round, half-round, triangular, square, hand and knife. Flat files are the most commonly used files for general purpose work. (*Source: CRISIL Report*)

- *Teeth*, which include (i) single-cut files that are used with light pressure to produce a smooth surface finish; (ii) double-cut files that are used with heavier pressure for faster material removal; (iii) curved-cut tooth files that are used in automotive body shops for smoothing body panels; and (iv) rasp cut that are used on soft materials such as wood, hooves, aluminum, and lead. (*Source: CRISIL Report*)

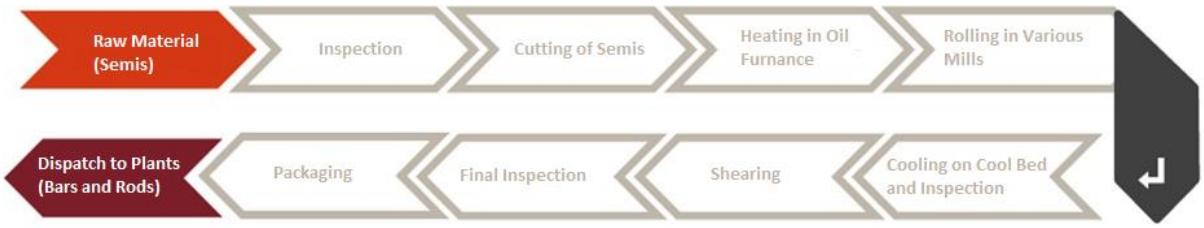
- *Grades*, which includes very smooth, smooth, second cut, bastard and rough. (*Source: CRISIL Report*)

We manufacture the following types of files:

Types of files	Description	Key Applications
Machinist	Our machinist files products portfolio include flat, hand, half round, round, square, three square, waring and knife machinist files. 	Multipurpose use for stock removal from machined components as well as in factories and workshops for, amongst others, burr removal, levelling the metal surfaces, expanding holes, smoothening the surfaces and fins removal in foundries.
Saw	Our saw files products portfolio include mill files, taper files, double ended saw, feather edge saw, round chain saw and pit saw. 	Sharpening of machetes, wood cutting saw, hand saws, chain saws and pit saws.
Rasp	Our rasp files product portfolio include flat, half round, round, cabinet rasp, shoe rasp and horse shoe rasp with and without tang.	Removing material from wood, leather and other softer

Types of files	Description	Key Applications
		material.
Special file	Our special files product portfolio includes various kinds of files, such as, flat which chip breaker, hobby rasp, flat handle, pillar regular, auger bit file, farrier rasp file, shoe maker rasp and stair case marker rasp ‘U’ type. 	Shaping of wooden articles, removal of material from hard materials and sharpening the auger bit.
Needle file	Our needle files product portfolio includes flat, hand, three square, knife, barrette, crossing and slitting. 	Sharpening dies, tools and contouring special shapes.
Diamond Coated file	Our diamond coated files product portfolio includes flat, hand, half round, round, square, three square and knife. 	Sharpening dies

Manufacturing Process – Hot Rolling Mill



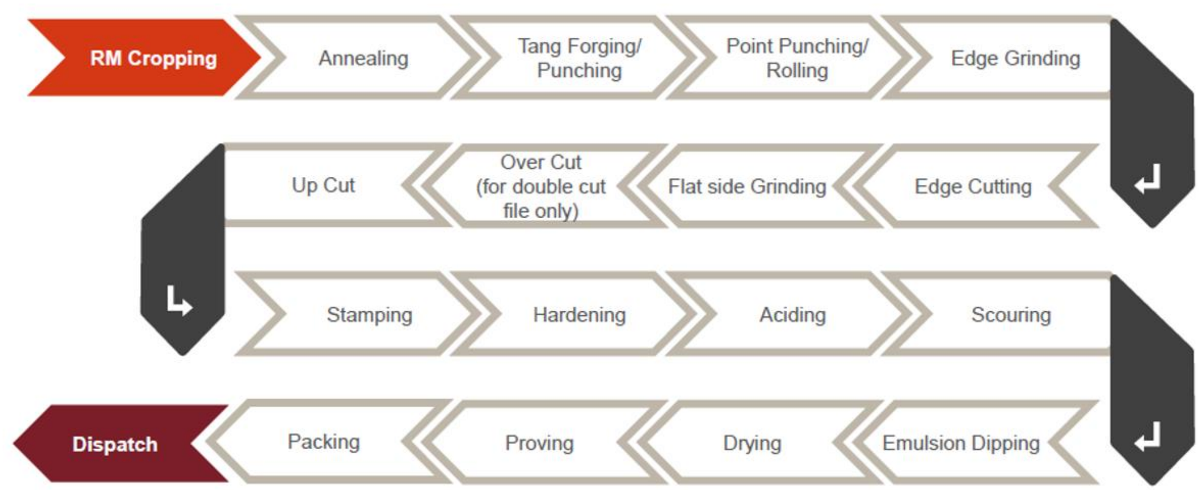
Files are manufactured with hot and cold rolled steel bars of alloy steel. Hot rolled steel bars are manufactured from billets/semis, i.e. input raw material. In hot rolling mill, the billets/semis are converted into bars of required sizes and shapes as per the requirements of the customer. Our hot rolling mill facility located at Pithampur facility provides us with flexibility in the manufacturing of different sizes of files. Our manufacturing process for bars and rods involve cutting of semis into small sizes, then heating the semis in the furnace and rolling them into various sections of bars and rods and cutting them into different bar length, and thereafter, packaging and dispatching them to the various facilities for the manufacture of files.

Cutting of semis. Semis come in multiple lengths. These semis are inspected for quality and then cut into small lengths on the basis of width of furnace with the help of circular saw machine.

Heating in oil furnace. Semis are then heated above the recrystallization temperature to plastically deform it in the working or rolling operation.

Rolling in various mills. The hot plastically deformed semis are passed between different types rolls to get the desired shape of bars and rods. These rolled bars and rods are cut into required length and then inspected, packed and dispatched to various plants for manufacture of files.

Manufacturing Process – Files



Our manufacturing process for files involve heat-treatment (annealing), surface preparation (grinding), teeth geometry (teeth cutting), hardening and finishing, and we have automated the teeth cutting, annealing and hardening processes. Our integrated low cost manufacturing capabilities include in-house manufacturing capacity from section rolling to finished product, including dedicated capacity for mass production. We have an in-house hot rolling mill which allows us to produce different sizes of files.

Surface Preparation (grinding). Our core focus area in the manufacturing process are surface preparation (grinding). The objective of grinding is to smoothen the uneven surface and remove the bend by passing each file under the grinding wheel. We use high power Oxley, Russian and balancing grinding machine for uniform material removal from each side. This is followed by polishing on vitrified wheel and for critical shapes polishing is carried out on the belt polisher. Surface hollowness or roundness (oval) is checked continuously on each machine by a 'quality checker'. During the preparation of grinding bed, we aim for 60-70 shore rubber hardness, which are replaced once the hardness decreases beyond the permissible limit. The new generation machines are also developed to increase the productivity and quality.

Teeth Cutting. We use specially designed cutting machines for cut (teeth) formation on files. The same has angled-carbide tip chisels which we use as a tool on the cutting machine. We use 10 different types of cutting machines as per the cut geometry requirement.

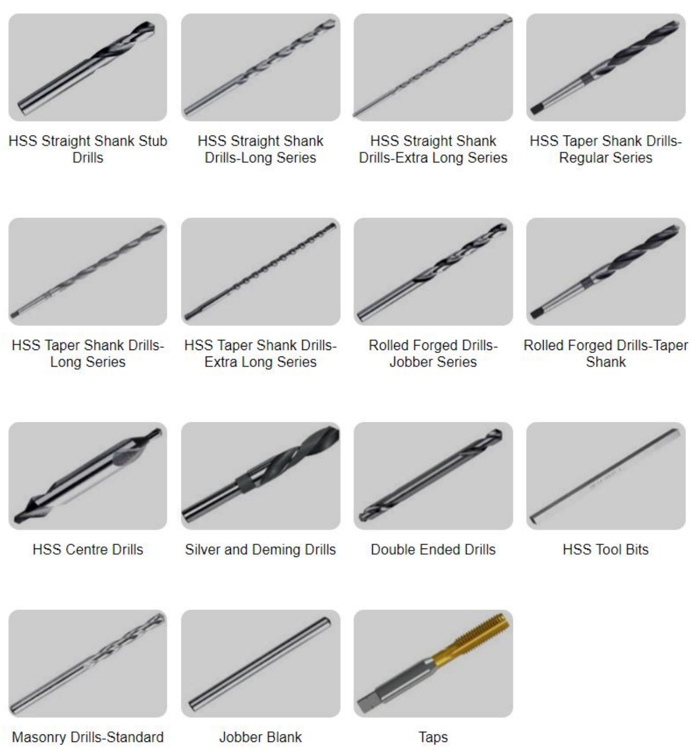
Hardening and Finishing. Hardening is one of the most important process which directly impacts the quality of the file. The temperature of salt water bath and the time for which the file is dipped in the bath is very critical in this process. We have equipped our manufacturing process with robotic hardening and developed in-house fixtures for the same.

<u>Drills</u>

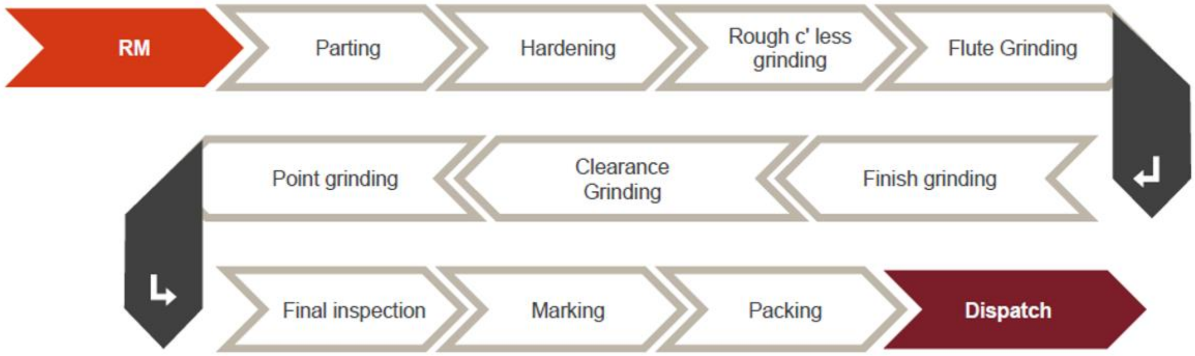
A cutting tool that pierces a hole in a workpiece that has a cutting edge at the tip and a groove in the body to discharge chips. It is the most common among cutting tools and is manufactured in a number of shapes and types for various applications, from home use to special processing. (*Source: CRISIL Report*) We mainly manufacture drills made from high speed steel.

Drill is a cutting tool that pierces a hole in a workpiece that has a cutting edge at the tip and a groove in the body to discharge chips. It is the most common among cutting tools and is manufactured in a number of shapes and types for various applications, from home use to special processing. (*CRISIL Report*) We design and manufacture drills according to international standards including IS 5100/DIN 1897/BS 328, IS 5102/DIN 340/BS 328 and IS 7823/DIN 1869/BS 328.

We offer a wide range of drills with different sizes and specifications including:



Manufacturing Process - Drills



We manufacture various high speed steel cutting tools, including drills, taps and tool bits, which are manufactured from fine grades HSS steels such as M2, M35, M42 and T42. Our manufacturing process for drills involve heat-treatment (hardening and tempering), flute grinding, point geometry and finishing. Our flute grinding and heat treatment processes are automated.

Flute Grinding. We use flute grinding machines to make spiral groove to the ground bar. High-speed grinding aims at reducing cutting force, improves surface quality and reduces shape error (ovality). This grinding method also aims at reducing cycle time and provides high quality with consistency.

Point Grinding. Our point grinding machines generated relief point angle aims at helping in improving the physical effects, chatter marks, hole shape and wear rigidity. We also have split point geometry setup which is helpful to reduce thrust, self-centering and chip removal.

Heat Treatment and Finishing. Heat treatment is one of the most important process which directly impacts the quality of the drill. We utilize a special grade of salt to improve the hardness and the temperature of furnace which the drill is dipped in. We have equipped our manufacturing process with automated conveyer hardening set up and in-house fixtures developed for hardening.

Quality Control. The drills are manufactured and marked as per Indian standard, British standard and DIN standard. The 'quality checker' verifies the quality during the process at every stage from raw material receipt to final product.

Hand Tools and Power Tools Accessories

Hand Tools. We offer a wide range of hand tools, including adjustable wrench, hammers, sockets, pliers, wire stripper and screw driver, which can be used in automobile workshops, garages and do-it-yourself (DIY) applications such as repairing and servicing. Our products are manufactured in accordance with the industry standards, including IS: 6149-1984 for our adjustable wrench, IS 6546-1989 for our ball pein hammer and IS: 15385 – 2003 for block plane.

Power Tools Accessories. Our power tool accessories product portfolio includes diamond blades, cutting discs, plus hammer drill bits and sanding discs.

Power Tool Machines

We offer a premium range of power tool machines, which includes impact drilling machines, blowers, rotary hammers, angle cutters and grinders, chainsaw machines, routers and putty mixers. We offer wired and cordless power tool machines that are primarily used in the construction, automobile, tree-felling and forestry, tile and marble cutting, sheet metal cutting and fabrication industries.


Marble Cutter


Impact Drill


Angle Grinder


Electric Planer


Air Blower


Router


Hot Air Gun


Cut Off Saw


Putty Mixer


Gasoline Chain Saw


Rotary Drill


Hammer Drill

Auto Components and Engineering Products Business

Products Portfolio

Our auto components products primarily comprise (i) ring gears; (ii) flexplates; and (iii) water pump bearings. A brief description of each of our products is as follows:

Ring Gears

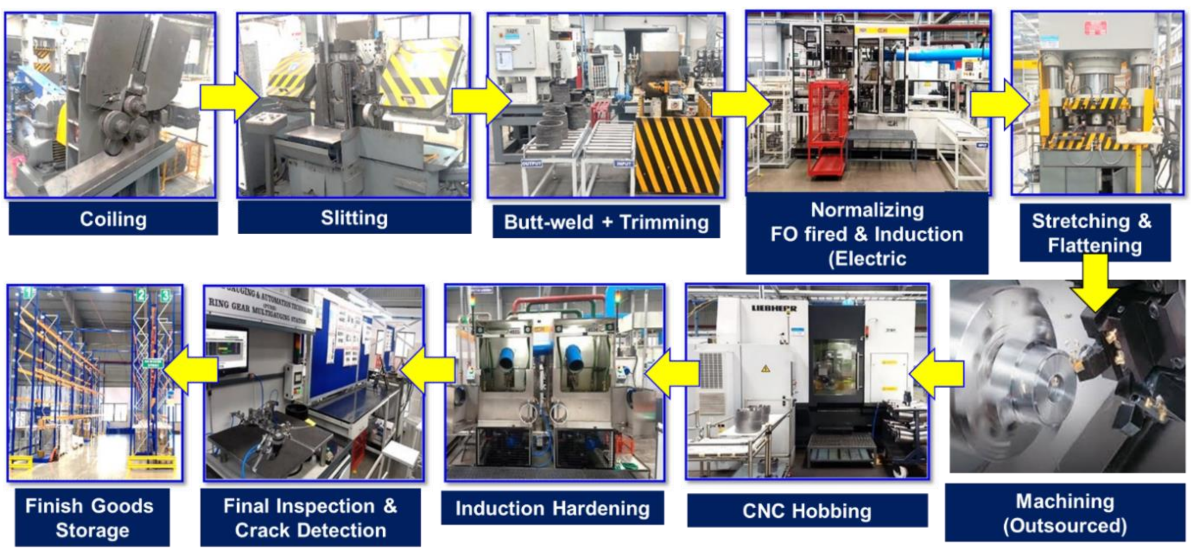
Ring gears are one of the critical components forming part of the engine starting mechanism that is placed around the rim on the engine flywheel and engages with the pinion of starter motor to rotate the engine upon starting. Ring gears transfers starting torque from starter to engine crankshaft. Ring gears have a diversified industry presence and are typically used in passenger cars, trucks, tractors, earth moving equipment, marine engines, lawn mower and industrial/power generation.

Our starter gear divisions ("**SGDs**") are located at the Nashik Unit-SGD I facility, which was established in 1984, and Nashik Unit- SGD II, which was established through a greenfield expansion in 2019.

Our facilities specialize in the manufacture of flywheel starter ring gears for petrol, diesel and gas engines. It comprises primarily three critical processes, *i.e.* ring forming, gear cutting and heat treatment. Our SGDs are equipped with forming equipment, CNC tuning and hobbing machines along with in-house heat treatment facilities and value stream line dedicated to passenger car segment. Certain key features of this division include high speed gear cutting six axis hobbing machine and dedicated CNC gear hobbing machines, online integrated CNC hardening and tempering equipment, and precision measuring equipments and measurement systems. In addition, we have the ability to manufacture sensor rings.

Ring Gears	**Key Product Features**
	Diameter Range: 150 – 1,500 mm Number of active SKUs: Over 400* Module Range: 1.75 min to 4.223 max 40* different types of hardness profile to cater to customer needs 16* different types of tooth chamfers Special features include drilled/ tapped holes, steps/ grooves on diameters, blind holes, milled/ slant teeth Installed capacity of 8.20 million units* ** As of June 30, 2021*

<u>Manufacturing Process – Ring Gear</u>



There are four key processes for manufacturing ring gears, namely, ring forming, machining, hobbing and induction hardening.

Ring Forming. Steel bars of rectangular or square cross sections are fed into a coiling machine for generating coils of required inner diameter ("ID"). Coils are then slitted to get separate rings. These separated rings are butt welded where the two ends of the ring are welded together. Thereafter, the rings are normalized in a furnace to remove the stresses developed during butt welding operation. The rings are then stretched with the help of fly presses for expanding the ID to the required dimension and after that they are moved to the flattening machine for getting required flatness.

Machining. The flattened rings are then machined wherein outer diameter ("OD") turning and facing is done on a single platform. After OD turning and facing, boring is done to achieve precise ID for each ring and thereafter rings are chamfered on the ID.

Hobbing. It is a critical process wherein tooth profile are formed on the component with required number of teeth generated on ring during the process. The hobbed ring is sent to tooth chamfering section for the OD chamfer and code punching, code punched rings are then offered to deburring section to remove the burr deposited on the surfaces.

Hardening Section. After OD chamfering and deburring operation, hardening operation is performed by induction hardening method. Once hardened, the ring gear is moved to tempering furnace for normalizing. Rings are then taken out for the final inspection and once tested for all parameters, the 'OK' certified components are sent for packing and dispatch.

Flexplates

Similar to a ring gear, a flexplate is an important part of the powertrain in automatic transmission vehicles and is used to transmit the power from engine to transmission via torque convertor. It acts as coupling between engine and transmission that connects the output from an engine to the input of a torque converter in a car equipped with an automatic transmission. It also acts as a dampener to avoid the transfer of vibrations from engine to transmission. It takes the place of the flywheel found in a conventional manual transmission setup.

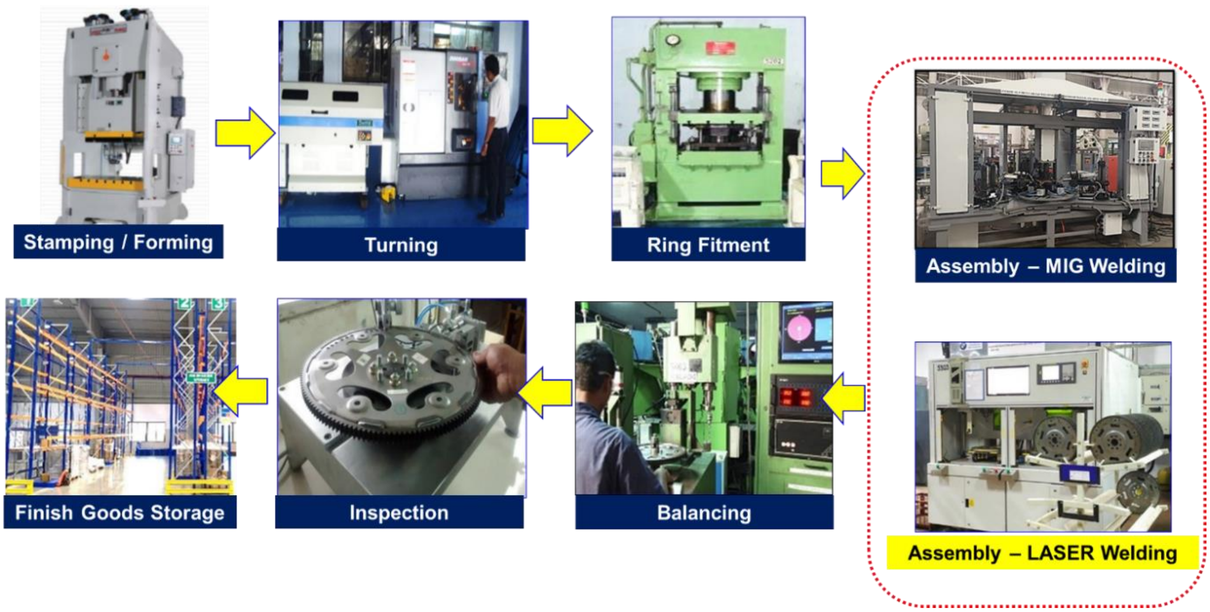
Our flexplate manufacturing set-up is located is located at the Nashik Unit-SGD I facility. This facility is equipped with, amongst others, pneumatic and hydraulic presses, laser and metal inter gas welding machines, CNC turning machines and dynamic balancers. We believe the use of laser welding for flexplate is unique, which ensure higher strength of weld joints and increases durability of product. For quality checks, we have installed electronic multi-gauging systems for measuring flexplates' critical parameters. Our flexplates capability include complete design solution with advanced computer-aided engineering software.

Over the years, we have undertaken continuous enhancement of design and engineering capabilities: (i) pre-2008: we were developing parts according to customer print and samples; (ii) between 2008 to 2014, we developed capabilities in design, such as 'finite element analysis' (FEA) and simulation analysis; and (iii) post-2014, we have been certified as a 'design responsible organization' from International Standard for Automotive Quality Management Systems.

We have also established a reliability lab, where we conduct various tests for design validation of flexplates including axial fatigue test, rotary bending test, torsion fatigue test and over-speed test.

Flexplates	Key Product Features
 	• Diameter Range: 250 – 450 mm • Number of active SKUs: 60* • Welding technology (laser and metal inert gas) and design capabilities • Sheet metal thickness range: 2.0-3.2 mm • Static Balancing: by way of weight addition by way of weight removal • Installed capacity of 0.62 million units* * As of June 30, 2021

Manufacturing Process – Flexplates



A flex-plate is manufactured by welding ring gears to stamped steel plates. We undertake two types of welding process to weld these two components, namely laser and metal inert gas welding. In the laser welding process, the laser beam provides a concentrated heat source, allowing for narrow, deep welds and high welding rates. Laser beam welding provides a high power density (on the order of 1 MW/cm2) resulting in small heat-affected zones and high heating and cooling rates.

Water Pump Bearings

Water pump bearings are one of the critical component of water pumps and are responsible for circulating coolant across the engine. The water pump pushes coolant through the engine block, radiator and hoses, driven by a crankshaft pulley. Further, the water pump bearing transmits power from pulley to the impeller. They are primarily used for automotive applications, non-auto applications, such as tractors and power generators, and have a significant aftermarket presence.

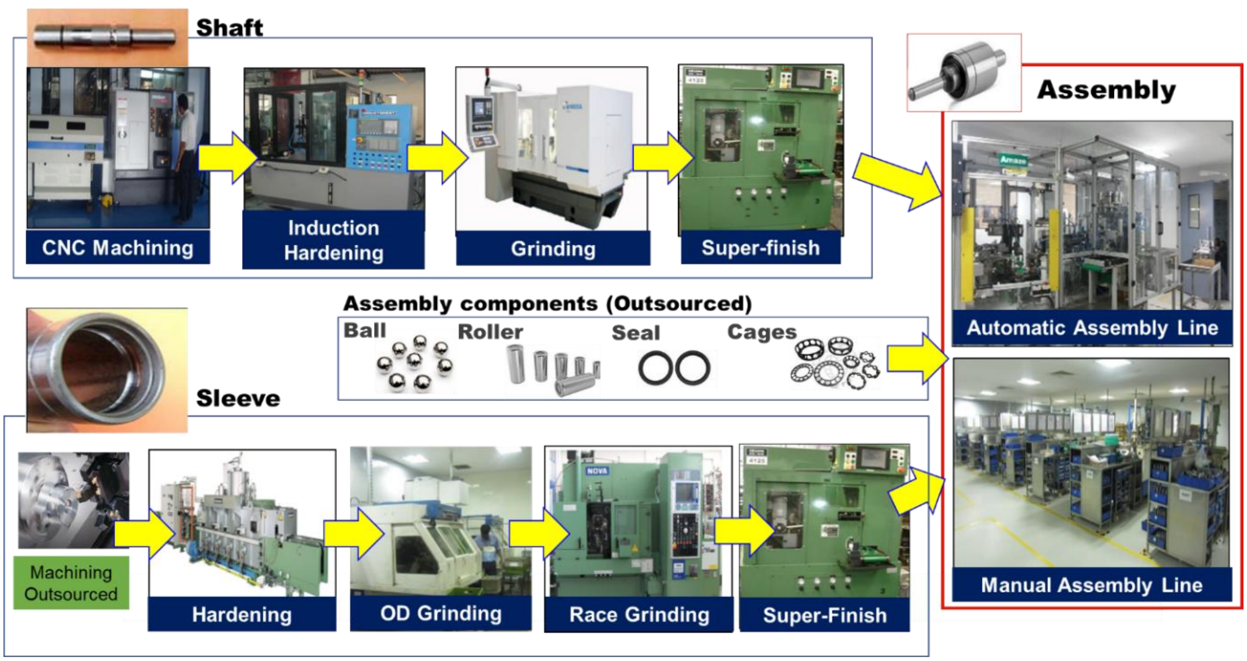
Our shaft bearing division ("**SBD**") is located at Nashik Unit-SBD, which was established in 1987. It specializes in the manufacturing of integral shaft bearings in ball/ball and ball/roller configuration for automotive and non-automotive applications. This facility is equipped with CNC induction hardening machines, continuous mesh belt furnace for through-feed hardening, internal and external grinding machines and automatic bearing assembly lines. We have also established on-line noise testers for 100% measurement of bearing noise. We manufacture 2-point, 3-point and 4-point angular contact bearings and offer various sealing solutions through our patented sealing device, which is a triple-lip seal that restricts water intrusion inside bearings. Our integrated manufacturing capabilities aims at enabling us to maintain consistency in product quality and cost competitiveness. The in-house manufacturing capability and flexible manufacturing set-up allows us to produce different sizes of bearings efficiently.

We have concurrent engineering capabilities, where we can design and develop bearings based on the engine characteristics given by our customers. We also conduct sensitivity analysis of our bearings, wherein we review effect of geometrical tolerance of bearings and loading conditions on bearing life, which helps us to optimise bearing life. We also have integrated testing and validation capabilities wherein we carry the following design validation tests in our laboratory to ensure reliability of our bearings: (i) bearing durability test; (ii) grease leakage and water intrusion test; (iii) seal push out test; (iv) seal spin resistance torque; (v) axial and radial clearance measurement; (vi) coolant leakage test under dynamic condition; (vii) noise test; and (viii) millipore test to check component cleanliness.

Water Pump Bearings	Key Product Features
	• Diameter Range: 20 mm to 60 mm sleeve diameter and 12 mm to 30 mm shaft • Number of active SKUs: Over 280* • Ball/ ball and ball/ roller combinations • Sheet metal thickness range: 2.0-3.2 mm • Two point, three point and four point angular contacts and double lip seals • Special operational capabilities, such as, cross holes, knurling, splines, taper hole, flats, woodruff key, internal/ external threads, slots, grooves and counter sunk hole. • Installed capacity of 3.90 million units*

As of June 30, 2021

Manufacturing Process – Water Pump Bearings



Our core processes include induction hardening, internal and external track grinding, super-finishing of rolling elements and bearing assembly processes.

Induction hardening of shafts. This is a surface hardening, where the bearing shafts are held between two locators and passed through copper inductors to transform temperature by applying an alternating current to the coil. In this process, the shaft surface is heat treated to get hardness of 58-62 Hardness Rockwell C (HRC), which is followed by a tempering process. The process controls in induction hardening such as energy level and quench media interlocking, aim at ensuring consistent case depth and hardness of shafts, which is important from the water pump bearings life perspective.

External track grinding of shafts. We carry this operation on our machines, wherein shaft OD as well as ball races (tracks) are ground together. We also have other special purpose machines for bearing shaft track grinding, which we use to cater small volumes. The shafts are placed on the 'work rest blade' (WRB) and abrasives are used to grind the bearing races. All these machines are equipped with auto dressing mechanism, which aims at ensuring consistent form accuracy of rolling tracks, for example, surface finish, roundness, pitch and concentricity.

Internal track grinding of sleeves. Also known as 'ball race' grinding, which we perform on our internal grinders.

During the operation, bearing sleeves are held between rollers and the ball races are ground by abrasive grinding wheels, which are mounted on quill/wheel head spindle. These machines are equipped with auto dressing mechanism, which aims at ensuring consistent form accuracy of rolling tracks, for example, surface finish, roundness, pitch and concentricity.

Super-finishing of shaft and sleeve. Bearing rolling tracks are working surfaces of the bearings and its surface finish has an important role on the life of the bearing. To improve this surface finish, grinding process is followed by super-finishing. We have installed super-finishing machines with 100% auto loading and unloading arrangement. During super-finishing process, the abrasive stones are oscillated while the work-piece is rotated in the opposite direction; these motions are what causes the cross-hatching. The honing stones and oil are used as abrasives and heat reduction media, respectively. These machines are multi-stage super-finishing wherein we use different quality honing stones to get the required surface finish. The process controls such as speed, oscillation speed, time, honing stone life aim at ensuring consistency of this process.

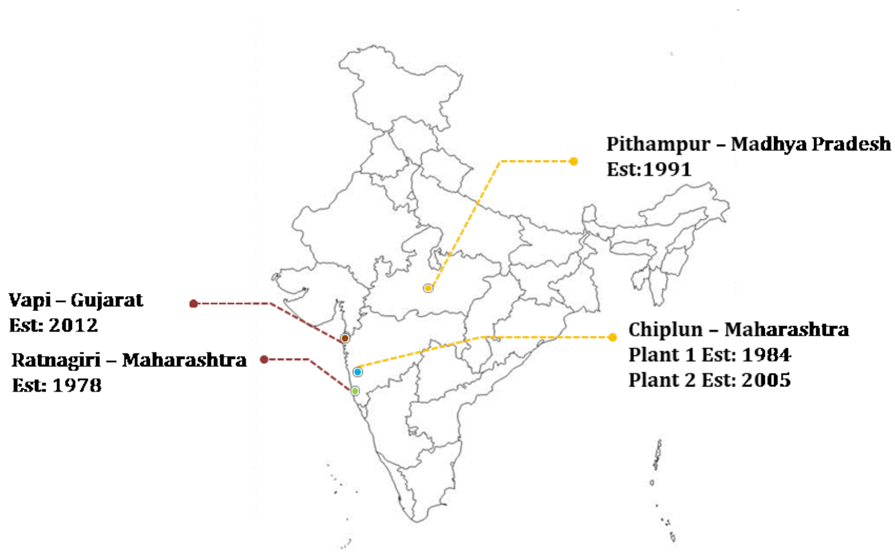
Bearing assembly. Integral shaft bearing comprises of two main components *i.e.* shaft (inner) and sleeve (outer) with other child parts such as balls, rollers, seals and grease, which we need to assemble. After super-finishing of shafts and sleeves, ultrasonic cleaning operation is being done to remove all dirt, oil and other foreign particles. As clearances (radial and axial) are important for proper functioning of bearings, we follow selective assembly of components. Shafts and sleeves are sorted as per diameters and then balls are selected automatically basis the clearance requirements of the bearing. Once the ball/roller are assembled with shaft (inner) and sleeve (outer), 100% clearance inspection is done to ensure the desired clearances. Then polyamide retainers are fixed in bearing to ensure proper position of balls/rollers, which is followed by grease dispensing and seal fixing operation for life time lubrication sequentially and automatically. Thereafter, the assembled bearings are offered for auto-weighing to ensure assembly of right components. The rejected bearings automatically go into the rejection bin due to the inter-locking system. We have an automatic as well as semi-automatic bearing assembly lines to perform the above-mentioned bearing assembly operations. Before packaging, noise test of bearings is done on automatic on the on-line noise testers to ensure bearing noise level within the specifications.

Manufacturing Facilities

We operate five manufacturing facilities in our tools and hardware business, and three manufacturing facilities in our auto components and engineering products business. We have integrated manufacturing support systems at our manufacturing facilities, including quality assurance, quality control, regulatory affairs and inventory control. These support systems enable us to complete and deliver our products to our customers while maintaining high quality standards and monitoring regulatory compliance. All our manufacturing facilities have waste management and environment protection systems and aim to comply with the laws on environmental pollution. We have arrangements for regular power and water supply at our manufacturing facilities. Compliance to quality systems, regulatory guidelines and environmental protection guidelines is routinely audited by certain of our customers as well as external auditors recruited by our management from time to time.

<u>Tools and Hardware Business</u>

We operate five manufacturing facilities located at four strategic locations in Maharashtra, Madhya Pradesh and Gujarat primarily for manufacturing files and drills. The following map highlights the location of our manufacturing facilities in the tools and hardware business:



Note: Map not to scale

The table below sets forth certain information regarding our manufacturing facilities:

Manufacturing Facility	Capabilities/ Products manufactured	Leased/ Owned	Year of commissioning	Installed capacity (as of June 30, 2021)
Ratnagiri, Maharashtra	Files	Leased with MIDC 99 years	1978	0.84 million dozens
Chiplun Unit-I, Maharashtra	Files and drills	Leased with MIDC 95 years	Files: 1984 Drill: 1989	Files: 2.64 million dozens Drills 13.20 million dozens
Chiplun Unit-II, Maharashtra	Files	Leased with MIDC 99 years	2005	0.72 million dozens
Pithampur, Madhya Pradesh	Files and hot rolling mill	Leased with MP Audyogik Kendra Vikas Nigam (Indore) Limited 99 years	1991	0.72 million dozens
Vapi, Gujarat	Files	Leave and license agreement dated August 22, 2019 for a period of five years	2012	2.52 million dozens

Installed Capacity and Capacity Utilization

The following table sets forth certain information relating to our installed capacity, actual production and capacity utilisation for our auto components manufacturing facilities for the periods indicated:

Products	As of and for the financial year ended March 31,									As of and for the three months ended June 30, 2021		
	2019			2020[3]			2021[3]					
	Installed Capacity[1]	Actual Production	Capacity Utilization [2]	Installed Capacity[1]	Actual Production	Capacity Utilization [2]	Installed Capacity[1]	Actual Production	Capacity Utilization [2]	Installed Capacity[1]	Actual Production	Capacity Utilization [2]
	(million)		(%)	(million)		(%)	(million)		(%)	(million)		(%)
Files – Dozens	6.60	5.19	78.67%	6.60	4.95	74.99%	6.60	4.60	69.72%	1.86*	1.45	77.79%
Drills - Units	21.60	18.80	87.04%	12.00	10.21	85.05%	13.20	11.81	89.43%	3.30*	2.66	80.63%

[#] As certified by Sanjay Suresh Ranade, Chartered Engineer, by certificate dated November 23, 2021. See "Risk Factors – Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary" on page 58.

Notes:

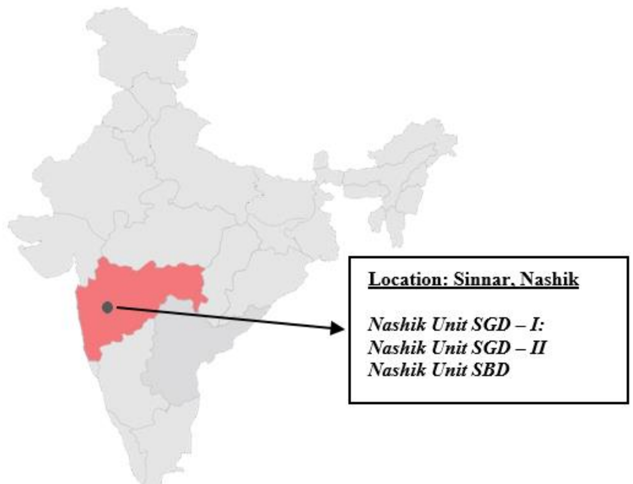
**The capacity given is for a three month period. Annual capacity for files is 7.44 million dozens and drills is 13.20 million units.*

(1) Installed capacity refers to production volume of goods that a unit can generate based on available infrastructure.

(2) Capacity utilization is calculated as actual production divided by installed capacity.

Auto Components and Engineering Products Business

We operate three facilities for manufacturing of ring gears, flexplates and water pump bearings located in the industrial belt of Nashik, Maharashtra. We also operate five warehouses across Canada, United States and Germany. The following map highlights the location of our manufacturing facilities in the auto components and engineering products business:



The table below sets forth certain information regarding our manufacturing facilities:

Manufacturing Facility	Capabilities/ Products manufactured	Leased/ Owned	Year of commissioning	Installed capacity (as of June 30, 2021)
Nashik Unit SGD – I	Starter ring gear and flexplate assembly	Leased from Sinnar Taluka Industrial Co-op Estate Limited ("**STICE**") for 98 Years	1984	Ring Gear: 6.20 million per annum Flex Plate 0.62 million per annum
Nashik Unit SGD – II	Starter ring gear	Leased from STICE for 98 Years	2019	2.0 million per annum
Nashik Unit SBD	Integral shaft pump water pump bearing	Leased from STICE for 98 Years	1987	3.90 million per annum

Installed Capacity and Capacity Utilization

The following table sets forth certain information relating to our installed capacity, actual production and capacity utilisation for our auto components manufacturing facilities for the periods indicated:

Products	As of and for the financial year ended March 31,									As of and for the three months ended June 30, 2021		
	2019			2020[3]			2021[3]					
	Installed Capacity[1]	Actual Production	Capacity Utilization [2]	Installed Capacity[1]	Actual Production	Capacity Utilization [2]	Installed Capacity[1]	Actual Production	Capacity Utilization [2]	Installed Capacity[1]	Actual Production	Capacity Utilization [2]
	(million units)		(%)	(million units)		(%)	(million units)		(%)	(million units)		(%)
Ring Gears	6.20	5.32	85.82%	8.20	4.44	54.13%	8.20	4.58	55.89%	2.05*	1.49	72.70%
Flexplates	0.62	0.32	50.82%	0.62	0.29	46.61%	0.62	0.23	36.89%	0.16*	0.08	49.37%
Water Pump Bearings	3.90	3.01	77.10%	3.90	2.10	53.78%	3.90	2.63	67.37%	0.98*	0.77	79.05%

 # As certified by Sanjay Suresh Ranade, Chartered Engineer, by certificate dated November 23, 2021. See "Risk Factors – Information relating to the installed

manufacturing capacity of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary" on page 58.
Notes:
**The capacity given is for a three months period. Annual capacity for ring gears, flexplates and water pump bearings is 8.20 million units, 0.62 million units and 3.90 million units, respectively.*
(1) Installed capacity refers to production volume of goods that a unit can generate based on available infrastructure.
(2) Capacity utilization is calculated as actual production divided by installed capacity.

Raw Materials

Purchases of raw material account for a significant portion of our revenues. In Fiscals 2021 and the three months ended June 30, 2021, our proforma materials and related costs (consisting of cost of materials consumed, purchase of stock-in-trade and changes in inventories of finished goods, stock-in-trade and work-in-progress) was ₹1,747.54 million and ₹661.85 million, respectively, which represented 32.27% and 36.67%, respectively, of our proforma total revenue from operations in the same periods.

Tools and Hardware Business

Our major raw material includes high carbon steel, alloy steel and high-speed steel as well as imported outsourced semi-finished files and drills. We also require wooden box for packing of our products. We source our raw materials primarily from domestic steel companies such as Bhushan Power and Steel Limited.

While we enter into purchase order with our suppliers, we do not enter into any long-term contracts. We typically agree a fixed per-unit price for raw materials for each purchase order; for that purchase order, we bear the raw material price risk. Depending on how raw material prices fluctuate, we may then be able to adjust the raw material prices for future purchase orders.

Auto Components and Engineering Products Business

We use various grades of steel (including carbon steel for ring gears, hot rolled/ cold rolled sheets for flexplates and alloy steel for water pump bearings) in our production process.

Majority of our raw materials are sourced from a number of vendors based on our engineering designs. We also import raw material such as steel tubes for water pump bearings. Further, we subject our suppliers to a qualification process to ensure that the supplied raw materials are of appropriate quality and meet the requirements of our customers. In addition, due to the specific requirements of certain of our customers, our customers nominate certain vendors based on various criteria such as the quality of materials supplied, duration of our business relationship, delivery reliability and pricing. We have a system of inventory management for raw materials which monitors inventory and reorder levels of the key raw materials used by us.

Utilities

We consume a substantial amount of power and fuel for our business operations. Our power requirement for our manufacturing facilities in India is sourced from local providers and state electricity board. Our manufacturing processes require uninterrupted supply of power and fuel in order to ensure that we are able to manufacture high quality products. In addition, we have installed grid rooftop solar power panels at Nashik SGD-II facility with a capacity of 500KW (DC) capable of generating 750,000 units per annum.

Customers

Tools and Hardware Business

We primarily sell our tools and hardware products through our wide distribution network, which has helped us in developing a presence in the B2C business. Our end-users include carpenters, artisans, masons, lumbers, farmers, local fabricators and mechanics. We primarily rely on purchase orders with our distributors and do not typically enter into long-term supply agreements. We usually negotiate terms of purchase with our distributors. These terms of purchase outline standard conditions and delivery requirements.

We have also built a presence in the B2B business strategic alliances global files and drills companies, as of June 30, 2021, including Apex Tools Group, LLC and MOB Mondelin, for providing end-to-end manufacturing solution for files. We typically enter into supply arrangements with such companies for approximately a tenure of five years which set forth the terms of sales, however, these do not specify the purchase volumes and delivery schedule. We instead rely on purchase orders and delivery schedules issued by such customers from time to time regarding the specific amount of quantity for our products. See "*Risk Factors - We do not have firm long term commitment agreements with our customers. We may not be able to accurately forecast demand for our products and plan production schedules in advance, and our growth estimates may not accurately indicate our actual sales and revenues for any future period or date*" on page 38.

Auto Components and Engineering Products Business

We have a diversified customer base with customers across Asia, Europe, North America, South America and Australia. Our customers and end-customers are predominantly marquee OEMs and reputed Tier-1 suppliers, who are producers of PVs, CVs, medium and heavy commercial vehicles, light commercial vehicles and tractors as well as engaged in the manufacture of, amongst others, construction equipments, marine engines and power generators in the non-automotive industry.

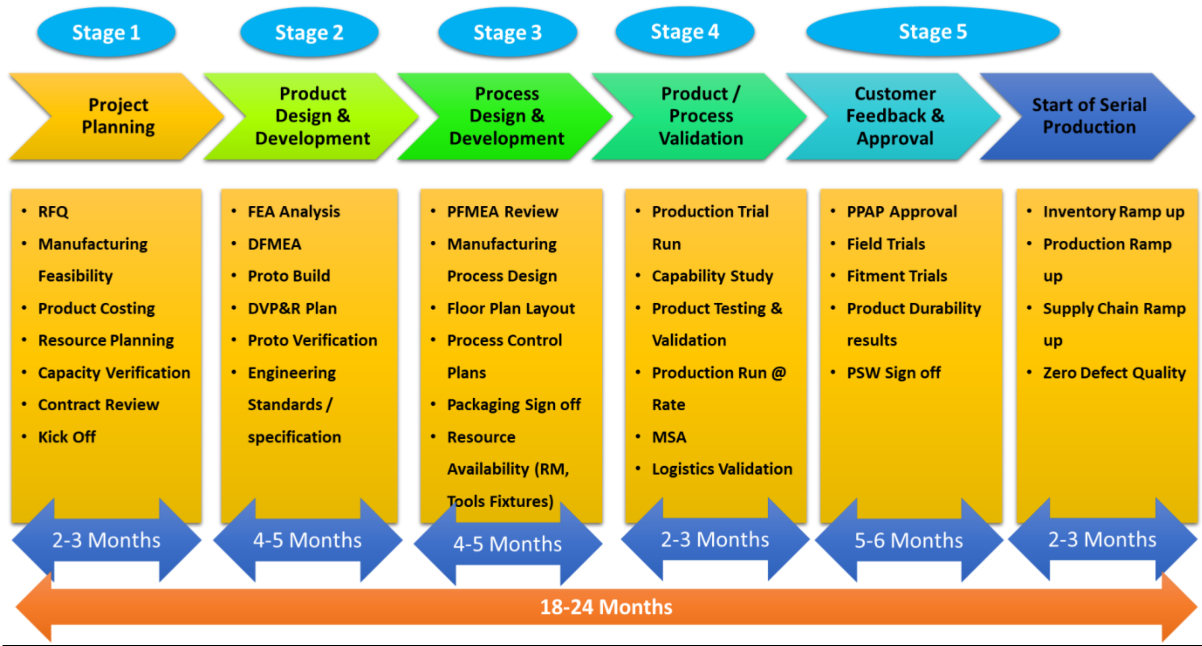
The program pipelines continue multiple years till vehicle model stays in production, and as a result, OEM and tier I players prefer procuring from regular suppliers entering into multiyear contracts (*Source: CRISIL Report*). We typically enter into supply agreements for the duration of the program which generally ranges from five to seven years and the OEMs and Tier-1 suppliers typically initially provide us with forecast volume for the program. The exact volume is specified subsequently in their purchase orders. The pricing for our products is generally settled by the OEMs for programs where the direction is provided by OEMs. See "*Risk Factors - We do not have firm long term commitment agreements with our customers. We may not be able to accurately forecast demand for our products and plan production schedules in advance, and our growth estimates may not accurately indicate our actual sales and revenues for any future period or date*" on page 38.

The following table provides details of our end-customers from each of our products in our auto components business products business for the periods indicated:

Products	OEMs and Tier-1 suppliers
Ring Gears	Cummins India Limited, Toyota Industries Engine India Private Limited, Mahindra & Mahindra Limited, Tata Motors Ltd., ZF India Private Limited, Kirloskar Oil Engines Limited, Magna Powertrain Inc, John Deere India Private Limited, M.Paccagnini & C.Sas and SATA S.p.a
Flexplates	Cummins India Limited and Mahindra & Mahindra Limited
Water pump Bearings	Mahindra & Mahindra Limited, Tata Motors Ltd., Sogefi Engine Systems India Private Limited, KSPG Automotive India Pvt Ltd and Metelli S.p.a

Customer Acquisition Process

The following chart highlights the long vendor validation and on-boarding process adopted by customers in the auto components and engineering products business:



We typically participate in a lengthy and rigorous vendor selection process with our customers, which can take up to two years from the date of issue of a RFQ for securing business. We are generally required to submit a detailed technical proposal including technical information such as, the product features, performance specifications, compliance with legal and regulatory requirements, proposed development timeline, product validation plan, performance and durability expectations and prototype quantity for vehicle fitment. We may further be required to develop and supply concept prototypes for the customer based on initial design plans. Once our prototype is confirmed to have met the customer's specifications and clears the testing phase, we are awarded the product program. We invest in securing new customer relationships through this intense, time consuming and costly vendor selection process, as it enables us to better understand our customers' design and performance needs, and demonstrates our capabilities in providing end-to-end integrated and technologically advanced customized solutions for developing critical automotive systems and components. If we are successful in converting the RFQ process into firm orders then it generally leads to a long term relationship with such customer as the cost to the customer of switching vendors after qualification in the RFQ process is typically high. Upon qualifying for the product development program, we enter into a letter of intent with the customer which specifies the expected production commencement date and forecast volume for the program.

Sales, Marketing and Distribution

<u>Tools and Hardware Business</u>

We sell our products in the B2C business either through our distributors or directly to the end-users through our own brands. We primarily sell and market our tools and hardware products in India through our umbrella brand, '*JK SuperDrive*', and in the international markets, through various sub-brands including '*JK Sun Flower'*, '*JK Eye*', '*JK Three Files*', '*JK Two Files',* '*Premium Scissors*', '*JK Sher*', '*JK Thunderbolt*', '*JK Uno*', '*JK Two Tusk*' and '*MJK*'. As of June 30, 2021, our pan-India distribution network consisted of over 730 active distributors with a retail reach of over 150,000 outlets spread across more than 600 towns in India and three strategically located depots in the northern, western and eastern regions of India. In addition, our Company had over 135 active distributors in the international markets, as of June 30, 2021, which has enabled us to establish presence in over 55 countries across Latin America, Africa, Asia-Pacific, Europe and North America. In the B2B business, we sell our products under white labels to global files and drills companies.

Our sales and marketing team is tasked with handling the sales to distributors and end-users as well as is also responsible for establishing new relationships with new distributors and end-users. Our sales and marketing team focuses on promotional activities such as printing of our product catalogues, establishing our brand name in the local and global tools and hardware industry as well as organising participation in exhibitions. We also have a product management team, which provides support to our sales and marketing teams in handling customer enquiries. Through engagement with customers, our product management team aims at collecting market intelligence and in turn identifying opportunities for the development of new products.

Auto Components and Engineering Products Business

As of June 30, 2021, we had a dedicated sales and marketing team for our auto components and engineering products business comprising nine personnel that covers Indian and global markets including North America, Europe and Asia-Pacific. We follow a 'just-in-time' customer service model, which is a form of inventory management that requires working closely with customer and suppliers and ensure on-time delivery performance in both export and domestic markets. Our marketing activities involve our development and engineering teams working closely with customers or prospective customers, and our design and manufacturing facilities to design products tailored to meet specific customer requirements. We supply our components directly to the Indian and global automotive OEMs and Tier-1 suppliers. Further, our sales and marketing team is regularly in contact with OEMs and Tier-1 suppliers to understand the evolving needs of customers as well as market trends.

Research and Development

R&D is critical in maintaining our competitive position in both of our businesses, and to address changing consumer trends, industry developments and business models. Our R&D initiatives broadly focus on technology development, costs and operating efficiencies, product design and development, production processes and environmental management by understanding current market demands and evolving customer trends. R&D is a continuous process due to technological advancements, stricter emission norms, rapid development around electrification and deeper penetration of information technology and our team is constantly engaged in creating or improving our range of products.

Tools and Hardware Business

Our initiatives for product development in the tools and hardware segment revolve around files, drills and hand and power tools technology comprising tool materials, i.e. different grades or specifications of high carbon steel and high speed steel. Our technical capabilities involves developing product based on end-user application, which involves identification of new raw material sections, defining new manufacturing processes as per the requirement, development of tools, toolings, product and packaging materials. Due to constant advancements and new developments in material science for workpiece materials, new product development efforts are also conducted on an on-going basis to understand the characteristics of new workpiece materials. The objective is to develop files, drills and hand and power tools with better performance in terms of quality, consistency and accuracy, and longer tool life. As of June 30, 2021, our tools and hardware business' new product development team comprised 27 employees, and is equipped with design and product development capabilities and technical know-how to troubleshoot problems which our customers may experience in their production process and provide solutions to our customers.

Set forth our certain our in-house developed products

150MM LOCK SMITH FILE FOR EUROPE | 150MM SWISS PRECISION FILE FOR USA | 208MM SWISS HALF ROUND FOR USA | 250 & 300MM FLAT BUMPER FILE FOR OVD CUSTOMER | 24 INCH FLAT BOTTOM FILE FOR USA

Auto components and engineering products business

Our technical capabilities in the auto components and engineering products business are a result of a combination of the technological knowledge engagement with OEM customers for improvisations of processes, and skills which we have internally developed. As on June 30, 2021, our team included 15 employees, focused on developing value-added products by understanding current market demands and evolving consumer trends. Our Indian and international OEMs and Tier-1 customers involve us from the research stage which has enabled us to develop solutions and provide value-added services to them. Further, we have also adopted an innovation policy with an objective to encourage and reward innovative engineering solutions. Our sales and marketing team work closely with design and new product development teams for development of prototype samples and testing at customer end, before commercial suppliers.

Quality Control, Testing and Certifications

Our quality policy is focused on fulfilling customer requirements through reliable products and services aimed at meeting all regulatory requirements and through continual improvement of our quality management systems. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being provided to customers.

Our customers demand the highest quality from us and to meet their expectations, we have developed in-house multilevel quality control processes. These quality control measures range from the initial inspection of raw materials and other parts and components, to the continuous improvement of our business processes at each step in the production and assembly of our products, including periodic reviews of our quality management systems.

Ensuring high level of quality, the products in tools and hardware business are passed through stringent quality checks to deliver the product as per customer need; we continually improve our processes and people capability as per the change in customer needs of quality cost and delivery which is vital for our continued growth and success. Our quality laboratory at Chiplun facility has been equipped with precision machines.

In recognition of our quality standards, we have been accredited with certifications pertaining to quality and health and safety standards, some of the key certifications are as follows:

Business	Certifications
Tools and Hardware Business	ISO 9001: 2015 for Management System at our manufacturing facilities located at Ratnagiri, Chiplun, Pithampur, Talabot and Vapi facilities
	ISO 14001: 2015 for Management System at Ratnagiri, Chiplun and Talabot facilities
	OHSAS 18001 for Occupational Health and Safety System at Ratnagiri, Chiplun and Talabot facilities
	ISO 45001 : 2018 for Occupational health and safety management systems for Chiplun & Talabot facilities
Auto Components and Engineering Products Business	IATF 16949 for Quality Management System at Nashik – Bearing Division facility by Buerau Veritas
	IATF 16949 for Quality Management System at Nashik – Starter Gear Division facility by Buerau Veritas
	ISO 9001: 2015 for Management System at Nashik – Bearing and Stater Gears Divisions facilities in relation to manufacturing of starter gears, design and manufacturing of flexplates and machined integral shaft bearings up to 60mm diameter
	ISO 14001:2015 and ISO 45001:2018 for Management System at our manufacturing facilities in Nashik in relation to the manufacture and sales of starter ring gear, flexplate, shaft bearing and machined components

In addition, our manufacturing facilities are subject to compliance audits in relation to quality management by third party agencies. Our customers expect us to undertake extensive product approvals and/or certification process and some of our customers also perform their own quality checks to ensure that our products meet their demands and comply with the requirements.

Health, Safety and Environment

We endeavour to adhere to laws and regulations relating to protection of health, employee safety and the environment. Our activities are subject to the environmental laws and regulations of India and other jurisdictions, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety.

We have adopted an employee health and safety policy to promote workplace health and safety and minimise the risk of accidents at our facilities. We aim to ensure safe and healthy environment and further provide for medical check-ups and safety measures in order to achieve zero accidents on a sustainable basis. We take initiatives to reduce the risk of accidents at our manufacturing facilities including by providing training and safety manuals to our employees and conducting safety audits periodically.

In addition, we have implemented initiatives to reduce the environmental impact of our operations, including organising periodic workshops to enhance the capabilities of plant heads and their teams with respect to health, safety and environment compliance management. In particular, we have installed grid rooftop solar power panels at Nashik SGD-II facility with a capacity of 500KW (DC) capable of generating 750,000 units per annum. Some of the initiatives are stated below:

- Safety training is imparted to each new entrant in addition to classroom and on-job trainings such as firefighting and first-aid.
- Established 'DOJO' centre, exclusively for training purpose on safety, process and quality.
- Provided safety interlock system such as photo curtain, door interlocking and two hand control system on machines, wherever possible.
- Hazard identification and risk assessment (HIRA) done for each activity.
- Safe operating procedures are provided and communicated to operators.
- Prepared personal protective equipment ("**PPE**") matrix and PPE's are issued to the employees.
- Log-out tag-out and work permit system are followed while performing the non-routine activities.
- Safety posters are displayed in the factory premises to create safety awareness.
- First-Aid boxes are available at prominent places to provide the first aid to injured workman.
- Safety week celebration to create the safety awareness among the employees.
- Fire detection system such as smoke detectors are provided in the transformer yard, office and finished goods store.
- Fire extinguishers and fire hydrant system is installed at factories for protection from fire.
- Employees health check-up is done at periodic interval.
- Work place air quality monitoring is done.
- Drinking water is tested as per IS 10500:2012.
- For environment protection, environment monitoring is done, effluent treatment plant has been installed to treat the waste water generated through the process and aim at ensuring 'zero discharge'.
- Undertaking of aspect and impact study.

- Hazardous waste disposal through authorized agency.

Environmental requirements imposed by the regulatory authorities in India and other jurisdictions will continue to have an effect on our operations. Our Company has materially complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further details, see "*Risk Factors – Our operations are subject to environmental and health and safety laws and other government regulations which could result in material liabilities in the future*" on page 40.

Employees

Our employees contribute significantly to each of our business operations. As of June 30, 2021, we had 2,023 permanent employees out of which 1,532 permanent employees were engaged in our tools and hardware business and 491 permanent employees in our auto components and engineering product business. In addition, we have entered into arrangements with third party personnel companies for the supply of contract labour. We also have a large number of sales representatives who are managed by our distributors in our tools and hardware business.

Set out below are the permanent employee details categorised by function for each of our businesses as of June 30, 2021:

Employee function	Number of Permanent employees
Tools and hardware business	
Manufacturing operations	84
New product development	27
Sales and marketing	44
General administration	50
Manufacturing operations (workers)	1,327
Total	**1,532**
Auto components and engineering products business	
Manufacturing operations	439
New product development	15
Sales and marketing	9
General administration	28
Total	**491**
Grand total	**2,023**

Our success depends to a great extent on our ability to recruit, train and retain high quality managerial and technical professionals. We place significant emphasis on training our personnel and increasing their skill levels, and fostering ongoing employee engagement in our Company. Our success depends to a great extent on our ability to recruit, train and retain high quality managerial and technical professionals. We place significant emphasis on training our personnel and increasing their skill levels, and fostering ongoing employee engagement in our Company. We organize in-house training through intervention programs for our workers to help in developing a culture which signifies unity, collaboration and cohesion. Through the Raymond group's 'Raymond Leadership Academy', we have initiated an 'Emerging Leadership Program' and 'Hi-Potential Development Program' which provides a development path and comprises an 'emerging business leaders' and 'emerging functional leaders' program. The objective of these programs is to strengthen succession planning, retain critical talent and build capability. Our human resource department continuously focuses on employee engagement and motivation through various surveys and action plans are taken based on the results.

As of June 30, 2021, 1,081 permanent employees from our tools and hardware business and 320 permanent employees from our auto components and engineering product business were members of labour unions. We have entered into labour union agreements involving, among others, revised wage structures, ex-gratia payments, attendance bonuses production linked incentives, minimum wage compliances and the provision of or enhancement of insurance policies. For further details, see "*Risk Factors – Our operations are labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers*" on page 48.

Insurance

Our operations are subject to various risks inherent in manufacturing operations, such as, work accidents, fire, theft, earthquake, flood, acts of terrorism and other *force majeure* events. For the manufacturing facilities operated by our Company and the Subsidiaries, we maintain a standard fire and special perils insurance policy for certain movable and immovable assets, and for stock and tools as well as a burglary insurance policy for certain movable assets and for stock-in trade. Our Company also has a public liablity and industrial risks policy. In addition, RPAL has obtained a public guarantee, product liability, product recall, comprehensive general liability policy including coverage toward project rejection. Our Promoter, Raymond Limited also maintain a group marine cargo policy for materials in transit and in warehouse, and a public liability policy. In addition, we also maintain group mediclaim policy, group personal accident, money insurance policy, loss of profit policy, vehicle policy and export credit policy from ECGC. Further, our Promoter, Raymond Limited also maintains an insurance policy covering directors' and officers' liability.

However, our insurance policies may not be able to cover all of our losses and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. Also, see "*Risk Factors – An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability*" on page 52.

Intellectual Property

To protect our core technology and intellectual property, we rely on a combination of intellectual property rights, including patents, trademarks, other unpatented proprietary know-how, copyrights and trademarks, and contractual protections.

As of the date of this Draft Red Herring Prospectus, our Company had obtained 72 registered trademarks, including '*JK*' and '*JK Super Drive*', under the Trade Marks Act, 1999 and applied for six trademark applications in India. Our Company has also obtained 138 registered trademarks and 26 trademarks held in the name of our Promoter, assigned to our Company by way of a business transfer agreement and an assignment agreement, in various countries, including United States, Nigeria, South Africa, Egypt, Kenya, Brazil, China, Thailand and Japan, and applied for 79 trademark applications. Our Company holds 11 copyrights in India, of which seven copyright registrations were filed in the name of our Promoter but were subsequently assigned *vide* a deed of assignment dated March 1, 2010 to our Company. Our Company has also applied for registration of six copyrights in India and holds one copyright in China. Our Company also holds one certificate of registration of design in respect of a packaging box. RPAL has obtained two registered trademarks in India, including '*RPAL*'. In addition, RPAL, along with Perfect Polymers, has also been granted a patent for a sealing device for integral shaft bearings registered with the Office of the Controller General of Patents, Designs and Trademarks. For further information, see "*Government and Other Approvals – Intellectual Property*" on page 398.

We cannot be certain that the steps we have taken will prevent unauthorised use of our intellectual property. See "*Risk Factors - We may be unable to adequately obtain, maintain, protect and enforce our intellectual property rights. We may also be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.*" on page 53.

Competition

We sell our products in highly competitive markets. Our competition varies by market, geographic areas and type of product. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. Our competitors include multinational and Indian manufacturing companies operating in India and in the various international markets where we operate. In the international markets, we compete with regional players and multinationals. We face competition from various players within each of our business lines.

<u>Tools and Hardware Business</u>

We face competition from both organized and un-organized players manufacturing files, drills, hand and power tool accessories. Due to the industry's fragmented nature and our diversified product portfolio, we compete with various companies for each of our products.

The key file manufacturers in India include our Company, Mittal Files & Tools Private Limited, Stanley Back & Decker India Private Limited and Taparia Tools Limited, and globally include Apex Tools Group, Stanley Back & Decker, our Company, Hebei Quangong Steel File, Nanhe Ruixin Steel file Co., and Guowu Steel File. In the drills category, leading players in India include Addison & Co. Ltd, Birla Precision Technologies Ltd, our Company and Dormer Tools India Private Ltd (Miranda Tools). Some of the key brands globally in the hand tools market include Stanley Black & Decker Inc., Techtronic Industries, Apex Tool Group and Snap-on Inc., while in India, the key players in the organized segment include Stanley Black & Decker India Private Ltd, our Company, Ambika Overseas Ltd, Hindustan Everest Tools Ltd, and Venus Industrial Corporation Private Ltd. Further, Stanley Black & Decker India Private Ltd, Bosch Ltd and Makita Power Tools India Private Ltd are some leading players in the Indian power tool machines market. (*Source: CRISIL Report*)

Auto components and engineering products business

We compete with a variety of independent suppliers as well as in-house operations of certain Tier-1 supplier. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships. We face competition from both domestic and international companies.

Key players in the ring gear industry includes Amalgamation Repco Ltd., ARGL Ltd., Flywheel Ring Gears Pvt. Ltd. and RPAL, while global players engaged in ring gear manufacturing include Benda-Kogyo Co. Ltd., Dahua Machine Manufacturing Co. Ltd., KLS Ljubno d.o.o and RPAL. While RPAL is the sole domestic manufacturer of flexplates in India, globally the key players include Benda-Kogyo Co. Ltd., Dahua Machine Manufacturing Co. Ltd., Winkelmann Automotive, Magna International Inc. and Mulhoff Umformtechnik GmbH. In addition, in the water pump bearing industry, key players in India include RPAL and National Engineering Industries Ltd, while globally they include C&U Bearings, Koyo (JTEKT Corporation's bearing brand) and NSK Ltd. (*Source: CRISIL Report*)

Some of our current and potential competitors include large international companies that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have. See "*Risk Factors -Our failure to compete effectively in the highly competitive auto components and tools and hardware industries could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition and future prospects"* on page 46.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy and our CSR activities are focused on, holistic development of host communities and create social, environmental and economic value to society amongst other, eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare, promotion of education and employment enhancing vocational skills, ensuring environmental sustainability and animal welfare including measures for reducing inequalities faced by socially and economically backward groups. Key recent highlights of our CSR initiatives and the amount spent in Fiscal 2021 include:

Name of the Project	**Fiscal 2021 (₹ million)**
'Cattle-Breed Improvement' project	2.96
Menstrual hygiene programme; in-house computer center and academic support for school education	2.07
Establishment of integrated livestock development centers to upgrade/ crossbreed the local indigenous low milk-yielding cows and buffalo	1.63
Salaries of the teaching and non-teaching staff	1.61
Teaching students directly at home through online mode; Contact tracing for COVID-19	1.50
Construction of dormitory for the residential program for special needs children and support for food and rehabilitation services	0.58
Construction of new reinforced cement concrete structure for residential program for special needs children	0.42
Hospitalization and medical expenses reimbursement for the employees of our Company	0.12
Total	**10.90**

Properties

Our registered office and corporate office is located at New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India. We operate four manufacturing facilities for our tools and hardware business in Ratnagiri, Chiplun, Pithampur and Talabot (Chiplun), on a leased basis, and one in Vapi, on a rented basis. We operate three manufacturing facilities for our auto components and engineering products business in Nashik on a leased basis.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific key regulations and policies in India which are applicable to the business and operations of our Company and the Subsidiaries. The information detailed in this section has been obtained from publications available in the public domain. The description of the laws and regulations disclosed below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The information in this section is based on the current provisions of applicable laws in India that are subject to change or modification by subsequent legislative, regulatory, administrative quasi-judicial or judicial decisions. For details of material regulatory approvals obtained by us, see "Government and Other Approvals" beginning on page 396.

Key Laws Applicable to our Business

Bureau of Indian Standards Act, 1986

The Bureau of Indian Standards Act, 1986, as amended (the "**Bureau of Indian Standards Act**"), provides for the establishment of bureau for the standardisation, marking and quality certification of goods. The Bureau of Indian Standards Act provides for the functions of the bureau which include, among others (a) recognize as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

Legal Metrology Act, 2009

The Legal Metrology Act, 2009, as amended (the "**Metrology Act**"), was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Metrology Act states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state.

The Batteries (Management and Handling) Rules, 2001

The Batteries (Management and Handling) Rules, 2001, as amended ("**Batteries Rules**") apply to every manufacturer, importer, re-conditioner, assembler, dealer, recycler, auctioneer, consumer and bulk consumer involved in manufacture, processing, sale, purchase and use of batteries or components thereof. The Batteries Rules provides that it shall be the responsibility of a manufacturer, importer, assembler and re-conditioner to, inter alia, ensure that the used batteries are collected back as per the applicable law and to ensure that used batteries collected back are of similar type and specifications as that of the new batteries sold. In addition, the manufacturer, importer, assembler and re-conditioner is also required to file half-yearly returns of their sales and buy-back to the State Pollution Control Board in Form-I latest by June 30, and December 30 of every year, set up collection centers for collection of used batteries from consumers or dealers, ensure that used batteries collected are sent only to the registered recyclers, ensure safe transportation and create public awareness through advertisements and publications of hazards of lead, addresses of dealers and designated collection centers etc. As per the Batteries Rules, every dealer is required to file half-yearly returns of the sale of new batteries and buy-back of old batteries to the manufacturer in Form V by 31st May and 30th November of every year.

Foreign Investment Regulations

Foreign investment in India is governed by the provisions of **Foreign Exchange Management Act, 1999**, as amended (the "**FEMA**"), along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy (the "**FDI Policy**") issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time. Under the current FDI Policy (effective from August 28, 2017), foreign direct investment in companies engaged in the manufacturing sector is permitted up to

100% of the paid-up share capital of such company under the automatic route, i.e. without requiring prior government approval, subject to compliance with certain prescribed pricing guidelines and reporting requirements.

The Foreign Trade (Development and Regulation) Act, 1992

The Foreign Trade (Development and Regulation) Act, 1992 (the "**FTDR Act**") repealed the erstwhile Imports and Exports (Control) Act, 1947. The FTDR Act confers powers on the Central Government to formulate and announce import and export policy for the country. This includes powers to make provisions for development and regulation of foreign trade by facilitating imports and exports, as well as to restrict, prohibit, or otherwise regulate imports and exports. The FTDR Act provides for the appointment of a Director General of foreign trade, who shall advise the Central Government on the formulation of such policies. The FTDR Act also provides that no person shall make any import or export except under an importer-exporter code number granted by the Director General, which may be suspended or cancelled in the instance the person contravenes any operative laws or trades in a manner gravely prejudicial to Indian trade relations.

Export Promotion Capital Goods Scheme ("The EPCG Scheme")

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by physical exports or by way of "deemed exports", which are transactions deemed to be exports.

Duty Drawback Scheme

The duty drawback scheme is an option available to exporters. Under this scheme, an exporter of goods is allowed to take back refund of money to compensate him for excise duty paid on the inputs used in the products exported by him. It neutralizes the duty impact in the goods exported. Relief of customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government to grant such duty drawback. Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 ("**Drawback Rules**") have been framed outlining the procedure to be followed for the purpose of grant of duty drawback (for both kinds of duties suffered) by the customs authorities processing export documentation.

Merchandise Exports from India Scheme (the "MEI Scheme")

Pursuant to the Foreign Trade Policy (2015-2020), the MEI Scheme was introduced to provide rewards to exporters to offset infrastructure inefficiencies and associated costs in export of goods, especially those having high export intensity, employment potential and ability to enhance India's export competitiveness. Export of notified goods to notified markets are rewarded under the MEI Scheme. The basis for calculation of the reward under the MEI Scheme is on the Free on Board ("**FOB**") value of exports realized in free foreign exchange or on the FOB value of exports mentioned in the shipping bill, whichever is less, unless otherwise specified. With effect from June 1, 2015, the MEI Scheme mandatorily requires a declaration of intent to be endorsed on the shipping bills (except free shipping bills) to be eligible to claim any reward under the MEI Scheme.

Scheme for Remission of Duties and Taxes on Exported Products

The Scheme for Remission of Duties and Taxes on Exported Products ("**RoDTEP Scheme**"), as approved by the Cabinet Committee on Economic Affairs on March 13, 2020, would act as the successor to the Merchandise Exports from India Scheme. Certain taxes/duties/levies which are outside GST, and are not refunded for exports, such as, VAT on fuel used in transportation, Mandi tax, duty on electricity used during manufacturing etc. would be covered for reimbursement under the RoDTEP Scheme. The rates under the RoDTEP Scheme are yet to be notified.

Export Promotion Capital Goods Scheme

The Export Promotion Capital Goods Scheme (the "**EPCG Scheme**") provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by either through direct exports or through third parties. An EPCG authorization holder shall be liable to pay custom duties along with interest custom in the event of nonfulfillment of prescribed export obligations.

The Explosives Act, 1884

The Explosives Act, 1844 ("**Explosives Act**") regulates the manufacture, possession, use, sale, transport and importation of the explosives. As per Section 4 (h) of the Explosives Act, — 1. dividing the explosive into its component parts or otherwise breaking up or unmaking the explosive, or making fit for use any damaged explosive.

Environment Protection Laws

We are subject to various Indian environment protection laws and regulations, which have been enacted to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCB**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each Indian state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the prescribed standards.

The Environment Protection Act, 1986, as amended (the "**EP Act**") has been enacted for the protection and improvement of the environment. The EP Act empowers the GoI to take measures to protect and improve the environment by, among other things, laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate. The Environment Protection Rules, 1986, as amended, lay down the standards for emission or discharge of environmental pollutants from industries for the purpose of protecting and improving the quality of environment and preventing and abating environmental pollution. Additionally, under the Environmental Impact Assessment Notification, 2006 and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources. The draft Environment (Protection) Amendment Rules, 2020 provide for regulations on use of membrane based water purification system which, if passed, shall be applicable to all filtration based purification or wastewater treatment system, where polymer based membrane is used and discarded at the end of its life.

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "**Hazardous Waste Rules**"), read with the EP Act, ensure resource recovery and disposal of hazardous waste in an environmentally-sound manner. A categorical list of hazardous wastes has been provided in the schedules in the Hazardous Waste Rules. Any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Under the Hazardous Waste Rules, an occupier has been made responsible for safe and environmentally-sound handling of hazardous wastes generated in its establishment and shall require license or authorization for handling, generation, collection, storage, packaging, transportation, use, treatment, processing, recycling, recovery, pre-processing, co-processing, utilization, offering for sale, transfer or disposal of hazardous waste from the concerned state PCB.

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974, as amended (the "**Water Act**") was enacted to provide for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water. Further, the Water Act also provides for the establishment of boards with a view to carrying out the aforesaid purposes for conferring on and assigning to such boards powers and functions relating thereto

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981, as amended (the "**Air Act**") was enacted and designed for the prevention, control and abatement of air pollution and establishes Central and State pollution control boards for the aforesaid purposes. In accordance with the provisions of the Air Act, any person establishing or operating an industrial plant in an air pollution control area must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity.

Intellectual Property Laws

In India, intellectual property is protected under both common law as well as statutes. The key legislations in relation to intellectual property in India that apply to our Company include the Copyright Act, 1957 and the Trademarks Act, 1999, which govern and provide protection for copyrights and trademarks, respectively. In addition, the Designs Act, 2000 and the Semi-Conductor Integrated Circuits Layout Design Act, 2000 also provide for protection of different kinds of intellectual property in India. India is also party to several international treaties in relation to intellectual property and is a member of the World Trade Organization and the World Intellectual Property Organization. India is also a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights.

Shops and Establishment Legislations

Commercial establishments are required to be registered under local shops and establishment legislations. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays and leave. They also regulate other rights and obligations of employers and employees in relation to, among other things, maintenance of shops and establishments and termination of service. In certain states where the local shops and establishments legislations are applicable, we are required to obtain registrations.

Employment and Labour Laws

Factories Act, 1948

The Factories Act, 1948, as amended (the "**Factories Act**"), defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

Other Labour Laws

In respect of our manufacturing facilities, we use the services of certain licensed contractors who in turn employ contract labour whose number exceeds twenty in respect of certain facilities. Accordingly, we are regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "**CLRA Act**"), and the rules framed thereunder which requires us to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, restrooms, drinking water, washing facilities, first aid, other facilities, and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time-period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

The Industrial Disputes Act, 1947, as amended, provides for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person.

The Employee's Compensation Act, 1923 (the "**Employee's Compensation Act**") aims at providing financial protection to employees and their dependents in case of accidental injury by means of payment of compensation by the employers. The compensation is also payable for some occupational diseases contracted by employees during the course of their employment. The Employee's Compensation Act prescribes that if personal injury is caused to an employee by accident during employment, his employer would be liable to pay him compensation. We are subject to other laws concerning condition of working, benefit and welfare of our labourers and employees such as:

- The Industrial Employment (Standing Orders) Act, 1946
- The Employees State Insurance Act, 1948
- The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952
- The Payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Equal Remuneration Act, 1976
- The Child Labour (Protection Regulation) Act, 1986
- The Maternity Benefit Act, 1961
- The Apprentices Act, 1961
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- The Interstate Migrant Workmen Act, 1979
- The Trade Unions Act, 1926

The Occupational Safety, Health and Working Conditions Code, 2020 (enacted by the Parliament of India and assented to by the President of India) will come into force on such date as may be notified in the official gazette by the Central Government and different dates may be appointed for different provisions of the Occupational Safety, Health and Working Conditions Code, 2020. Once effective, it will subsume, inter alia, the Factories Act and the CLRA Act.

The Code on Social Security, 2020 (enacted by the Parliament of India and assented to by the President of India) will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Code on Social Security, 2020. Once effective, it will subsume, *inter alia*, the Employees Compensation Act, 1923, the Employees State Insurance Act, 1948, the Employees Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972.

The Code on Wages, 2019 (enacted by the Parliament of India and assented to by the President of India) will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Code on Wages, 2019. Once effective, it will subsume the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Payment of Wages Act, 1936.

The Industrial Relations Code, 2020 (enacted by the Parliament of India and assented to by the President of India) will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Industrial Relations Code, 2020. Once effective, it will subsume the Trade Union Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

Electricity Act, 2003

The Electricity Act, 2003 ("**Electricity Act**") is the central legislation which covers, amongst others, generation, transmission, distribution, trading and use of electricity. It governs the establishment, operation and maintenance of any electricity generating company and prescribes technical standards in relation to the connectivity of generating companies with the grid. As per provisions of the Electricity Act, generating companies are required to establish, operate and maintain generating stations, sub-stations and dedicated transmission lines.

Under the Electricity Act, the State Electricity Regulatory Commissions ("**SERCs**") are required to promote cogeneration and generation of electricity from renewable sources of energy and sale of electricity to any person from sources other than the incumbent distribution licensee under the provisions of open access. The Electricity Act further requires the SERCs to specify, for the purchase of electricity from renewable sources, a percentage of the total consumption of electricity within the area of a distribution licensee, which has been implemented in the form of renewable purchase obligations ("**RPOs**").

The Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 ("**PLI Act**") imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The government by way of a notification has enumerated a list of hazardous substances. The owner or handler is also required to obtain an insurance policy insuring against liability under the legislation. The rules made under the PLI Act mandate that the owner has to contribute towards the environmental relief fund a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

Tax Laws

In addition to the aforementioned material laws which are applicable to us, some of the tax legislations that may be applicable to our operations include:

- the Income-tax Act, the Income-tax Rules, 1962, as amended by the Finance Act in respective years;
- the Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder;
- the Customs Act, 1962;
- the Central Excise Tariff Act, 1944 and the Central Excise Tariff Act, 1985;
- the Integrated Goods and Service Tax Act, 2017 and rules thereof;
- state-wise legislations governing professional tax; and
- the Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'Raymond Steel Limited' at Mumbai, Maharashtra as a public limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated February 18, 1997 issued by the Assistant Registrar of Companies, Mumbai, Maharashtra. A certificate of commencement of business dated April 7, 1998 was issued to our Company by the Assistant Registrar of Companies, Mumbai RoC. Thereafter, our Company changed its name to 'Hindustan Files Limited' and a fresh certificate of incorporation was issued on March 1, 2001 by the Deputy Registrar of Companies, Maharashtra, Mumbai. The files business of our Company was operating as a division of Raymond Limited and was subsequently transferred to our Company on August 31, 2009 by way of an agreement to transfer undertaking on slump sale basis. Our Company further changed its name to 'JK Files (India) Limited' and received a fresh certificate of incorporation dated October 5, 2009 from the Deputy Registrar of Companies, Maharashtra, Mumbai. Our Company further changed its name to 'JK Files & Engineering Limited' and received a fresh certificate of incorporation dated November 10, 2021 issued by the Registrar of Companies, RoC - Mumbai.

Changes in the Registered Office

There has been no change in the registered office of our Company since the date of incorporation.

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. *"To carry on the business of manufacture of, dealers in, exporters and importers of, all varieties of steel, special steel silicon steel, mild steel and any other kind and grades of steel and to carry on and execute the work of steel engineers including manufacturing and dealing in steel billets, steel rods, steel ingots, steel sheets, steel wires and all kind of steel products whether forged, rolled or drawn and consequently to manufacture, sell and deal in all or any of the by-products which will be obtained in the process of manufacturing these steel products ."*

2. *"To carry on business as importers, exporters, producers, assemblers, manufacturers and dealers in all kind of hand tools including engineering tools and files, jig, molds fixtures, mechanical implements and devices for all industries, agriculture, domestic purposes"*

2(a)"To carry on the business of manufacturers, designers, assemblers, repairers, importers, exporters, buyers, sellers, indentors, suppliers and dealers in all types of tools, with or without power, cordless, pneumatic tools, for sheet metal processing, cutting, fastening, beveling and slot cleaning, lathes, planning machines, shaping machines, drilling machines, milling machines, boring machines, grinding machines, cutting machines, jigs, joiners, magnet tools; and all types of drills, rotary drills, saws, cutters, core drills, tapping, oscillating tools, demolition hammer, rotary, chisel, screw drivers, grinding tools, etc., and other engineering components, automotive components, engineering services products like machining, forging, casting, iron-masters, iron- founders, iron works, steel makers, blast furnace proprietors, brass founders and iron founders used in any industry, or for defense, communication, aviation, transportation or domestic purposes."

The main objects to be pursued by our Company and the matters necessary in furtherance of the objects as contained in our Memorandum of Association that enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholder's resolution/ Effective date	Particulars
June 11, 2012	Amendment to clause III (28) of the Memorandum of Association to add the paragraph "To carry on the business of acquiring by purchase, lease, or otherwise, agricultural land and to carry on the business of agriculture, horticulture, sericulture, pisciculture, agriculture, floriculture dairy farming, animal husbandry, poultry, all kind of vegetables produce, including but not limited to the business of all kind of farming, any processes connected with any or more of such products, scientifically store farm products and deal in purchase and sale of articles of farm products and to invest in, purchase, acquire, take on lease or be interested in any immovable property of any tenure whether free-hold, lease-hold or any other rights therein for the business of the Company"*
October 28, 2021	Amendment to Clause I of the Memorandum of Association to reflect the change in the name of our Company from"JK Files (India) Limited" to "JK Files & Engineering Limited"
October 28, 2021	Amendment to Clause V of the Memorandum of Association to reflect the sub-division of Equity Shares from face value of Rs. 10 per equity shares to face value of ₹2 per equity share and to replace the said clause with the following revised clause: "*The Authorised Share Capital of the Company is Rs.39,00,00,000 (Rupees Thirty-Nine Crores only) divided into 8,50,00,000 (Eight Crore Fifty Lakhs) Equity Shares of Rs. 2 each and 22,00,000 (Twenty Two Lakhs) Preference Shares of Rs.100/- each*."

** Our Company inadvertently failed to amend Clause III (28) of our MOA to reflect the changes approved by the Shareholders in their meeting dated June 11, 2012 and has subsequently amended the MOA to reflect such change. For risks in relation to the same, see "Risk Factors - Certain of our corporate records and filings with the RoC have discrepancies and certain documents in relation to the Company are not traceable. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 58.*

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Calendar year	Event
1949	Entered into an agreement in respect of making files in India*
1977	Commenced construction of a plant for manufacturing of files in Ratnagiri, Maharashtra*
1987	Set up of a plant in Khadppoli, Chiplun, Maharashtra for files *
1989	Starting of drill manufacturing in Chiplun, Maharashtra plant*
1991	Set up of a plant in Pithampur, Madhya Pradesh for files*
1995	• Set up of plant in Pithampur for hot rolling mill* • Change of name of division from 'JK Engineers' to 'JK Files and Tools'*
1997	• Incorporation of our Company as Raymond Steel Limited
2001	• Change of name of our Company from "Raymond Steel Limited" to "Hindustan Files Limited" • Acquisition of Hindustan Files (previous name of our Company) plant by executing an agreement to transfer steel files division dated August 31, 2001 with HGI Industries Limited
2005	• Introduction of range of hand tools • Entered into a distribution and supply agreement dated July 8, 2005 with MOB Outillage SA, for setting up a joint venture under the name of 'JK Talabot Limited' for manufacturing and distribution of steel files, engineering files, rasps, *etc*.
2006	• Implemented the SAP Software and ERP system
2009	• Agreement to transfer undertaking on slump sale basis dated August 31, 2009 entered into by and between Raymond Limited and Hindustan Files Limited (previous name of our Company) • Change of name of our name from 'Hindustan Files Limited' to 'JK Files (India) Limited'
2011	• Introduction of range of solid carbide drills and taps • Introduction of range of Power Tools
2012	• Setup of plant in Vapi, Gujarat for Files
2021	• Shares of SEPL were transferred by Raymond Limited to our Company by way of delivery as under Section 123 of the Transfer of Property Act, 1882 • Shares of RPAL were transferred by SEPL to our Company by way of delivery as under Section 123 of the Transfer of Property Act, 1882 • Change of name of our Company from 'JK Files (India) Limited' to 'JK Files & Engineering Limited'

**These milestones were achieved by the division of Raymond Limited and were subsequently transferred to our Company pursuant to an agreement to transfer undertaking on slump sale basis dated August 31, 2009.*

Awards and accreditations

The table below sets forth key awards and accreditations received by our Company:

Calendar Year	Particulars
1982	Raymond Limited (division JK Engineers Files) received the award for "best exporters" by Engineering Export Promotion Council*
1986	Raymond Limited (division JK Engineers Files) received the award of Export excellence by Engineering Export Promotion Council*
1987	Raymond Limited (division JK Engineers Files) received the award of Export excellence by Engineering Export Promotion Council*
1988	Raymond Limited (division JK Engineers Files) received the award of Export excellence by Engineering Export Promotion Council*
1991	• Raymond Limited (division JK Engineers Files) received the award for "best export" by Engineering Export Promotion Council* • Raymond Woollen Mills Limited (division JK Engineers Files), Thane was awarded Regional Special Shield in the category of Consumer Durables Exporters, Non SSI by Engineering Export Promotion Council*
1997	Raymond Limited (division JK files and tools) was awarded Special Shield by EEPC Western Region*
2000	• Raymond Limited (division JK files and tools) received regional top exporter award by Engineering Export Promotion Council, Western Region* • Raymond Limited (division JK files and tools) was awarded the Techmart India Special appreciation award at 8th International Technology Fair*
2001	Raymond Limited (division JK files and tools) received the award for top exporter by Engineering Export Promotion Council*

2004	Raymond Limited (division JK files and tools) received the Certificate of Export Excellence in recognition of achieving highest export performance amongst non-SSI exporters in the panel small and cutting tools including engineers files by EEPC India*
2006	Raymond Limited, Thane received the award for Star performance in Hand tools Large Enterprise by Engineering Export Promotion Council*
2007	• Raymond Limited (division JK files and tools) received the award for India Star Performer as Large Enterprise in Hand tools by Engineering Export Promotion Council* • Raymond Limited (division JK files and tools) received the award for "outstanding exporter of the year" awarded by DHL, International Trade Awards*
2008	Raymond Limited (division JK files and tools) received the award for Star performer award in Hand tools Large Enterprise by Engineering Export Promotion Council*
2009	Raymond Limited (division JK files and tools) received the award for India Star Performer - in Hand tools Large Enterprise by Engineering Export Promotion Council*
2013	• Our Company received a certificate of excellence and the title of 'Star Performer - in Hand tools Large Enterprise' from Engineering Export Promotion Council • JK Files Kolkata received the award for Excellence in Operations in the category of small and medium enterprise in the Manufacturing Today Conference Awards, 2013
2014	• Our Company received a certificate of excellence and the title of 'Star Performer - in Hand tools Large Enterprise' by Engineering Export Promotion Council
2017	• Our Company received the award for 'Star Performer - in Hand tools Large Enterprise' by Engineering Export Promotion Council • Our Company was awarded the "National Award for Export Excellence" by 49th Export Awards. • Our Company was recognised as the 'Star Performer in the product group - hand tools, large enterprise'.
2018	• Our Company was awarded the "Hottest Brand" award by Paul Writer. • Our Company received a memento of Appreciation awarded by Rashi Shipping Services Private Limited • Our Company won the award of Best Sales in the selection of excellence partners of the 123rd Canton Fair International Pavilion. • Our Company received the award for 'Star Performer - in Hand tools Large Enterprise' by Engineering Export Promotion Council, India
2019	• Our Company received "Best Exhibitor Award for 2019" for outstanding booth presentation and fixing maximum B2B meetings by National Hardware Show

**These awards were achieved by the division of Raymond Limited and were subsequently transferred to our Company pursuant to an agreement to transfer undertaking on slump sale basis dated August 31, 2009.*

Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, activities, services, market, growth, competition, launch of key products, entry into new geographies or exit from existing markets, suppliers, customers, capacity build-up, technology, and managerial competence, see "*Risk Factors*" "*Our Business*", "*Our Management*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 27, 162, 220 and 330, respectively.

Time and cost overrun

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling/restructuring of borrowings

Other than as disclosed below, there have been no defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks in the Company:

Our Company has availed moratorium benefits in the form of *inter alia*, deferment of payment of interest, enhancement of working capital facilities and rescheduling the terms of repayment, from its lenders, namely Axis Bank Limited, Standard Chartered Bank Limited and HDFC Bank Limited in relation to cash credit/ working capital demand loan facility and term loan facility, as applicable. For risks relating to the same, please refer to "*Risk Factors-The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be* *significant and continue to have an adverse effect on our business, operations and our future financial performance*" on page 30.

Significant financial and strategic partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Capacity/facility creation, location of plants

For details regarding capacity/facility creation and location of outlets of our Company and our Subsidiaries, see "*Our Business*" beginning on page 162.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" and "*-Major Events and Milestones of our Company*" on pages 162 and 212, respectively.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as stated below, our Company has not acquired any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in the last 10 years.

Transfer of shares of SEPL from Raymond Limited to our Company by way of delivery

Raymond Limited transferred 18,131,365 shares of SEPL to our Company by way of delivery at nil consideration under Section 123 of the Transfer of Property Act, 1882 on October 31, 2021. Consequently, SEPL has become a wholly owned subsidiary of our Company.

Transfer of shares of RPAL from SEPL to our Company by way of delivery

Transfer of 6,908,482 equity shares of RPAL by SEPL to our Company by way of delivery at nil consideration under Section 123 of the Transfer of Property Act, 1882 on November 11, 2021. Consequently, RPAL has become a subsidiary of our Company.

Summary of Key Agreements

Agreement to transfer undertaking on slump sale basis dated August 31, 2009 (the "BTA") and supplemental agreement dated November 10, 2009 (the "Supplemental Agreement") entered into by and between Raymond Limited and our Company (then known as Hindustan Files Limited).

The BTA was entered into by Raymond Limited and our Company (then known as Hindustan Files Limited) on August 31, 2009, for the transfer of business undertaking comprising of one of Raymond Limited's businesses of manufacture and sale of engineers' files and rasps, H.S.S. twist drills and bars and rods, at its facilities located in Ratnagiri, Maharashtra and Chiplun in Maharashtra, Kolkata, West Bengal and Pithampur in Madhya Pradesh, being the business unit "**F&T Division**" as a going concern on a slump sale basis, for a consideration of ₹877 million. The parties agreed that payment of the consideration amount would be made by way of issue of equity shares of our Company to Raymond Limited, of face value ₹10 each at book value as on the Transfer Date, for an amount aggregating to ₹84.5 million and an issue of 2.2 million 6.5% cumulative convertible preference shares of face value ₹100 each at par amounting to ₹220 million. The balance consideration was paid as ₹2.5 million by way of a banker's cheque on the Transfer Date and ₹570 million in the form of an inter corporate deposit with Raymond Limited. Subsequently, by way of a supplemental agreement dated November 10, 2009, the total consideration payable by our Company to Raymond Limited was revised to ₹915.50 million, in view of the change in computation of the consideration payable in accordance with Clause 3.3 of the BTA. In light of the revision of consideration set out in the Supplemental Agreement, the amount of inter corporate deposit to be paid by our Company to Raymond Limited was revised from ₹570 million to ₹608.50 million. Further, pursuant to the Supplemental Agreement, Raymond Limited was provided an option to redeem cumulative convertible preference shares of our Company at par or to convert either a portion or whole of the said cumulative convertible preference shares into equity shares at par at any time after three years up to 20 years. The BTA became effective from October 1, 2009 ("**Transfer Date**"), pursuant to which all rights, assets and liabilities of the files and tools division were transferred from Raymond Limited to our Company. Raymond Limited transferred its underlying assets and liabilities, including moveable and immoveable property, intellectual property, bank guarantees, debtors & creditors in the files and tools division, to our Company under the BTA. After taking due consent of all parties involved under applicable law, Raymond Limited's shareholding in JK Talabot Limited was also transferred as an investment asset to our Company at its face value. Pursuant to this BTA, the obligations of Raymond under the JV Agreement dated July 2005, pursuant to which JK Talabot was set up was also transferred to our Company. Further, under the BTA transaction, the employees of the F&T Division would continue as is under our Company, and the premises was also leased to our Company by Raymond Limited. Additionally, all transferrable permissions and licenses acquired by Raymond Limited in the due course of business were also transferred and to be operated by our Company.

Joint Venture Agreement dated August 8, 2005 entered into by and between Raymond Limited and MOB Outillage SA. (the "JV Agreement")

The JV Agreement was entered into by Raymond Limited and MOB Outillage SA ("**MOB**") on July 8, 2005, for setting up of a joint venture company bearing the name JK Talabot Limited which was proposed to be engaged in the business of manufacturing of steel files and rasps with MOB taking 10% shareholding in JK Talabot Limited for ₹8.70 million and Raymond holding 90% shares for ₹78.30 million. Pursuant to the JV Agreement, MOB would be entitled to nominate one director on the board of JK Talabot Limited as long as MOB holds 10% of the paid up share capital of JK Talabot Limited. Raymond and MOB agreed to grant JK Talabot Limited a non-exclusive, non-assignable license and permission to use the words "JK" and "Talabot" respectively, during the subsistence of the JV Agreement and that the words "JK" and "Talabot" shall always be used in conjunction with each other. However, the name "JK" shall only be used by JK Talabot Limited so long as Raymond Limited by itself or through its affiliates holds at least 51% of the paid up share capital of JK Talabot Limited. In case Raymond or its affiliates cease to hold 51% of the shares of the JK Talabot Limited, is required to cease usage of the name "JK" in its corporate name. The JV Agreement terminates in the event, among others, if either Raymond or MOB, by themselves or through their affiliates (which *inter alia* includes entities in which either of the parties hold majority shareholding) cease to hold at least 10% of the paid up share capital of the JK Talabot Limited or if there is change in control of a party. Pursuant to the BTA, Raymond Limited transferred its entire shareholding in JK Talabot Limited to our Company, thereby making JK Talabot Limited a subsidiary of our Company.

Agreements with Key Managerial Personnel, Directors, Promoter or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Key terms of other subsisting material agreements

Except the BTA and the JV Agreement, our Company has not entered into any other material agreements, including with strategic partners or financial partners, other than in the ordinary course of business.

Guarantees given by the Promoter Selling Shareholder

No guarantees have been issued by any of the Promoter Selling Shareholder offering their Equity Shares in terms of the Offer for Sale.

Our holding company

As of the date of this Draft Red Herring Prospectus, Raymond Limited is our holding company.

Our Subsidiaries, associates, and joint ventures

As on the date of this Draft Red Herring Prospectus, our Company has three subsidiaries. Our Company does not have any associates or joint ventures as on the date of this Draft Red Herring Prospectus.

Subsidiaries

1. *JK Talabot Limited ("JKTL")*

Corporate Information

JKTL was incorporated as a public limited company on July 6, 2005 under the Companies Act, 1956 with the Registrar of Companies, at Mumbai in Maharashtra and received its certificate for commencement of business on July 25, 2005. Its corporate identification number is U28930MH2005PLC154517. Its registered office is situated at New Hind House, Narottam Morarjee Marg, Ballard Estate, Fort, Mumbai- 400 001, Maharashtra, India.

JKTL is authorised to engage in the business of, among other things, engineering goods such as hand tools.

Capital Structure

The authorised share capital of JKTL is ₹100,000,000 divided into 10,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up equity share capital of JKTL is ₹80,543,720 divided into 8,054,372 equity shares of face value of ₹10 each.

Shareholding Pattern

As on the date of this Draft Red Herring Prospectus, the shareholding pattern of JKTL is as follows:

Sr. No.	Name of the shareholder	Number of equity shares of face value Rs. 10 each	Percentage of total equity shareholding (%)
1.	MOB Outillage SA	805,436	10.00
2.	Our Company	7,198,936	89.38
3.	Our Company jointly with Priti Alkari	5,000	0.06
4.	Our Company jointly with Srinivasan Ganapathy	7,500	0.09
5.	Our Company jointly with Yoshita Vora	7,500	0.09
6.	Our Company jointly with Thomas Fernandes	5,000	0.06
7.	Our Company jointly with Archana Panchal	7,500	0.09
8.	Our Company jointly with Akshat Chechani	7,500	0.09
9.	Our Company jointly with S. L. Pokharna	10,000	0.12
	Total	**8,054,372**	**100.00**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of JKTL not accounted for by our Company in the Restated Consolidated Financial Information.

2. Ring Plus Aqua Limited ("RPAL")

Corporate Information

RPAL was incorporated as a public limited company on September 11, 1986 under the Companies Act, 1956 as Aqua Bearings Limited with the Registrar of Companies, Mumbai at Maharashtra and received its certificate for commencement of business on September 11, 1986. RPAL received a fresh certificate of incorporation on February 11, 1999 on change of name from Aqua Bearing Limited to Ring Plus Aqua Limited. Its corporate identity number is U99999MH1986PLC040885. Its registered office is situated at D-3,4 Sinnar Taluka Audyogik Vasahat Maryadit village Musalgoan, Taluka Sinnar, Nasik-422 122, Maharashtra, India.

RPAL is authorised to engage in the business of, among other things, to carry on the business of manufacturers, designers, assemblers, importers, exporters, buyers, sellers suppliers and dealers in all types of integral shaft ball, roller bearings and components, automobiles/automotive bearings, water pump bearings and all types of bearings used in carrier vehicles and other self motivated transport vehicles, plant and machineries, bicycles, scooters, autorickshaws and textile machineries and also in electronic metallurgical, mechanical machine manufacturing units.

Capital Structure

The authorised share capital of RPAL is ₹300,000,000 divided into 30,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of RPAL is ₹77,566,710 divided into 7,756,671 equity shares of face value of ₹10 each.

Shareholding Pattern

As on the date of this Draft Red Herring Prospectus, the shareholding pattern of RPAL is as follows:

Name of the shareholder	Number of equity shares of face value of ₹ 1 each	Percentage of shareholding (%)
Our Company	6,908,482	89.07
JK Investors (Bombay) Limited	496,165	6.40
Investors Education and Protection Fund	4,623	0.06
Scissors Engineering Products Limited	120	Negligible
Others	347,281	4.47
Total	**7,756,671**	**100.00**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of RPAL not accounted for by our Company in the Restated Consolidated Financial Information.

3. Scissors Engineering Products Limited ("SEPL")

Corporate Information

SEPL was incorporated as a public limited company on July 12, 2005 under the Companies Act, 1956 with the Registrar of Companies, Mumbai at Maharashtra and received its certificate for commencement of business on August 09, 2005. Its corporate identity number is U29130MH2005PLC154732. Its registered office is situated at New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai- 400001, Maharashtra, India.

SEPL is authorised to engage in the business of, among other things, To carry on the business of manufacturers, designers, assemblers, importers, exporters, buyers, sellers, suppliers, and dealers in all types of integral shaft ball and/or roller bearings and components in respect thereof, cylindrical, roller and taper roller bearings, plain bearing, aircraft bearing and all types of bearing used in carrier vehicles and other self motivated transport vehicles and in all types of plants and machineries, equipments, earth moving, textile machineries and also electronic, metallurgical, mechanical machine manufacturing units.

Capital Structure

The authorised share capital of SEPL is ₹31,00,00,000 divided into 25,352,500 equity shares of face value of ₹10 each and 564,750 preference shares of face value of ₹100 each. The issued and paid up capital of equity shares is 181,313,650 divided into 18,131,365 equity shares of face value of ₹10 each.

Shareholding Pattern

As on the date of this Draft Red Herring Prospectus, the shareholding pattern of SEPL is as follows:

Sr. No.	Name of the shareholder	Number of Equity shares of face value of Rs. 10 each	Percentage of total equity shares holding (%)
1.	Our Company	18,081,365	99.72
2.	Our Company jointly with Arun Agarwal	10,000	0.06

Sr. No.	Name of the shareholder	Number of Equity shares of face value of Rs. 10 each	Percentage of total equity shares holding (%)
3.	Our Company jointly with Ankita Sharma	10,000	0.06
4.	Our Company jointly with Priti Alkari	5,000	0.02
5.	Our Company jointly with Thomas Fernandes	10,000	0.06
6.	Our Company jointly with Reshma Ramchandani	5,000	0.02
7.	Our Company jointly with Akshat Chechani	10,000	0.06
	Total	**18,131,365**	**100.00**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of SEPL not accounted for by our Company in the Restated Consolidated Financial Information.

OUR MANAGEMENT

Board of Directors

In accordance with our Articles of Association, our Company is authorised to have not less than three Directors and not more than 15 Directors. As of the date of this Draft Red Herring Prospectus, our Board has six Directors, comprising of one Managing Director, two Non-Executive Directors and three Independent Directors (including one woman Independent Director). The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act and the SEBI Listing Regulations.

The table below sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus.

S. No.	Name, DIN, Designation, Address, Occupation, Date of Birth, Period of Directorship and Term	Age (Years)	Other Directorships
1.	Ravikant Uppal ***DIN*****:** 00025970 ***Designation*****:** Chairman and Non-Executive Director ***Address*****:** A-23, West End, 2nd Floor Anand Niketan, South West Delhi, Chankya Puri, New Delhi – 110021, India ***Occupation*****:** Businessman ***Date of birth:*** May 9, 1952 ***Term*****:** With effect from April 8, 2019 and liable to retire by rotation ***Period of directorship:*** Since April 8, 2019	69	*Indian Companies:* 1. Ring Plus Aqua Limited 2. Skillsonics India Private Limited 3. Steel Infra Solutions Private Limited 4. Surin Automotive Private Limited 5. Transport Corporation of India Limited
2.	Balasubramanian Vishwanathan ***DIN*****:** 05222476 ***Designation*****:** Managing Director ***Address*****:** E-601, Kalpataru Regency II, Road No. 10, Kalyani Nagar, Pune – 411006, Maharashtra, India ***Occupation*****:** Professional ***Date of birth:*** April 21, 1960 ***Term*****:** With effect from November 17, 2021 for a period of 5 years ***Period of directorship:*** Since November 9, 2020	61	*Indian Companies:* 1. Ring Plus Aqua Limited
3.	Gautam Hari Singhania ***DIN:*** 00020088 ***Designation:*** Non-Executive Director ***Address:*** J.K. House, 59A, Bhulabhai Desai Road, Opposite Breach Candy Hospital, Cumbala Hill, Mumbai – 400026, Maharashtra, India ***Occupation:*** Business ***Date of birth:*** September 9, 1965 ***Term:*** With effect from November 17, 2021 and liable to retire by rotation ***Period of directorship:*** Since November 17, 2021	56	*Indian Companies:* 1. Avani Agricultural Farms Private Limited 2. Body Basic Health Care Private Limited 3. J.K. Helene Curtis Limited 4. J.K. Investo Trade (India) Limited 5. JK Investors (Bombay) Limited 6. Ray Global Consumer Trading Limited 7. Raymond Apparel Limited 8. Raymond Consumer Care Limited 9. Raymond Limited 10. Raymond UCO Denim Private Limited 11. Silver Soaps Private Limited 12. Smart Advisory and Finserve Private Limited 13. Super Car Club of India Private Limited *Overseas Companies:* 1. Raymond (Europe) Limited 2. Silver Spark Middle East FZE

S. No.	Name, DIN, Designation, Address, Occupation, Date of Birth, Period of Directorship and Term	Age (Years)	Other Directorships
4.	Vijay Bhatt ***DIN*****:** 00751001 ***Designation*****:** Independent Director ***Address*****:** 2/1, Palacimo, 47/48 Indranarayan Road, Santacruz (W), Mumbai – 400054, Maharashtra, India ***Occupation*****:** Chartered Accountant ***Date of birth:*** May 9, 1959 ***Term*****:** With effect from November 17, 2021 for a period of 5 years ***Period of directorship:*** Since November 17, 2021	61	*Indian Companies* 1. Bandhan Bank Limited 2. Inspira Enterprise India Limited 3. Qontrac Prints Private Limited
5.	Satish Sekhri ***DIN*****:** 00211478 ***Designation*****:** Independent Director ***Address*****:** R-6, Sacred Heart Town, Wanowrie, Pune – 411040, Maharashtra, India ***Occupation*****:** Independent Director ***Date of birth:*** March 28, 1950 ***Term*****:** With effect from November 17, 2021 for a period of 5 years ***Period of directorship:*** Since November 17, 2021	71	*Indian Companies* 1. Happy Forgings Limited 2. Harita Fehrer Limited 3. Minda Industries Limited 4. Rico Aluminium and Ferrous Autocomponents Limited 5. Rico Auto Industries Limited
6.	Rashmi Mundada ***DIN*****:** 08086902 ***Designation*****:** Independent Director ***Address*****:** C- 504, Aphrodite Lodha Paradise, Majhiwada, Thane (West) – 400601, Maharashtra, India ***Occupation*****:** Self Employed ***Date of birth:*** May 20, 1978 ***Term*****:** Five years with effect from March 16, 2018 ***Period of directorship:*** Since March 16, 2018	43	*Indian Companies:* 1. Raymond Luxury Cottons Limited 2. Retail Hub Solutions Limited 3. Silver Spark Apparel Limited

Brief biographies of our Directors

The details of our Directors, as of the date of this Draft Red Herring Prospectus, are set out below.

Ravikant Uppal is the Chairman and a Non-Executive Director of our Company. He holds a degree of Bachelor of Technology in Mechanical Engineering from Indian Institute of Technology, Delhi. He is a graduate of the Wharton Advanced Management Program from The Wharton School, University of Pennsylvania. He also holds a post graduate diploma in business administration issued by the Indian Institute of Management, Ahmedabad. He is currently the managing director of Steel Infra Solutions Private Limited and is also on the board of, *inter alia*, Ring Plus Aqua Limited and Transport Corporation of India Limited. He has been a Director on our Board since April 8, 2019.

Balasubramanian Vishwanathan is the Managing Director of our Company. He holds a degree in Bachelor of Science (Mechanical Engineering) from University of Delhi and a post graduate diploma in Business Administration from Loyola Institute of Business Administration. He has also attended the Managers for Leadership Course, 1996 arranged by the British Council and Leeds University Management School. He has 35 years of experience and was working as a whole-time director in RPAL. Prior to joining the Raymond group, he has worked in Brakes India Limited and Bosch Group for 25 years. He has been a Director on our Board since November 9, 2020.

Gautam Hari Singhania is a Non-Executive Director of our Company. He has passed the third year of Bachelor of Commerce examination from University of Bombay. He has held various positions of directorship in Raymond Limited such as whole-time director, joint managing director, and chairman of the board and managing director for the past 31 years. He has been a Director on our Board since November 17, 2021.

Vijay Bhatt is an Independent Director of our Company. He is a Fellow Member of the Institute of Chartered Accountants of India. He holds a degree in Bachelor of Commerce from University of Bombay. He also holds a degree in Bachelors of Law (General) from University of Bombay. He is a member of the board of companies such as Bandhan Bank Limited, Inspira Enterprise India Limited and Qontrac Prints Private Limited. He has been a Director on our board since November 17, 2021.

Satish Sekhri is an Independent Director of our Company. He holds a degree in Bachelor of Science (Mechanical Engineering) from University of Delhi. He has also passed the Master in Business Administration from Panjab University, Chandigarh where he stood first in the university. He is a director on the board of, *inter alia*, Rico Auto Industries Limited and Rico Aluminium and Ferrous Autocomponents Limited. He has been a Director on our board since November 17, 2021.

Rashmi Mundada is an Independent Director of our Company. She is an Associate Member of the ICAI. She also holds a degree in Bachelor of Commerce from Dr. Babasaheb Ambedkar Marathwada University. She has passed a post qualification course conducted by the Institute of Chartered Accountants of India in information systems audit and completed practical training as part of the course. She is also an independent director of Raymond Luxury Cottons Limited and Silver Spark Apparel Limited. She has been a Director on our Board since March 16, 2018.

Terms of Appointment of our Managing Director

Balasubramanian Vishwanathan was appointed on our Board on November 9, 2020 as an Additional Director. His appointment as a Non-Executive Director was regularised by our Shareholders on February 27, 2021. He served on our Board as a Non-Executive Director until November 17, 2021, when he was appointed as the Managing Director of our Company. He was appointed as our Managing Director for a period of 5 years commencing from November 17, 2021 to November 16, 2026, pursuant to a resolution dated November 17, 2021 passed by our Board of Directors and a resolution dated November 18, 2021 passed by our Shareholders.

The overall remuneration payable to Balasubramanian Vishwanathan in Fiscal 2022, pursuant to an agreement executed between him and our Company dated November 22, 2021, and the principal terms of his remuneration as Managing Director of our Company, are disclosed below.

Particulars	Remuneration per month (₹ million)
Basic Salary	0.44
Other allowances	0.85
Total	**1.29**

He is also entitled to variable pay (over and above the remuneration stated above) payable in accordance with the rules of the Company.

Gratuity: As per the provisions of the Payment of Gratuity Act, 1972.

Benefits, perquisites and allowances:

- Housing by way of (a) company provided housing; or (b) in case no accommodation is provided by the Company, he shall be entitled to house rent allowance as per the policy of the Company.
- Medical reimbursement as per Company policy.
- Leave travel concession as per Company policy.

- Leave as per Company's rules as specified from time to time.
- Company provided car, reimbursement of driver's wages and petrol expenses as per Company policy.
- Any other perquisites as per Company policy or as may be determined from time to time.

He did not receive any remuneration in Fiscal 2021 from our Company.

Payment or Benefit to our Directors

Details of the sitting fees or other remuneration, including any contingent or deferred compensation accrued for the year, paid to our Directors by our Company in Fiscal 2021 are disclosed below.

1. *Remuneration paid to our Independent Directors*

   Sitting fees of ₹0.15 million was paid to our Independent Director, Rashmi Mundada, in Fiscal 2021. No remuneration or sitting fees were paid to Vijay Bhatt and Satish Sekhri in Fiscal 2021 since they were appointed as Independent Directors on our Board with effect from November 17, 2021.

   Pursuant to a resolution dated November 17, 2021 adopted by our Board, each Non-Executive Director (including Independent Directors) is entitled to receive (i) sitting fees of ₹0.05 million for attending each meeting of our Board; (ii) receive sitting fees of ₹0.05 million for attending each meeting of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders' Relationship Committee. No commission is payable to the Independent Directors of the Company. The aggregate remuneration payable to Independent Directors in a Financial Year shall not exceed 1% of the net profits of our Company in accordance with Sections 197 and 198 of the Companies Act.

2. *Remuneration paid to our Non-Executive Directors*

   No remuneration was paid to our Non-Executive Directors except for Ravikant Uppal in Fiscal 2021. Ravikant Uppal was paid a total remuneration of ₹1.45 million, constituting sitting fees of ₹0.15 million and advisory fees of ₹1.3 million in Fiscal 2021.

   Pursuant to a resolution dated November 17, 2021 adopted by our Board, each Non-Executive Director is entitled to receive (i) sitting fees of ₹0.05 million for attending each meeting of our Board; (ii) receive sitting fees of ₹0.05 million for attending each meeting of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders' Relationship Committee.

   None of our Directors are entitled to receive a commission.

3. *Remuneration paid by our Subsidiaries to our Directors*

   Our Directors received remuneration from our Subsidiaries in Fiscal 2021 (including contingent or deferred compensation) accrued for the year, and normal fees payable to them for attending meetings of the board of directors or any committee thereof and normal reimbursement of any traveling and other incidental expenses. The details for which are as below:

Sr. No.	Name of Director	Subsidiaries	Total Remuneration for Fiscal 2021 (₹ million)
1.	Ravikant Uppal	Ring Plus Aqua Limited	0.44
2.	Balasubramanian Vishwanathan	Ring Plus Aqua Limited	0.85
3.	Gautam Hari Singhania	Ring Plus Aqua Limited	1.29

Shareholding of our Directors in our Company

None of our Directors hold, or are required to hold, any qualification shares.

None of our Directors hold any Equity Shares as of the date of this Draft Red Herring Prospectus.

Arrangement or Understanding with Major Shareholders

There are no contracts appointing or fixing the remuneration of the Directors of our Company entered into within, or prior to the two years immediately preceding the date of this Draft Red Herring Prospectus other than as disclosed in "*—Terms of Appointment of our Managing Director*" and "*—Payment or Benefit to our Directors*" on page 222 and 223 respectively.

Relationship between our Directors and Key Managerial Personnel

None of our Directors are related to each other or to Key Managerial Personnel of our Company.

Interests of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof. For further details, see "*–Terms of Appointment of our Managing Director*" and "*–Payment or benefit to Directors of our Company*", on pages 222 and 223, respectively.

Interest in promotion of our Company

None of our Directors have any interests in the promotion or formation of our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested as a member, by any person, either to induce them to become, or to qualify them as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Interest in property

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.

Further, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Interest in Equity Shares

Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends and other distributions in respect of such Equity Shares), held by the entities in which they are associated, directly or indirectly, as promoters, directors, partners, proprietors or trustees or held by their relatives.

Loans to Directors

No loans have been availed by our Directors from our Company.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during their tenure.

Except for Gautam Hari Singhania, who was a director of JK Investo Trade (India) Limited, which was voluntarily delisted on February 19, 2008 due to minimum public shareholding falling below applicable thresholds, none of our

Directors is or was a director of any listed company which has been or was delisted from any stock exchange during their tenure.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board or as a member of senior management.

Further, none of our Directors have been identified as Willful Defaulters.

Changes in the Board during the Last Three Years

Details of the changes in our Board in the last three years preceding the date of this Draft Red Herring Prospectus are set forth below.

S. No.	Name	Effective Date of Appointment/Change in Designation/ Cessation	Reason
1.	Balasubramanian Vishwanathan(1)	November 17, 2021	Appointment as Managing Director
2.	Gautam Hari Singhania(2)	November 17, 2021	Appointment as Non-Executive Director
3.	Vijay Bhatt(3)	November 17, 2021	Appointment as Independent Director
4.	Satish Sekhri(4)	November 17, 2021	Appointment as Independent Director
5.	Krishnan Ashwath Narayan	November 17, 2021	Resignation as Non-Executive Director
6.	Hukumchand Chandratan Lakhotiya	November 15, 2021	Resignation as Whole-Time Director
7.	Hukumchand Chandratan Lakhotiya(5)	February 1, 2021	Appointment as Whole-Time Director
8.	Balasubramanian Vishwanathan(6)	November 9, 2020	Appointment as Non-Executive Director
9.	Vipin Agarwal	October 16, 2020	Resignation as Non-Executive Director
10.	Ganeshkumar Subramanian	May 31, 2020	Resignation as Whole-Time Director and Chief Executive Officer
11.	Ramchandra Anant Prabhudesai	February 12, 2020	Resignation as Independent Director
12.	Ramalingam Narayanan	February 12, 2020	Resignation as Independent Director
13.	Ganeshkumar Subramanian(7)	December 1, 2019	Re-appointment as Whole-Time Director and Chief Executive Officer
14.	Ravikant Uppal(8)	April 8, 2019	Appointment as Non-Executive Director
15.	Vipin Agarwal(9)	April 8, 2019	Appointment as Non-Executive Director

(1) The appointment of Balasubramanian Vishwanathan as Managing Director was approved by our Shareholders pursuant to their resolution passed in the extra-ordinary general meeting dated November 18, 2021.

(2) The appointment of Gautam Hari Singhania as Non-Executive Director was regularised by our Shareholders on November 18, 2021.

(3) The appointment of Vijay Bhatt as Independent Director was regularised by our Shareholders on November 18, 2021.

(4) The appointment of Satish Sekhri as Independent Director was regularised by our Shareholders on November 18, 2021.

(5) The appointment of Hukumchand Chandratan Lakhotiya as Whole-Time Director was regularised by our Shareholders on February 27, 2021.

(6) The appointment of Balasubramanian Vishwanathan as Non-Executive Director was regularised by our Shareholders on February 27, 2021.

(7) The re-appointment of Ganeshkumar Subramanian as Whole-Time Director and Chief Executive Officer was regularised by our Shareholders on March 11, 2020.

(8) The appointment of Ravikant Uppal as Non-Executive Director was regularised by our Shareholders on June 1, 2019.

(9) The appointment of Vipin Agarwal as Non-Executive Director was regularised by our Shareholders on June 1, 2019.

Borrowing Powers of our Board

As per Section 180(1)(c) of the Companies Act, our Board is authorised, pursuant to a Shareholder resolution dated September 1, 2014 to borrow money and create charge and/ or pledge, mortgage, hypothecate on its properties, as permissible, in excess of ₹10,000 million over and above the aggregate of the paid up share capital and free reserves of the Company.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations (*as applicable to an equity listed company*), the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, including in relation to the constitution of our Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of committees of our Board, as required under applicable law. Our Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company's executive management provides our Board with detailed reports on its performance periodically.

As of the date of this Draft Red Herring Prospectus, our Board is comprised of six Directors, comprising of three Independent Directors (including one woman Independent Director), one Managing Director and two Non-Executive Directors.

Committees of the Board

In addition to the committees of our Board described below, our Board may constitute committees for various functions from time to time.

Audit Committee

The members of our Audit Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Vijay Bhatt	Chairperson
2.	Balasubramanian Vishwanathan	Member
3.	Satish Sekhri	Member

The audit committee was constituted by our Board pursuant to a resolution dated October 28, 2009. The Audit Committee was last reconstituted by our Board pursuant to a resolution dated November 17, 2021. The terms of reference of the Audit Committee were last revised by our Board pursuant to a resolution dated November 17, 2021.

Powers of the Audit Committee

The powers of the Audit Committee include the power to:

- investigate activity within its terms of reference;
- seek information from any employees;
- obtain outside legal or other professional advice; and
- secure attendance of outsiders with relevant expertise, if it considers necessary.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations, and its terms of reference are as disclosed below:

- oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

    - changes, if any, in accounting policies and practices and reasons for the same;

    - major accounting entries involving estimates based on the exercise of judgment by management;

    - significant adjustments made in the financial statements arising out of audit findings;

    - compliance with listing and other legal requirements relating to financial statements;

    - disclosure of any related party transactions; and

    - modified opinion(s) in the draft audit report.

- reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

- reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

- approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

    Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- scrutiny of inter-corporate loans and investments;

- valuation of undertakings or assets of the Company, wherever it is necessary;

- evaluation of internal financial controls and risk management systems;

- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- discussion with internal auditors of any significant findings and follow up there on;

- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- reviewing the functioning of the whistle blower mechanism;
- monitoring the end use of funds raised through public offers and related matters;
- overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
- consider and comment on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation *etc*., on the Company and its shareholders;
- To review the financial statements, in particular, the investments made by any unlisted subsidiary; and
- carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Reviewing Powers

The Audit Committee is mandatorily required to review the following information:

- management's discussion and analysis of financial condition and result of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- management letters/letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the chief internal auditor;
- the examination of the financial statements and the statutory auditors' report thereon; and
- statement of deviations, including:
  - quarterly statement of deviations, including report of monitoring agency, if applicable, submitted to the Stock Exchanges in terms of the SEBI Listing Regulations; and
  - annual statement of funds utilized for purposes other than those stated in the offer document, prospectus or notice in terms of the SEBI Listing Regulations.

The Audit Committee is required to meet at least four times in a year with a maximum interval of 120 days between two meetings in accordance with the SEBI Listing Regulations.

Risk Management Committee

The members of our Risk Management Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Rashmi Mundada	Chairperson
2.	Vijay Bhatt	Member
3.	Satish Sekhri	Member
4.	Balasubramanian Vishwanathan	Member

The Risk Management Committee was constituted by our Board pursuant to a resolution dated November 17, 2021. The terms of reference of the Risk Management Committee were formulated by our Board pursuant to a resolution dated November 17, 2021.

The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations, and its terms of reference are as disclosed below:

- to review, assess and formulate the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof, which shall include:
    - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the committee;
    - Measures for risk mitigation including systems and processes for internal control of identified risks; and
    - Business continuity plan;
- to approve the process for risk identification and mitigation;
- to decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
- to monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
- to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- to review the appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;
- to implement and monitor policies and/or processes for ensuring cyber security;
- to frame, devise and monitor risk management plan and policy of the Company;
- to review and recommend potential risk involved in any new business plans and processes;
- to coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors; and

- any other similar or other functions as may be laid down by the Board from time to time and/ or as may be required under applicable law.

The Risk Management Committee is required to meet at least twice a year with maximum interval of 180 days between two consecutive meetings.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Satish Sekhri	Chairperson
2.	Ravikant Uppal	Member
3.	Rashmi Mundada	Member

The Nomination and Remuneration Committee was constituted by our Board pursuant to a resolution February 13, 2015 and was last reconstituted by our Board pursuant to a resolution dated November 17, 2021. The terms of reference of the Nomination and Remuneration Committee were revised by our Board pursuant to a resolution dated November 17, 2021.

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations, and its terms of reference are as disclosed below:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees;

- for every appointment of an independent director, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:

    - use the services of an external agencies, if required;

    - consider candidates from a wide range of backgrounds, having due regard to diversity; and

    - consider the time commitments of the candidates;

- formulation of criteria for evaluation of independent directors and the Board;

- devising a policy on Board diversity;

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director’s performance (including independent director);

- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

- recommend to the Board, all remuneration, in whatever form, payable to senior management;

- carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

    The Nomination and Remuneration Committee, while formulating the policy as set out above, should ensure that:

- the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- performing such functions as are required to be performed by the Nomination and Remuneration Committee under the SEBI SBEB Regulations, including the following:
  - administering the existing and proposed employee stock option schemes formulated by the Company from time to time;
  - determining the eligibility of employees to participate under the employee stock option schemes;
  - granting options to eligible employees and determining the date of grant;
  - determining the number of options to be granted to an employee;
  - determining the exercise price under the employee stock option schemes; and
  - construing and interpreting the employee stock option schemes and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option schemes, and prescribing, amending and/ or rescinding rules and regulations relating to the administration of the employee stock option schemes.
- framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act to the extent notified and effective, as amended or by the SEBI Listing Regulations or by any other applicable law or regulatory authority.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Satish Sekhri	Chairperson
2.	Vijay Bhatt	Member
3.	Balasubramanian Vishwanathan	Member

The Stakeholders' Relationship Committee was constituted by our Board pursuant to a resolution dated November 17, 2021. The terms of reference of the Stakeholders' Relationship Committee were formulated by our Board pursuant to a resolution dated November 17, 2021.

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations, and its terms of reference are as disclosed below:

- resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;

- review of measures taken for effective exercise of voting rights by shareholders;

- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent;

- to approve, register, refuse to register transfer or transmission of shares and other securities;

- allotment and listing of shares;

- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company; and

- such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Stakeholders Relationship Committee is required to meet at least once a year.

In addition to the above, our Company has also constituted committees such as the Corporate Social Responsibility Committee and the IPO Committee, brief details in relation to which are set out below.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Rashmi Mundada	Chairperson
2.	Vijay Bhatt	Member
3.	Satish Sekhri	Member

The Corporate Social Responsibility Committee was constituted by our Board pursuant to a resolution dated April 28, 2014 and was last reconstituted pursuant to a resolution passed by our Board in its meeting held on November 17, 2021.

The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act and its terms of reference as stipulated in the charter of Corporate Social Responsibility Committee adopted pursuant to a resolution passed by our Board in its meeting held on November 17, 2021 are set forth below:

- formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act;

- review and recommend the amount of expenditure to be incurred on the activities referred above;

- monitor the corporate social responsibility policy of the Company and its implementation from time to time;

- to take note of the compliances made by implementing agency (if any) appointed for the CSR of the Company; and

- any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

IPO Committee

Sr. No.	Name of Director	Committee Designation
1.	Ravikant Uppal	Chairperson

Sr. No.	Name of Director	Committee Designation
2.	Balasubramanian Vishwanathan	Member

The IPO Committee was constituted by our Board of Directors on November 17, 2021. The scope and functions that the IPO Committee has been authorized to undertake are set out below, including *inter alia*:

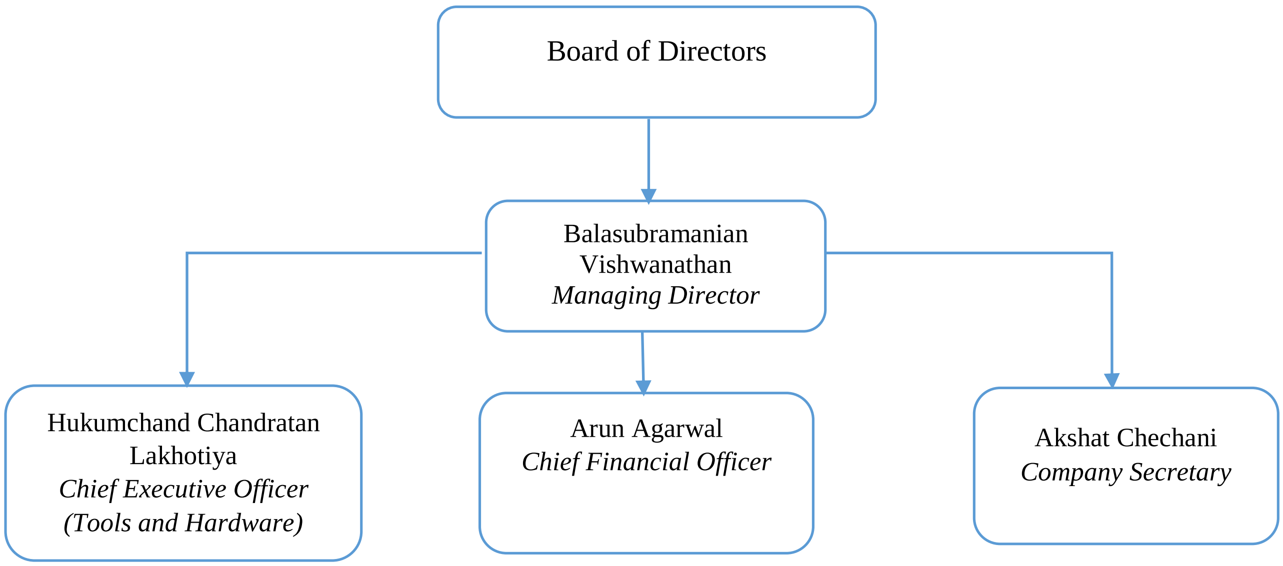
- to make applications to the Government of India, SEBI, Reserve Bank of India or to any other statutory or governmental authorities in connection with the Offer as may be required and accepted on behalf of the Board;

- to finalise, approve and file the Draft Red Herring Prospectus with SEBI, Red Herring Prospectus and the Prospectus with SEBI, RoC, and other regulatory authorities, and the preliminary and final international wrap (including amending, varying, supplementing or modifying the same, or providing any notices, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient), the bid cum application forms, abridged prospectus, confirmation of allocation notes and any other document in relation to the Offer as finalised by the Company, and take all such actions in consultation with the BRLMs as may be necessary for the submission and filing of the documents mentioned above, including incorporating such alterations/corrections/modifications as may be required by the SEBI, the RoC or any other relevant governmental and statutory authorities or otherwise under applicable laws;

- to decide in consultation with the BRLMs on the timing, pricing and all the terms and conditions of the Offer, including the price band, Offer price, Offer size and to accept any amendments, modifications, variations or alterations thereto; and

- to appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, public offer account bankers to the Offer, sponsor bank, registrar, legal advisors, advertising agency, and any other agencies or persons or intermediaries to the Offer, including any successors or replacements thereof, and to negotiate and finalise and amend the terms of their appointment, *etc*.

Management Organization Structure



Key Managerial Personnel of our Company

In addition to our Managing Director, Balasubramanian Vishwanathan, whose details are provided in 'Brief Profile of our Directors' above, the details of the Key Managerial Personnel of our Company, as of the date of this Draft Red Herring Prospectus, are set out below.

Hukumchand Chandratan Lakhotiya is the Chief Executive Officer of the tools and hardware business of our Company. He has been associated with our Company as the CEO of the tools and hardware business since November 17, 2021. He holds a degree in Bachelor of Engineering (Electrical) from Amravati University where he was a gold medallist at Government College of Engineering. He also holds a degree of Master of Technology (Industrial Management) from Indian Institute of Technology, Bombay. He has also served as a whole-time director on our Board from February 1, 2021 up to November 15, 2021. Prior to his association with our Company, he was associated with Schneider Electric as Regional Vice President – Equipment & Transformers. He has also worked with PT CG Power Systems Indonesia and CG India for over two decades and has 25 years of experience. During Fiscal 2021, he received a compensation of ₹3.71 million by virtue of his position as a whole-time director of our Company. He did not receive any compensation in Financial Year 2021 as the CEO of tools and hardware business of our Company.

Arun Agarwal is the Chief Financial Officer of our Company. He has been associated with our Company since November 17, 2021 and with the Raymond group since January 20, 2016. He holds a degree in Bachelor of Commerce from University of Rajasthan. He is an Associate Member of the Institute of Chartered Accountants of India. He has over 21 years of experience in accounting and finance. Prior to joining our Company, he was associated with, among others, Jindal Iron & Steel Company Limited, Raymond Apparel Limited, Gomukhi Indus Capital Advisory Private Limited and Raymond Limited. During the Financial Year 2021, he did not receive any remuneration from our Company.

Akshat Chechani is the Company Secretary of our Company. He has been associated with our Company since September 27, 2021. He holds a degree of Bachelor of Commerce from University of Mumbai. He also holds a degree of Bachelor of Laws from University of Mumbai and a post graduate degree in Master of Business Laws from National Law School of India University, Bangalore. He is a qualified Company Secretary and is an Associate Member of the Institute of Company Secretaries of India. He is also a Graduate of the Chartered Governance Institute and has been admitted to Associate membership of the Institute of Chartered Secretaries and Administrators. He has approximately 10 years of experience in handling secretarial and legal matters. Prior to joining our Company, he was associated with Raymond Limited, Asian Paints Limited and Cipla Limited. During the Financial Year 2021, he did not receive any remuneration from the Company.

Status of Key Managerial Personnel

Hukumchand Chandratan Lakhotiya, the CEO of the tools and hardware business of our Company is a permanent employee of our Company. Arun Agarwal, the Chief Financial Officer of our Company, and Akshat Chechani, the Company Secretary of our Company, are permanent employees of Raymond Limited, our Promoter. Pursuant to deputation letters dated November 19, 2021 issued by Raymond Limited, Arun Agarwal's and Akshat Chechani's employment has been deputed to our Company with effect from November 19, 2021.

Relationship among Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Shareholding of Key Managerial Personnel

Except as disclosed under "*Capital Structure - Details of Shareholding of our Key Managerial Personnel, our Directors, Promoter and Promoter Group and directors of our Promoter*' on page 94, where Akshat Chechani and Arun Agarwal hold Equity Shares jointly with our Promoter, none of our Key Managerial Personnel hold any Equity Shares in our Company.

Loans to Key Managerial Personnel

No loans have been availed by our Key Managerial Personnel from our Company.

Contingent and deferred compensation payable to our Key Managerial Personnel

Other than the variable pay payable to our Key Managerial Personnel, there is no deferred or contingent compensation payable to any of our Key Managerial Personnel, even if the compensation is payable at a later date.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel were selected as members of our management.

Interest of Key Managerial Personnel

None of the Key Managerial Personnel of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date.

Further, the Key Managerial Personnel may be regarded as interested in the Equity Shares which may be allotted to them (together with dividends in respect of such Equity Shares) or which may be allotted to them.

None of our Key Managerial Personnel have been paid any consideration of any nature by our Company other than remuneration in the ordinary course of their employment.

Changes in the Key Managerial Personnel during the Last Three Years

Except as disclosed under "—*Changes in the Board during the Last Three Years*" on page 225, the changes in the Key Managerial Personnel in the last three years is as follows:

Name	Designation	Date of change	Reason for change
Hukumchand Chandratan Lakhotiya	Chief Executive Officer	November 17, 2021	Designated as Key Managerial Personnel
Arun Agarwal	Chief Financial Officer	November 17, 2021	Appointment of Chief Financial Officer
Srinivasan Ganapathy	Chief Financial Officer	November 15, 2021	Resignation of Chief Financial Officer
Akshat Chechani	Company Secretary	September 27, 2021	Appointment as Company Secretary
Mohammad Waqar Siddiqui	Company Secretary	September 27, 2021	Resignation of Company Secretary
Hukumchand Chandratan Lakhotiya	Chief Executive Officer	January 7, 2021	Appointment as Chief Executive Officer of tools and hardware business
Mohammad Waqar Siddiqui	Company Secretary	November 9, 2020	Appointment as Company Secretary
Archana Ramesh Mungunti	Company Secretary	July 31, 2020	Resignation of Company Secretary

Payment or benefit to officers of our Company

Except any statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amount or benefit has been paid or given, and no consideration for payment of giving such benefit has been paid or given in the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

Bonus or profit sharing plan for our Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

Employee stock option plan and employee stock purchase plan

None of our Key Managerial Personnel are entitled to any employee stock option plan or employee stock purchase plan.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

The Promoter of our Company is Raymond Limited.

As on the date of this Draft Red Herring Prospectus, the Promoter, in aggregate, holds 52,443,948 Equity Shares in our Company, representing 100% of the issued, subscribed, and paid-up Equity Share capital of our Company, this includes 350 Equity Shares in aggregate held by Raymond Limited jointly with Arun Agarwal, Thomas Fernandes, Priti Alkari, Akshat Chechani, Ankita Sharma and Reshma Ramchandani as joint holders with Raymond Limited, which is the beneficial owner of such Equity Shares.

For details of the build-up of the Promoter shareholding in our Company, see "*Capital Structure – Build-up of our Promoter's Shareholding in our Company* ", on page 88.

Raymond Limited

Corporate Information

Raymond Limited was incorporated on September 10, 1925 under the Companies Act, 1913 as "The Raymond Woollen Mills Limited" and its corporate identity number is L17117MH1925PLC001208. A fresh certificate of incorporation dated March 31, 1995 was issued by Registrar of Companies, Maharashtra, Bombay, for change of name of our Promoter to Raymond Limited. The permanent account number of our Promoter is AAACR4896A. The registered office of our Promoter is located at Plot no. 156/H, Zadgaon village, Ratnagiri-415 612, Maharashtra, India.

Other than the businesses of our Company, Raymond Limited is primarily engaged in the business of textiles, real estate, non-scheduled airline operations and apparel.

As of the date of this Draft Red Herring Prospectus, the equity shares of Raymond Limited are listed on Stock Exchanges.

Promoter of Raymond Limited

Gautam Hari Singhania and Vijaypat Singhania are the promoters of Raymond Limited. Gautam Hari Singhania and the promoter group of Raymond Limited hold 49.07% of the share capital of Raymond Limited.

Change in control of our Company

There has not been any change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Change in control of Raymond Limited

There has been no change in the control of Raymond Limited in the three years preceding the date of filing of this Draft Red Herring Prospectus.

Board of Directors of Raymond Limited

The composition of the board of directors of Raymond Limited as of the date of this Draft Red Herring Prospectus is set out below.

S. No.	Name	Designation	DIN
1.	Gautam Hari Singhania	Chairman & Managing Director	00020088
2.	Nawaz Gautam Hari Singhania	Non-Executive Director	00863174
3.	Ishwar Das Agarwal	Independent Director	00293784
4.	Shiv Surinder Kumar	Independent Director	08144909

S. No.	Name	Designation	DIN
5.	Dinesh Kumar Lal	Independent Director	00037142
6.	Mukeeta Pramit Jhaveri	Independent Director	00709997
7.	Ashish Kiran Kapadia	Independent Director	02011632
8.	Shantilal Pokharna	Non-Executive Director	01289850

Shareholding pattern of Raymond Limited

Sl. No.	Description	No. of shares	%
(A)	**Shareholding of Promoter and Promoter Group holding shares of the Company**		
1	**Indian**		
(a)	**Individuals/ Hindu Undivided Family**		
	Shephali A Ruia	1,54,259	0.23
	Vijaypat Singhania	53,000	0.08
	Niharika Gautam Singhania	5,000	0.01
	Nawaz Singhania	2,500	0
	Advait Krishna Ruia	2,825	0
	Nisa Gautam Singhania	500	0
	Gautam Hari Singhania	29	0
(b)	Central Government/ State Government(s)	-	-
(c)	**Bodies Corporate Names**		
	J K Investors (Bombay) Limited	1,90,00,793	28.54
	J K Helene Curtis Limited	35,92,050	5.4
	J K Investo Trade (India) Limited	82,75,087	12.43
	J K Sports Foundation	7,92,395	1.19
	Smt Sunitidevi Singhania Hospital Trust	6,91,496	1.04
	Polar Investments Limited	99,200	0.15
(d)	Financial Institutions/ Banks	-	-
(e)	Any Others	-	-
	Sub Total(A)(1)	**3,26,69,134**	**49.07**
2	**Foreign**		
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-
(b)	Bodies Corporate	-	-
(c)	Institutions	-	-
(d)	Any Others	-	-
	Sub Total(A)(2)	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**3,26,69,134**	**49.07**
(B)	**Public shareholding**		
1	**Institutions**		
(a)	Mutual Funds / UTI	16,03,381	2.41
(b)	Financial Institutions / Banks	9,419	0.01
(c)	Central Government/ State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	8,40,408	1.26
(f)	Foreign Portfolio Investors	48,23,909	7.25
(g)	Foreign Venture Capital Investors	-	-
(h)	Any Other		
	- - Foreign Financial Institution	700	0.00
	- - Foreign Bank	91	0.00
	- - UTI	1,161	0.00
	- - Alternate Investment Funds	3,02,100	0.46
	Sub-Total (B)(1)	**75,81,169**	**11.39**
2	**Non-institutions**		
(a)	Bodies Corporate	13,54,458	2.03
(b)	Individuals		

Sl. No.	Description	No. of shares	%
I	Individuals -i. Individual Shareholders holding nominal share capital up to Rs 2 lakh	1,95,50,463	29.37
II	ii. Individual Shareholders holding nominal share capital in excess of Rs. 2 lakh.	20,19,402	3.03
(c)	Any Other		
	NBFC registered with RBI	5,512	0.01
	IEPF	5,11,031	0.77
	Trusts	4,513	0.01
	HUF	8,41,751	1.26
	Overseas Corporate Bodies	550	0.00
	Non-Resident Indian (NRI)	13,68,728	2.06
	Clearing Members	5,13,930	0.77
	LLP	83,700	0.13
	Sub-Total (B)(2)	**2,62,54,038**	**39.44**
(B)	**Total Public Shareholding (B)= (B) (1) + (B)(2)**	**3,38,35,207**	**50.83**
	TOTAL (A)+(B)	**6,65,04,341**	**99.90**
(C)	**Shares held by Custodians and against which DRs have been issued**	69,390	0.10
	GRAND TOTAL (A)+(B)+(C)	**6,65,73,731**	**100**

Our Company confirms that the permanent account number and bank account number of Raymond Limited shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Interests of Promoter

Our Promoter is interested in our Company to the extent: (i) that they have promoted our Company; and (ii) of the Equity Shares held by them in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them; and (iii) the trademarks and copyrights assigned to our Company pursuant to the agreement to transfer undertaking on slump sale basis dated August 31, 2009 and an assignment agreement dated March 1, 2010. For details regarding the shareholding of our Promoter and the Promoter Group in our Company, and the details of assignment of intellectual property rights, see "*Capital Structure*", "*Our Management*", "*Financial Information*" and "*Government and Other Approvals*" beginning on pages 85, 220, 248 and 396, respectively.

Interests of Promoter in property of our Company

Our Promoter does not have any interest in any property acquired within the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interests

Our Promoter is not interested as member of a firm or company and no sums have been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person, either to induce it to become or to qualify it or otherwise for services rendered by it or by such firm or company in connection with the promotion or formation of our Company. For details of related party transactions entered into by our Company with our Promoter during the Financial Year immediately preceding the date of this Draft Red Herring Prospectus, see *Restated Consolidated Financial Information – Note 41: Related Party Disclosures*" on page 294.

Payment or Benefits to our Promoter or Promoter Group

Except in the ordinary course of business and as disclosed in "*Restated Consolidated Financial Information – Note 41: Related Party Disclosures*" on page 294, no amount or benefit has been paid or given to our Promoter or members of our Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or members of our Promoter Group.

Material guarantees given by our Promoter to third parties

Our Promoter have not given any material guarantees to third parties with respect to the specified securities of our Company.

Companies or firms with which our Promoter have disassociated in the last three years

Except as stated below, our Promoter has not disassociated itself from, or sold or transferred its stake in, any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Name of company or firm from which promoter has disassociated	Reasons for and circumstances leading to disassociation	Date of disassociation
Scissors Engineering Products Limited	Transfer of Investment	October 31, 2021
Dress Master Apparel Private Limited	Sale of Investment	December 1, 2020
Raymond Lifestyle International DMCC	De-registration of the Company in DMCC, UAE	December 11, 2019

Our Promoter Group

In addition to the Promoter named above, the following entities form part of our Promoter Group in accordance with the SEBI ICDR Regulations.

Entities forming part of the Promoter Group

Set forth below are names of the entities who form part of the Promoter Group of the Promoter.

1. Pashmina Holdings Limited
2. Everblue Apparel Limited
3. Jaykayorg AG
4. Raymond (Europe) Limited
5. Colorplus Realty Limited
6. Silver Spark Apparel Limited
7. Celebrations Apparel Limited
8. Raymond Woollen Outerwear Limited
9. R & A Logistics Inc.
10. Raymond Apparel Limited
11. Raymond Luxury Cottons Limited
12. Silver Spark Middle East (FZE)
13. Silver Spark Apparel Ethiopia PLC
14. Raymond Lifestyle Limited
15. Raymond Lifestyle (Bangladesh) Private Limited
16. Raymond UCO Denim Private Limited
17. J.K. Investo Trade (India) Limited
18. Radha Krshna Films Limited
19. Ray Global Consumer Trading Limited
20. J.K. Investors (Bombay) Limited
21. P.T. Jaykay Files Indonesia

OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the Ind AS 24, for the purpose of identification of group companies, our Company has formulated a policy for identification of group companies and considered (i) the companies (other than our Subsidiaries) with which there were related party transactions, as disclosed in the Restated Consolidated Financial Information; and (ii) companies as considered material by the Board pursuant to the Materiality Policy.

Accordingly, for (i) above, all such companies (other than our Promoter and Subsidiaries) with which there were related party transactions during the periods covered in the Restated Consolidated Financial Statements, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

In addition, pursuant to the Materiality Policy, for the purposes of (ii) above, any promoter group entity with whom our Company has entered into one or more transactions during the last completed financial year and the three-month period ended June 30, 2021, which individually or cumulatively exceeds 10% of the total revenue of our Company for that financial year/ stub period as per the Restated Consolidated Financial Information be considered "material" by the Board and be disclosed as Group Companies.

Accordingly, in terms of the policy adopted by our Board for determining group companies pursuant to its resolution dated November 17, 2021**,** our Board has identified the following as group companies of our Company ("**Group Companies**").

1. Raymond UCO Denim Limited*;
2. Raymond Apparel Limited*;
3. Silver Spark Apparel Limited*;
4. Raymond Luxury Cotton Limited*;
5. Raymond (Europe) Limited*;
6. J.K. Helene Curtis Limited;
7. P.T. Jaykay Files Indonesia;
8. P.T. Jaykay International Indonesia; and
9. Ray Global Consumer Trading Limited

** the financial information for the preceding three years for the five largest Group Companies based on turnover has been hosted on the website of the respective group company as specified below, in accordance with the SEBI ICDR Regulations.*

A. Details of our Group Companies

1. Raymond UCO Denim Private Limited ("Raymond UCO")

Corporate Information

Raymond UCO was incorporated as a private limited company on May 26, 2006 under Companies Act, 1956 with the Registrar of Companies, Mumbai at Maharashtra. The name of Raymond UCO was changed from Uco Raymond Denim Private Limited to Raymond UCO Denim Private Limited with effect from June 20, 2006. The corporate identification number of Raymond UCO is U17115MH2006PTC162450. The registered office of Raymond UCO is situated at New Hind House, Narottam Morarji Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India.

Nature of activities

In accordance with the provisions of the objects clause of its memorandum of association, Raymond UCO is permitted to engage in the business of manufacturing and selling of all textile goods.

Financial Information

The financial information derived from the audited financial statements of Raymond UCO for the financial years ended 2021, 2020 and 2019 are available at www.raymond.in.

2. Raymond Apparel Limited ("RAL")

Corporate Information

RAL was incorporated as a private limited company on October 26, 2006 under the Companies Act, 1956 with the Registrar of Companies, Chennai at Tamil Nadu at Chennai. The name of RAL was changed from Solitaire Fashions Private Limited to Gas Apparel Private Limited with effect from December 21, 2006, from Gas Apparel Private Limited to Gas Apparel Limited with effect from March 27, 2009, from Gas Apparel Limited to Solitaire Fashions Limited with effect from December 31, 2009, and from Solitaire Fashions Limited to Raymond Apparel Limited with effect from June 28, 2010. The corporate identity number of RAL is U18109MH2006PLC262077. The registered office of RAL is situated at Jekegram, Pokhran Road No.1, Thane – 400 606, Maharashtra.

Nature of activities

In accordance with the provisions of the objects clause of its memorandum of association, RAL is permitted to engaged in the business of retail trading and dealing in all kinds of garments and wearing apparels.

Financial Information

The financial information derived from the audited financial statements of RAL for the financial years ended 2021, 2020 and 2019 are available at www.raymond.in.

3. Silver Spark Apparel Limited ("SSAL")

Corporate Information

SSAL was incorporated as a public limited company on July 20, 2000 under the Companies Act 1956 with the Registrar of Companies, Mumbai at Maharashtra. The name of SSAL was changed from Raymond Technology Solutions Limited to Silver Spark Apparel Limited with effect from September 16, 2003 and a fresh certificate of incorporation was issued by the Registrar of Companies, Mumbai at Maharashtra consequent to change of name. The registered office of SSAL is situated at New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India. The corporate identity number of SSAL is U72900MH2000PLC127831.

Nature of activities

In accordance with the provisions of the objects clause of its memorandum of association, SSAL is permitted to engage in the business of manufacturing of textiles and apparels.

Financial Information

The financial information derived from the audited financial statements of SSAL for the financial years ended 2021, 2020 and 2019 are available at www.raymond.in.

4. Raymond Luxury Cottons Limited ("RLCL")

Corporate Information

RLCL was incorporated as a private limited company on October 27, 2004 under the Companies Act 1956 with the Registrar of Companies, Mumbai at Maharashtra. The name of RLCL was changed from Microlite Textiles Private Limited to Raymond Zambaiti Private Limited with effect from March 24, 2005, from Raymond Zambaiti Private Limited to Raymond Zambaiti Limited with effect from June 03, 2009 and from Raymond Zambaiti Limited to Raymond Luxury Cottons Limited with June 16, 2014. The registered office of RLCL is situated at New Hind House, Narottam Morarjee Marg, Ballard Estate, Fort, Mumbai - 400 001, Maharashtra, India. The corporate identity number of RLCL is U17120MH2004PLC149276.

Nature of activities

In accordance with the provisions of the objects clause of its memorandum of association, RLCL is permitted to engage in the business of manufacturing of textiles and apparel products.

Financial Information

The financial information derived from the audited financial statements of RLCL for the financial years ended 2021, 2020 and 2019 are available at www.raymond.in.

5. Raymond (Europe) Limited ("Raymond Europe")

Corporate Information

Raymond Europe was incorporated in England and Wales as JK (England) Limited, a private limited company on January 14, 1947 under the laws of United Kingdom. The name of the Company was changed to Raymond Europe on May 22, 2009. The registered office of Raymond (Europe) Limited is situated at Barratt House, 341-349 Oxford Street, London, W1C 2JE, United Kingdom.

Nature of activities

In accordance with the provisions of the objects clause of its memorandum of association, Raymond (Europe) is authorized to engage in providing business support service activities.

Financial Information

The financial information derived from the audited financial statements of Raymond (Europe) Limited for the financial years ended 2021, 2020 and 2019 are available at www.raymond.in.

6. J.K. Helene Curtis Limited ("JKHC")

Corporate Information

JKHC was incorporated as a private limited company on October 26, 2006 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai. The corporate identification number of JKHC is U99999MH1964PLC012865. Its registered office is located at New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai, 400 001, Maharashtra, India.

Nature of activities

In accordance with the provisions of the objects clause of its memorandum of association, JKHC is permitted to engage in the business of of cosmetics, deodorants and perfumed sprays.

7. P.T. Jaykay Files Indonesia ("PT Jaykay Files")

Corporate Information

PT Jaykay Files was incorporated as a public limited company on May 27, 1974 under the Deed of Establishment No. 86 dated May 27, 1974 approved by the Ministry of Justice of the Republic of Indonesia, by his Decree No. Y.A 5/272/5 dated July 22, 1974. The registered office of PT Jaykay Files is situated at JI. Tambak Ali Raya No. 19, Ngaliyan, Semarang 50185.

Nature of activities

PT Jaykay Files is authorized under its memorandum of association/constitutional documents to engage in the business of manufacture of steel files.

8. P.T. Jaykay International Indonesia ("PT Jaykay")

Corporate Information

PT Jaykay was incorporated as a public limited company on April 16, 2014 under the Deed of Establishment No. 79 dated July 16, 2014 approved by the Ministry of Justice of the Republic of Indonesia, by his Decree No. AHU-17883.40.10.2014 dated July 16, 2014. The registered office of PT Jaykay is situated at JI. Tambak Ali Raya No. 19, Ngaliyan, Semarang 50185.

Nature of activities

In accordance with the provisions of the objects clause of its memorandum of association, PT Jaykay is permitted to engage in the business of trading including import, export and as distributor.

9. Ray Global Consumer Trading Limited ("RGCTL")

Corporate Information

RGCTL was incorporated as a private limited company on October 26, 2018 under the Companies Act 2013 with the Registrar of Companies, Mumbai at Maharashtra under the name, Ray Global Consumer Trading Private Limited. RCGTL was converted into a public limited company and consequently its name was changed to Ray Global Consumer Trading Limited *vide* a fresh certificate of incorporation dated March 3, 2020. The registered office of RGCTL is situated at Pokharan Road No. 1, Jekegram, Near Cadbury Junction, Thane, Maharashtra – 400 606. The corporate identity number of RGCTL is U74999MH2018PLC316376.

Nature of activities

In accordance with the provisions of the objects clause of its memorandum of association, RGCTL is permitted to engage in the business of buying, selling, or otherwise trading and dealing in all kinds of consumer products and accessories thereof including cosmetics, hair and body care products.

Nature and extent of interest of Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired.

In the transactions for acquisition of land, construction of building and supply of machinery

None of our Group Companies are interested in the transactions for acquisition of land, construction of building and supply of machinery entered into by our Company.

Related business transactions within our Group Companies and significance on the financial performance of our Company

Except as otherwise disclosed in "*Restated Consolidated Financial Information—Note* 41—*Related Parties Disclosures*", on page 294, there are no related business transactions within or with our Group Companies, which impact the financial performance of our Company.

Common pursuits

Except as disclosed in "*Our Business*" and "*Restated Consolidated Financial Information* – Note 41: Related Party Disclosures" on pages 162 and 294, respectively, none of our Group Companies are in the same line of business as our Company and our Subsidiaries and there are no common pursuits between our Group Companies and our Company and our Subsidiaries.

Business and other interests

Except as disclosed in "*Restated Consolidated Financial Information—Note* 41—*Related Parties Disclosures*", on page 294, our Group Companies do not have any business interest in our Company.

For further details on risks in relation to transactions being entered into with related parties, see "*Risk Factors – We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders*" on page 54.

Litigation

None of our Group Companies are a party to any pending litigation, which may have a material impact on our Company.

None of the Group Companies have equity shares listed on any stock exchange and our Group Companies have not made any public or rights issue in the last three years from the date of this Draft Red Herring Prospectus. Further, our Group Companies have not failed to list on any stock exchange in any recognised stock exchange in India or abroad.

DIVIDEND POLICY

Our Company has adopted a dividend policy pursuant to a resolution of our Board dated November 17, 2021.

The dividend, if any, will depend on a number of internal factors, including but not limited to our Company's profits earned during the financial year, accumulated reserves and distributable profits; working capital and capital expenditure requirement; financial commitments with respect to the borrowings undertaken/ proposed to be undertaken and interest thereon; financial requirements for business expansion and/or diversification; capital requirements for maintenance of appropriate capital adequacy ratio; provisioning for financial implications arising out of unforeseen events and/or contingencies; past dividend declaration trend of our Company; and such other factors and/ or material events which our Board may consider relevant. In addition, the dividend, if any, will also depend on a number of external factors including but not limited to legal requirements/ regulatory restrictions; macro-economic environment; business outlook for future years; government policies; and prevalent market practices.

Further, our Shareholders may not expect dividend in certain circumstances including broad adverse macro-economic scenario which may require our Board to retain a larger portion of profits to build up reserves; proposed expansion/ diversification plans requiring higher capital allocation; decision to undertake any acquisitions, amalgamation, merger, joint ventures etc. which requires significant capital outflow; subject to the discretion of the Board. Our Company may also, from time to time, pay interim dividends. For details in relation to risks involved in this regard, see "*Risk Factors - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.* " on page 58.

The details of dividend paid by our Company on the Equity Shares in the three months ended June 30, 2021, and the financial years ended March 31, 2021, March 31, 2020, and March 31, 2019 are set out in the following table:

Particulars	As of June 30, 2021	Financial Year		
		2021	2020	2019
Face value of Equity Share (in ₹)	Nil	Nil	Nil	Nil
Dividend amount (in ₹ million)	Nil	Nil	Nil	Nil
Number of Equity Shares (in million)	Nil	Nil	Nil	Nil
Total dividend per Equity Share (in ₹)	Nil	Nil	Nil	Nil
Rate of dividend on Equity Shares (%)	Nil	Nil	Nil	Nil
Dividend distribution tax (in ₹ million)	Nil	Nil	Nil	Nil
Mode of payment of dividend	Nil	Nil	Nil	Nil

SECTION V: FINANCIAL INFORMATION

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RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Price Waterhouse Chartered Accountants LLP

The Board of Directors
JK Files & Engineering Limited
(formerly known as JK Files (India) Limited)
New Hind House,
N.M. Marg, Ballard Estate,
Mumbai 400 001

Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the proposed Initial Public Offering of JK Files & Engineering Limited (formerly known as JK Files (India) Limited)

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated December 1, 2021.

2. We have examined the attached Restated Consolidated Financial Information, expressed in Indian Rupees in million of JK Files & Engineering Limited (formerly known as JK Files (India) Limited) (hereinafter referred to as the "Company" or the "Issuer") and its subsidiary (the Company and its subsidiary together referred to as the "Group") comprising:

   (a) the "Restated Consolidated Statement of Assets and Liabilities" as at June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 (enclosed as Annexure I);
   (b) the "Restated Consolidated Statement of Profit and Loss" for three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 (enclosed as Annexure II);
   (c) the "Restated Consolidated Statement of Changes in Equity" for three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 (enclosed as Annexure III);
   (d) the "Restated Consolidated Statement of Cash Flows" for three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 (enclosed as Annexure IV); and
   (e) the "Notes to the Restated Consolidated Financial Information" for three months ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 (enclosed as Annexure V)
   (f) the "Statement of Adjustments to Audited Special Purpose Consolidated Financial Statements" as at and for the three months ended June 30, 2021 and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 (enclosed as Annexure VI);

   (hereinafter together referred to as the "Restated Consolidated Financial Information"), prepared by the Management of the Company in connection with the proposed Initial Public Offering of Equity Shares of the Company (the "IPO" or "Issue") in accordance with the requirements of:

   i. Section 26 of the Companies Act, 2013 (the "Act") as amended from time to time,

   ii. Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and

   iii. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

   The said Restated Consolidated Financial Information has been approved by the Board of

Directors of the Company at their meeting held on December 1, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") and have been initialed by us for identification purposes only.

Management's Responsibility for the Restated Consolidated Financial Information

3. The preparation of the Restated Consolidated Financial Information, for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India (SEBI), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") in connection with the proposed IPO, is the responsibility of the Management of the Company. The Restated Consolidated Financial Information have been prepared by the Management of the Company in accordance with the basis of preparation stated in Note 1B(a)(i) to the Restated Consolidated Financial Information in Annexure V. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company and its subsidiary comply with the Act, SEBI ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

4. Our work has been carried out considering the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Section 26 of the Act, and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Issue.

5. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. Our examination of the Restated Consolidated Financial Information has not been carried out in accordance with the auditing standards generally accepted in the United States of America, standards of the Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report.

7. The Restated Consolidated Financial Information, expressed in Indian Rupees in million, has been prepared by the Company's Management from the audited special purpose consolidated financial statements of the Group as at and for the three months ended June 30, 2021 and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on November 30, 2021.

8. For the purpose of our examination, we have relied on the auditors' reports issued by us on the special purpose consolidated financial statements of the Group as at and for the three months ended June 30, 2021 and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 as referred in Paragraph 7 above, on which we issued an unmodified opinion vide our report dated November 30, 2021.

9. We have not audited any financial statements of the Group as of any date or for any period subsequent to June 30, 2021. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Group as of any date or for any period subsequent to June 30, 2021.

Opinion

10. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:
    a. have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note;
    b. have been prepared after incorporating adjustments in respect of changes in the accounting policies, material errors and regrouping/reclassifications, retrospectively (as disclosed in Annexure VI to Restated Consolidated Financial Information) to reflect the same accounting treatment as per the accounting policies as at and for the three months ended June 30, 2021 for all the reporting periods; and
    c. there were no qualifications in the auditors' reports which require any adjustments.

11. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the date of our report on the special purpose consolidated financial statements mentioned in paragraph 8 above.

12. This report should not in any way be construed as a re-issuance or re-dating of the previous audit report issued by us on the special purpose consolidated financial statements of the Group for the reporting periods.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restriction on Use

14. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Arunkumar Ramdas
Partner
Membership Number:
UDIN: 21112433AAAAFU9764

Place: Mumbai
Date: December 1, 2021

JK Files & Engineering Limited
(Formerly known as JK Files (India) Limited)
CIN: U27104MH1997PLC105955
Annexure I - Restated Consolidated Statement of Assets and Liabilities
(All amounts are in Rs. million, unless stated otherwise)

		Annexure V Note	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I	**ASSETS**					
	Non-current assets					
	(a) Property, plant and equipment	2(a)	439.81	449.97	523.31	542.08
	(b) Right of use assets	2(b)	130.53	134.09	148.31	162.33
	(c) Capital work - in - progress	2(c)	5.71	6.47	2.34	5.61
	(d) Goodwill	3(a)	7.94	7.94	7.94	7.94
	(e) Other intangible assets	3(b)	0.35	0.45	0.48	12.81
	(f) Financial assets					
	(i) Other financial assets	6	14.99	14.99	14.56	13.28
	(g) Deferred tax assets (net)	30(c)	19.32	21.55	30.42	48.54
	(h) Current tax assets (net) - non-current	30(b)	24.45	24.12	32.50	11.50
	(i) Other non-current assets	7	16.26	17.31	23.91	23.03
	Total non-current assets		**659.36**	**676.89**	**783.77**	**827.12**
	Current assets					
	(a) Inventories	8	1,008.29	862.88	608.86	496.10
	(b) Financial assets					
	(i) Investments	4	14.47	14.32	13.45	27.67
	(ii) Trade receivables	9	286.54	144.31	610.28	559.24
	(iii) Cash and cash equivalents	10(a)	6.80	43.47	0.76	0.42
	(iv) Bank balances other than (iii) above	10(b)	4.95	-	0.89	-
	(v) Loans	5	331.00	421.00	130.00	100.00
	(vi) Other financial assets	6	2.16	5.75	11.38	0.59
	(c) Other current assets	11	243.49	230.52	197.38	186.94
			1,897.70	**1,722.25**	**1,573.00**	**1,370.96**
	(d) Assets held for sale	12	10.58	10.58	10.58	10.58
	Total current assets		**1,908.28**	**1,732.83**	**1,583.58**	**1,381.54**
	TOTAL ASSETS		**2,567.64**	**2,409.72**	**2,367.35**	**2,208.66**
II	**EQUITY AND LIABILITIES**					
	Equity					
	(a) Equity share capital	13	87.41	87.41	87.41	87.41
	(b) Instruments entirely in the nature of equity	13	220.00	220.00	220.00	220.00
	(c) Other equity	14	814.32	718.89	480.93	337.04
	Equity attributable to owners of the Company		**1,121.73**	**1,026.30**	**788.34**	**644.45**
	Non-controlling interests	14	27.26	26.99	26.28	24.01
	Total equity		**1,148.99**	**1,053.29**	**814.62**	**668.46**
	Liabilities					
	Non-current liabilities					
	(a) Financial liabilities					
	(i) Borrowings	15	-	-	-	342.78
	(ii) Lease liabilities	2(b)	126.66	129.79	141.04	148.09
	(b) Deferred tax liabilities	30(c)	0.53	0.49	0.33	1.69
	Total non-current liabilities		**127.19**	**130.28**	**141.37**	**492.56**
	Current liabilities					
	(a) Financial Liabilities					
	(i) Borrowings	16	120.38	148.13	385.67	240.98
	(ii) Lease liabilities	2(b)	11.91	11.25	8.89	7.18
	(iii) Trade payables	17	619.76	525.75	589.54	443.25
	(iv) Other financial liabilities	18	214.70	200.44	188.55	157.87
	(b) Provisions	19	73.49	73.31	41.19	35.32
	(c) Current tax liabilities (net)	30(b)	9.41	-	-	-
	(d) Other current liabilities	20	241.81	267.27	197.52	163.04
	Total current liabilities		**1,291.46**	**1,226.15**	**1,411.36**	**1,047.64**
	Total liabilities		**1,418.65**	**1,356.43**	**1,552.73**	**1,540.20**
	TOTAL EQUITY AND LIABILITIES		**2,567.64**	**2,409.72**	**2,367.35**	**2,208.66**

The above Restated Consolidated Statement of Assets and Liabilities should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - V and Statement of Adjustments to Audited Special Purpose Consolidated Financial Statements appearing in Annexure - VI.

This is the Restated Consolidated Statement of Assets and Liabilities referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Arunkumar Ramdas
Partner
Membership No.: 112433

For and on behalf of Board of Directors

Balasubramanian V.
Managing Director
DIN: 05222476

Ravikant Uppal
Director
DIN: 00025970

Arun Agarwal
Chief Financial Officer

Akshat Chechani
Company Secretary

Mumbai
December 01, 2021

Mumbai
December 01, 2021

JK Files & Engineering Limited
(Formerly known as JK Files (India) Limited)
CIN: U27104MH1997PLC105955
Annexure II - Restated Consolidated Statement of Profit and Loss
(All amounts are in Rs. million, unless stated otherwise)

		Annexure V Note	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
I	**Revenue from operations**	21	1,104.79	3,442.55	3,759.86	4,013.33
II	**Other income**	22	14.01	54.08	60.61	24.72
III	**Total income (I+II)**		**1,118.80**	**3,496.63**	**3,820.47**	**4,038.05**
IV	**Expenses**					
	Cost of raw materials consumed	23	299.13	894.24	863.58	927.96
	Purchases of stock-in-trade	24	141.24	425.39	411.23	449.82
	Changes in inventories of work-in progress, finished goods and stock-in-trade	25	(61.27)	(230.48)	(23.65)	0.95
	Employee benefits expense	26	177.12	602.41	710.39	690.94
	Finance costs	27	7.47	37.02	72.43	105.11
	Depreciation and amortization expense	28	24.51	97.16	103.45	116.35
	Net impairment losses (including reversals) on financial assets	38	(2.02)	(15.98)	(1.70)	36.81
	Other expenses	29	404.14	1,343.43	1,470.43	1,458.61
	Total expenses (IV)		**990.32**	**3,153.19**	**3,606.16**	**3,786.55**
V	**Restated profit before exceptional items and tax (III-IV)**		**128.48**	**343.44**	**214.31**	**251.50**
VI	**Exceptional Items**	45	-	-	-	2.91
VII	**Restated profit before tax (V-VI)**		**128.48**	**343.44**	**214.31**	**248.59**
VIII	**Tax expense**	30(a)				
	Current tax		30.13	78.72	54.53	78.63
	Deferred tax		2.27	9.03	16.76	2.09
	Total tax expenses (VIII)		**32.40**	**87.75**	**71.29**	**80.72**
IX	**Restated profit for the period / year (VII- VIII)**		**96.08**	**255.69**	**143.02**	**167.87**
X	**Restated other comprehensive income / (loss)**					
	Items that will not be reclassified to profit or loss					
	- Remeasurements of defined benefit plans	31	(0.49)	(22.11)	4.21	8.60
	- Income tax relating to items that will not be reclassified to profit/loss		0.11	5.09	(1.07)	(2.99)
	Restated other comprehensive income / (loss) for the period / year, net of tax		**(0.38)**	**(17.02)**	**3.14**	**5.61**
XI	**Restated total comprehensive income for the period / year (IX+X)**		**95.70**	**238.67**	**146.16**	**173.48**
	Restated total comprehensive income for the period / year (comprising profit and other comprehensive income for the period / year) attributable to:					
	Owners of the parent		95.43	237.96	143.89	171.36
	Non-controlling interests		0.27	0.71	2.27	2.12
			95.70	**238.67**	**146.16**	**173.48**
	Of the total comprehensive income above, restated profit attributable to:					
	Owners of the parent		95.86	254.60	140.72	165.76
	Non-controlling interests		0.22	1.09	2.30	2.11
			96.08	**255.69**	**143.02**	**167.87**
	Of the total comprehensive income above, restated other comprehensive income / (loss) attributable to:					
	Owners of the parent		(0.43)	(16.64)	3.17	5.60
	Non-controlling interests		0.05	(0.38)	(0.03)	0.01
			(0.38)	**(17.02)**	**3.14**	**5.61**
XII	**Restated earnings per equity share attributable to owners of parent**	33				
	Basic earnings per share (in Rs.)		1.83	4.85	2.68	3.16
	Diluted earnings per share (in Rs.)		1.56	4.13	2.28	2.69

The above Restated Consolidated Statement of Profit and Loss should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - V and Statement of Adjustments to Audited Special Purpose Consolidated Financial Statements appearing in Annexure - VI.

This is the Restated Consolidated Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

For and on behalf of Board of Directors

Arunkumar Ramdas
Partner
Membership No.: 112433

Balasubramanian V.
Managing Director
DIN: 05222476

Ravikant Uppal
Director
DIN: 00025970

Arun Agarwal
Chief Financial Officer

Akshat Chechani
Company Secretary

Mumbai
December 01, 2021

Mumbai
December 01, 2021

JK Files & Engineering Limited
(Formerly known as JK Files (India) Limited)
CIN: U27104MH1997PLC105955
Annexure III - Restated Consolidated Statement of Changes in Equity
(All amounts are in Rs. million, unless stated otherwise)

A. Equity Share Capital and Instruments entirely equity in nature

	Annexure V Note	Equity Share Capital	Instruments entirely in the nature of equity
As at April 01, 2018	13	87.41	220.00
Change during the year		-	-
As at March 31, 2019	13	87.41	220.00
Change during the year		-	-
As at March 31, 2020	13	87.41	220.00
Change during the year		-	-
As at March 31, 2021	13	87.41	220.00
Change during the period		-	-
As at June 30, 2021	13	87.41	220.00

There are no Changes in Equity Share Capital and Instruments entirely equity in nature due to prior period errors.

B. Other Equity

	Reserves and surplus		Total Other Equity attributable to owners of parent	Non-controlling interests	Total
	Securities Premium	Retained Earnings			
Balance as at April 01, 2018	31.45	134.23	165.68	21.89	187.57
Restated profit for the year	-	165.76	165.76	2.11	167.87
Restated other comprehensive income for the year	-	5.60	5.60	0.01	5.61
Restated total comprehensive income for the year	-	171.36	171.36	2.12	173.48
Balance as at March 31, 2019	31.45	305.59	337.04	24.01	361.05
Restated Profit for the year	-	140.72	140.72	2.30	143.02
Restated other comprehensive income / (loss) for the year	-	3.17	3.17	(0.03)	3.14
Restated total comprehensive income for the year	-	143.89	143.89	2.27	146.16
Balance as at March 31, 2020	31.45	449.48	480.93	26.28	507.21
Restated Profit for the year	-	254.60	254.60	1.09	255.69
Restated other comprehensive income / (loss) for the year	-	(16.64)	(16.64)	(0.38)	(17.02)
Restated total comprehensive income for the year	-	237.96	237.96	0.71	238.67
Balance as at March 31, 2021	31.45	687.44	718.89	26.99	745.88
Restated Profit for the period	-	95.86	95.86	0.22	96.08
Restated other comprehensive income / (loss) for the period	-	(0.43)	(0.43)	0.05	(0.38)
Restated total comprehensive income for the period	-	95.43	95.43	0.27	95.70
Balance as at June 30, 2021	31.45	782.87	814.32	27.26	841.58

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The above Restated Consolidated Statement of Changes in Equity should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - V and Statement of Adjustments to Audited Special Purpose Consolidated Financial Statements appearing in Annexure - VI.

This is the Restated Consolidated Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Arunkumar Ramdas
Partner
Membership No.: 112433

Mumbai
December 01, 2021

For and on behalf of Board of Directors

Balasubramanian V.
Managing Director
DIN: 05222476

Ravikant Uppal
Director
DIN: 00025970

Arun Agarwal
Chief Financial Officer

Akshat Chechani
Company Secretary

Mumbai
December 01, 2021

JK Files & Engineering Limited
(Formerly known as JK Files (India) Limited)
CIN: U27104MH1997PLC105955

Annexure IV - Restated Consolidated Statement of Cash Flows
(All amounts are in Rs. million, unless stated otherwise)

		Three months ended June 30, 2021		Year ended March 31, 2021		Year ended March 31, 2020		Year ended March 31, 2019	
A.	**Cash flow from operating activities**								
	Restated profit before tax		128.48		343.44		214.31		248.59
	Adjustment for :								
	Depreciation and amortisation expenses	24.51		97.16		103.45		116.35	
	Net (gain) / loss on disposal/discard of property, plant and equipment	-		(0.23)		0.06		1.02	
	Interest income	(9.42)		(30.15)		(17.64)		(15.27)	
	Finance costs	7.47		37.02		72.43		105.11	
	Unrealised (gain) / loss on foreign exchange fluctuations	(6.15)		(4.11)		(34.11)		6.42	
	Net (gain) / loss on sale / fair valuation of investments	(0.16)		(0.87)		1.72		(2.17)	
	Loss Allowances / (write back)	(2.02)		(15.98)		(1.70)		36.81	
			14.23		82.84		124.21		248.27
	Operating profit before changes in operating assets and liabilities		142.71		426.28		338.52		496.86
	<u>Changes in operating assets and liabilities</u>								
	(Increase) in inventory	(145.41)		(254.02)		(112.76)		(110.08)	
	Decrease/(Increase) in trade receivables	(134.26)		485.02		(18.56)		10.67	
	Decrease/(Increase) in other financial assets	(5.41)		9.48		(10.98)		(5.44)	
	Decrease/(Increase) in other assets	(12.68)		(25.71)		(10.31)		67.54	
	Increase/ (Decrease) in trade payables	95.12		(60.99)		158.19		(82.85)	
	Increase/ (Decrease) in trade financial liabilities	(2.20)		84.46		27.01		(21.39)	
	Increase/ (Decrease) in trade liabilities	(9.33)		(4.51)		(2.87)		(11.86)	
	Increase/ (Decrease) in provisions	(0.31)		10.01		10.08		(1.42)	
			(214.48)		243.74		39.80		(154.83)
			(71.77)		670.02		378.32		342.03
	Less: Income taxes paid (Net)		(20.94)		(66.42)		(77.23)		(66.19)
	Net cash flows generated from / (used in) operating activities		**(92.71)**		**603.60**		**301.09**		**275.84**
B.	**Cash flows from Investing Activities**								
	Proceeds from repayment of inter corporate deposit by related parties		90.00		-		-		200.00
	Proceeds from sale of property, plant & equipment		-		6.15		32.88		101.33
	Proceeds from sale of current investments		-		-		12.50		100.00
	Interest received		13.47		26.76		15.66		15.34
	Purchase of property, plant & equipment (including capital work-in-progress and capital advances)		(9.72)		(20.13)		(56.92)		(19.94)
	Inter Corporate Deposit placed with group companies		-		(291.00)		(30.00)		(300.00)
	Net cash flows generated from / (used in) investing activities		**93.75**		**(278.22)**		**(25.88)**		**96.73**
C.	**Cash flows from Financing Activities**								
	Repayment of long term borrowings		-		-		(342.78)		-
	Proceeds / (Repayment) of Short term borrowings (net)		(27.75)		(237.54)		144.69		(264.03)
	Principal element of lease payments		(2.47)		(8.89)		(5.34)		(7.19)
	Interest on lease liabilities		(3.85)		(16.02)		(17.39)		(17.58)
	Interest paid - others		(3.64)		(20.22)		(54.05)		(85.69)
	Net cash flows used in financing activities		**(37.71)**		**(282.67)**		**(274.87)**		**(374.49)**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		(36.67)		42.71		0.34		(1.92)
	Cash and Cash Equivalents at the beginning of the period / year		43.47		0.76		0.42		2.34
	Cash and Cash Equivalents as at the end of the period / year (Refer note 10(a))		**6.80**		**43.47**		**0.76**		**0.42**

JK Files & Engineering Limited
(Formerly known as JK Files (India) Limited)
CIN: U27104MH1997PLC105955
Annexure IV - Restated Consolidated Statement of Cash Flows
(All amounts are in Rs. million, unless stated otherwise)

Non-cash financing and investing activities

		Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	Acquisition of right-of-use assets	-	-	1.12	-

The above Restated Consolidated Statement of Cash Flows should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - V and Statement of Adjustments to Audited Special Purpose Consolidated Financial Statements appearing in Annexure - VI.

This is the Restated Consolidated Statement of Cash Flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Arunkumar Ramdas
Partner
Membership No.: 112433

Mumbai
December 01, 2021

For and on behalf of the Board of Directors

Balasubramanian V.
Managing Director
DIN: 05222476

Ravikant Uppal
Director
DIN: 00025970

Arun Agarwal
Chief Financial Officer

Akshat Chechani
Company Secretary

Mumbai
December 01, 2021

1 A. Corporate Information

JK Files & Engineering Limited (formerly known as JK Files (India) Limited) ("Holding Company" or "the Company") is a public company limited by shares and domiciled in India. The Company and its subsidiary (together referred to as "the Group") deals in tools and hardware having manufacturing facilities at Chiplun, Ratnagiri, Pithampur and Vapi. The Registered office of the Company is situated at New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai - 400 001.

1 B. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the Restated Consolidated Financial Information. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of Preparation

(i) The Restated Consolidated Financial Information of the Group comprises of the Restated Consolidated Statement of Assets and Liabilities as at June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity and Restated Consolidated Statement of Cash Flows for the period ended June 30, 2021, years ended March 31, 2021, March 31, 2020 and March 31, 2019, Notes to the Restated Consolidated Financial Information and Statement of Adjustments to Audited Consolidated Financial Statements (collectively, the 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited in connection with proposed Initial Public Offering ("IPO") of its equity shares.

The Restated Consolidated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
a) Section 26 of the Companies Act, 2013 ("the Act") as amended from time to time;
b) Paragraph A of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Consolidated Financial Information have been prepared from the audited special purpose consolidated financial statements of the Group as at and for the three months period ended June 30, 2021 and as at and for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 which were prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Holding Company at their meeting held on November 30, 2021.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of restated consolidated financial information for the three months ended June 30, 2021. These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the auditor's report on the audited special purpose consolidated financial statements mentioned above.

The Restated Consolidated Financial Information:
a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors, if any, and regrouping/reclassifications retrospectively in the years ended March 31, 2021, March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the period ended June 30, 2021.
b) do not require any adjustment for qualification as there are no qualifications in the underlying audit reports.

(ii) New and amended standards adopted by the Group

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The Group has applied the following amendments to the Schedule III Division II of the Companies Act, 2013 while preparing the restated consolidated financial information:
- Additional disclosures related to ageing of trade receivables, trade payables, unbilled revenue, capital work in progress, intangibles under developments etc.
- Additional disclosures related to title deeds of immovable properties, ratios, corporate social responsibility, loans given, utilisation of borrowed funds and securities premium, reconciliation of returns submitted to banks with books of accounts, delay in registration of charges outstanding, promoters shareholding, relationship with struck off companies, surrendered income, revaluation of Property, plant and equipment and valuation of investment properties, surrendered income etc.
- Presentation of security deposits and current maturities of long term debt in the restated consolidated financial information.

The Group has applied the above amendments to the extent applicable to this Restated Consolidated Financial Information.

(iii) Historical cost convention

The Restated Consolidated Financial Information have been prepared on a historical cost basis, except for the following:
1) certain financial assets and liabilities (including derivative instruments) are measured at fair value;
2) assets held for sale – measured at lower of book value or fair value less cost to sell; and
3) defined benefit plans – plan assets measured at fair value.

(iv) Current / non-current classification

All assets and liabilities have been classified as current or non-current as per the normal operating cycle (twelve months) and other criteria set out in the Schedule III (Division II) to the Act.

(v) Rounding of amounts

All the amounts included in the Restated Consolidated Financial Information are presented in Indian Rupees ('Rupees' or 'Rs.' or 'INR') and are rounded to the nearest million with two decimal places, unless otherwise stated.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the Restated Consolidated Financial Information are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Principles of Consolidation

Subsidiaries:
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combination by the Group. The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary are same as those adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Restated Consolidated Statement of Profit and Loss, Restated Consolidated Statement of Changes in Equity and Restated Consolidated Statement of Assets and Liabilities respectively.

(d) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income / other expenses.

Depreciation methods, estimated useful lives and residual value

Depreciation on Factory Buildings and Plant and Equipment is provided on a straight line method and in case of other assets on written down value method, net of their residual values, over the estimated useful lives of assets. Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and group believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for plant and machinery, useful life for which is based on an independent technical evaluation has been estimated as 24 years from the date of acquisition (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

The estimated useful lives of the property, plant and equipment are:

Class of Asset	Useful life
Buildings	60 years
Plant and machinery	24 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers	3 years

The residual values are not more than 5% of the original cost of the asset. The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(e) Intangible assets

Goodwill generated as part of business combination is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Computer software
Computer softwares are stated at cost, less accumulated amortisation and impairments, if any.

Trademarks
Trademarks acquired separately are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation method

The Group amortizes intangible assets with a future useful life using the straight-line method over following period:

Class of assets Useful life
- Computer Software : 3 years
- Trademark : 10 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income / other expenses.

(f) Leases

As a lessee

Leases are recognised as a right-of-use asset ("ROU") and a corresponding lease liability at the date at which leased asset is available for use by the Group for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term leases and leases of low value assets, the Group recognises the lease payments as an expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs and restoration costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments which includes principal and finance cost component. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

To determine the incremental borrowing rate, the Group where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

(g) Cash and Cash Equivalents

For the purpose of presentation in the Restated Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and certain cash credit facilities that form an integral part of the Group's cash management.

(h) Inventories

Inventories of raw materials, stock in trade, stores and spares, work-in-progress, and finished goods are stated at cost or net realisable value, whichever is lower'. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Cost formula used is 'Weighted Average cost'. Slow-moving, non-moving and defective inventories are identified and wherever necessary, provision is made for such inventories considering various factors such as likely usage, obsolescence etc. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

* those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss,) and

* those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

Financial assets are initially recognised when the Group becomes party to the contractual provisions of the instrument.

(iii) Measurement
At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the profit or loss are expensed in profit or loss.

Debt instruments:
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group measures its debt instruments in following categories:

▪ Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included within other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / other expenses. Impairment losses are presented as separate line item in the statement of profit and loss.

▪ Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net with other income / other expenses in the period in which it arises.

(iv) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Note 38 details how the Group determines whether there has been a significant increase in credit risk.

(v) Derecognition of financial assets
A financial asset is derecognised only when:
• the Group has transferred the rights to receive cash flows from the financial asset or
• retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

(vi) Income recognition
Interest income

Interest income from debt instruments is recognised using the effective interest rate method to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividends
Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

(l) Contributed Equity

Equity shares are classified as equity. Convertible instruments such as preference shares that will be or are expected to be settled in the Company’s own equity instruments are classified as equity if they are expected to be settled into a fixed number of equity shares.

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

(m) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(n) Derivative financial instruments

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

(o) Offsetting financial instruments

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

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(q) Borrowing costs

Interest and other borrowing costs attributable to the acquisition, construction or production of a qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other interest and borrowing costs are charged to profit or loss.

(r) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in profit or loss.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Material contingent liabilities are disclosed in the Restated Consolidated Financial Information unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the Restated Consolidated Financial Information unless it is virtually certain that the future event will confirm the asset's existence and the asset will be realised.

(s) Revenue from contracts with customers

(i) Sale of Goods
Sales are recognised when the control of the goods has been transferred to customer which is generally on delivery of goods and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for the acceptance have been satisfied.

The goods are sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a normal credit period, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Sales of Services
Revenue from sale of services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Cash received before the goods and services are delivered is recognised as a contract liability.

(iii) Financing Components
The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(t) Employee benefits

(i) Short-term Employee Benefits:
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Defined Contribution Plans
The Group pays provident fund contributions etc. to publicly administered provident and other funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are incurred.

(iii) Post-employment obligations
Defined Benefit Plans
The liability or asset recognised at each the balance sheet date in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Restated Consolidated Statement of Profit or Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in profit or loss as past service cost.

(iv) Other long-term employee benefit obligations
The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(v) Termination benefits
Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b)when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(u) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated Consolidated Financial Information are presented in Indian rupee (INR), which is JK Files (India) Limited's functional and presentation currency.

(ii) Transactions and balances
Transactions in foreign currencies are recognised at the prevailing exchange rates on the respective transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in profit or loss.
Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in profit or loss.

(v) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the jurisdiction where the Company and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the Restated Consolidated Financial Information. However, deferred tax liabilities are not accounted if they arise from initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related defer income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(w) Earnings Per Share

Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(x) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of Company has appointed a Chief Executive Officer which assesses the financial performance and position of the Group, and makes strategic decisions.

(y) Impairment of non-financial assets:

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(z) Non- current assets (or disposal groups) held for sale :

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (or disposal groups) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

(aa) Exceptional Item:

Exceptional item is an item of income or expense within the Statement of Profit and Loss, which is of such size, nature and incidence that its disclosure is relevant to explain the performance of the Group for the period. The nature and amount of such item is disclosed separately in the Statement of Profit and Loss.

(ab) Government Grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(ac) Business Combinations:

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Business combinations arising from transfers of interests in entities that are under common control are accounted for at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

1 C. Critical estimates and judgements

The preparation of Restated Consolidated Financial Information requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Restated Consolidated Financial Information.

The areas involving critical estimates are:

- Estimation of Defined benefit obligation - Measurement of defined benefit obligation and related plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality. (Refer Note 31)
- Inventory write down - Inventory write downs are assessed based on slow-moving, non-moving and defective inventories considering various factors such as likely usage, obsolescence etc. (Refer Note 8)
- Impairment of trade receivable - The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation. (Refer Note 9 and 38)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

JK Files & Engineering Limited
(Formerly known as JK Files (India) Limited)
CIN: U27104MH1997PLC105955
Annexure V - Notes to the Restated Consolidated Financial Information
(All amounts are in Rs. million, unless stated otherwise)

Note 2(a)- Property, Plant and Equipment

	Freehold	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Gross carrying amount								
As at April 01, 2018	**3.55**	**194.85**	**615.57**	**11.56**	**2.87**	**3.18**	**14.96**	**846.54**
Reclassification of assets held for sale (Refer note 12)	(3.55)	(11.99)	-	-	-	-	-	(15.54)
Additions	-	4.84	19.12	0.60	-	1.57	1.00	27.13
Disposals / Adjustments	-	-	4.09	-	0.01	-	0.24	4.34
As at March 31, 2019	**-**	**187.70**	**630.60**	**12.16**	**2.86**	**4.75**	**15.72**	**853.79**
Additions	-	4.67	50.86	0.58	-	0.99	1.08	58.18
Disposals / Adjustments	-	0.40	2.48	-	0.12	0.25	0.40	3.65
As at March 31, 2020	**-**	**191.97**	**678.98**	**12.74**	**2.74**	**5.49**	**16.40**	**908.32**
Additions	-	0.16	12.90	0.11	-	0.06	1.62	14.85
Disposals / Adjustments	-	-	5.65	-	0.13	-	-	5.78
As at March 31, 2021	**-**	**192.13**	**686.23**	**12.85**	**2.61**	**5.55**	**18.02**	**917.39**
Additions	-	0.01	5.19	-	4.40	0.39	0.70	10.69
Disposals / Adjustments	-	-	-	-	-	-	-	-
As at June 30, 2021	**-**	**192.14**	**691.42**	**12.85**	**7.01**	**5.94**	**18.72**	**928.08**
Accumulated depreciation								
As at April 01, 2018	**-**	**26.79**	**194.19**	**6.70**	**1.82**	**2.21**	**10.99**	**242.70**
Reclassification of assets held for sale (Refer note 12)	-	(4.96)	-	-	-	-	-	(4.96)
Charge for the year	-	7.63	65.50	1.26	0.22	0.28	1.67	76.56
Disposals / Adjustments	-	-	2.38	-	0.01	-	0.20	2.59
As at March 31, 2019	**-**	**29.46**	**257.31**	**7.96**	**2.03**	**2.49**	**12.46**	**311.71**
Charge for the year	-	10.37	61.57	1.26	0.23	1.01	1.17	75.61
Disposals / Adjustments	-	0.02	1.73	-	0.10	0.08	0.38	2.31
As at March 31, 2020	**-**	**39.81**	**317.15**	**9.22**	**2.16**	**3.42**	**13.25**	**385.01**
Charge for the year	-	8.64	71.19	0.92	0.15	0.74	0.93	82.57
Disposals / Adjustments	-	-	0.06	-	0.10	-	-	0.16
As at March 31, 2021	**-**	**48.45**	**388.28**	**10.14**	**2.21**	**4.16**	**14.18**	**467.42**
Charge for the period	-	2.29	17.66	0.16	0.33	0.11	0.30	20.85
Disposals / Adjustments	-	-	-	-	-	-	-	-
As at June 30, 2021	**-**	**50.74**	**405.94**	**10.30**	**2.54**	**4.27**	**14.48**	**488.27**
Net carrying amount								
As at March 31, 2019	**-**	**158.24**	**373.29**	**4.20**	**0.83**	**2.26**	**3.26**	**542.08**
As at March 31, 2020	**-**	**152.16**	**361.83**	**3.52**	**0.58**	**2.07**	**3.15**	**523.31**
As at March 31, 2021	**-**	**143.68**	**297.95**	**2.71**	**0.40**	**1.39**	**3.84**	**449.97**
As at June 30, 2021	**-**	**141.40**	**285.48**	**2.55**	**4.47**	**1.67**	**4.24**	**439.81**

Notes:
1) Refer note 34 for information on property, plant and equipment pledged as security by the Group.
2) Refer note 36 for disclosure of contractual commitments for acquisition of property, plant and equipment .

(All amounts are in Rs. million, unless stated otherwise)

Note 2(b)- Leases

This note provides information for leases where the Group is a lessee. The Group has leasehold land ranging from 95 to 99 years. The Group has also leased offices, factories and warehouses for which lease terms range from 11 months to 5 years.

(i) Amounts recognised in Restated Consolidated Statement of Assets and Liabilities

Set out below are the carrying amounts of right of use assets recognised and movements during the year:

Particulars	Leasehold Land	Buildings	Total right of use assets
I. Gross carrying amount			
As at April 01, 2018	**41.14**	**135.90**	**177.04**
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2019	**41.14**	**135.90**	**177.04**
Additions	-	1.12	1.12
Disposals / Adjustments	-	-	-
As at March 31, 2020	**41.14**	**137.02**	**178.16**
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at March 31, 2021	**41.14**	**137.02**	**178.16**
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at June 30, 2021	**41.14**	**137.02**	**178.16**
II. Accumulated depreciation			
As at April 01, 2018	-	-	-
Charge for the year	0.64	14.07	14.71
Disposals / Adjustments	-	-	-
As at March 31, 2019	**0.64**	**14.07**	**14.71**
Charge for the year	0.64	14.50	15.14
Disposals / Adjustments	-	-	-
As at March 31, 2020	**1.28**	**28.57**	**29.85**
Charge for the year	0.64	13.58	14.22
Disposals / Adjustments	-	-	-
As at March 31, 2021	**1.92**	**42.15**	**44.07**
Charge for the period	0.16	3.40	**3.56**
Disposals / Adjustments	-	-	-
As at June 30, 2021	**2.08**	**45.55**	**47.63**
Net carrying value			
As at March 31, 2019	**40.50**	**121.83**	**162.33**
As at March 31, 2020	**39.86**	**108.45**	**148.31**
As at March 31, 2021	**39.22**	**94.87**	**134.09**
As at June 30, 2021	**39.06**	**91.47**	**130.53**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Lease Liabilities				
Current	11.91	11.25	8.89	7.18
Non-current	126.66	129.79	141.04	148.09
Total	**138.57**	**141.04**	**149.93**	**155.27**

(ii) Amounts recognised in the Restated Consolidated Statement of Profit and loss

The restated consolidated statement of profit or loss shows the following amounts relating to leases:

Particulars	Note	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of right-of-use assets	28				
- Leasehold Land		0.16	0.64	0.64	0.64
- Buildings		3.40	13.58	14.50	14.07
Interest expense (included in finance costs)	27	3.85	16.02	17.39	17.58
Expense relating to short-term leases (included in other expenses)	29(b)	4.89	18.17	16.28	16.53

The total cash outflow for leases for three months ended June 30, 2021: 11.21 million; the year ended March 31, 2021 was Rs 43.08 million; March 31, 2020 Rs 39.01 million; March 31, 2019 Rs. 41.30 million (including short term lease payments).

(iii) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

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Note 2(c)- Capital work - in - progress (CWIP)

	CWIP
Balance as at April 01, 2018	**5.94**
Additions	23.63
Capitalization	23.96
Balance as at March 31, 2019	**5.61**
Additions	52.26
Capitalization	55.53
Balance as at March 31, 2020	**2.34**
Additions	17.19
Capitalization	13.06
Balance as at March 31, 2021	**6.47**
Additions	4.44
Capitalization	5.20
Balance as at June 30, 2021	**5.71**

Notes:
i) CWIP ageing schedule

Projects in progress

Particulars	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
As at June 30, 2021	5.39	0.32	-	-	5.71
As at March 31, 2021	6.46	0.01	-	-	6.47
As at March 31, 2020	2.34	-	-	-	2.34
As at March 31, 2019	5.61	-	-	-	5.61

ii) Actual cost of capital projects in progress has not exceeded the estimated cost and the actual timelines for completion of projects has not exceeded the estimated timelines in respect of the amounts reported above, as at the end of each reporting period. Accordingly, completion schedule is not presented.

iii) CWIP majorly comprises of machinery which are pending installation.

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Note 3(a) - Goodwill

Goodwill was recognised on demerger of files and tools division of Raymond Limited into the Company in earlier years. The goodwill is allocated to the single CGU in which the Company operates i.e., tools and hardware.
The carrying amount of goodwill is as follows:

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Goodwill	7.94	7.94	7.94	7.94
Total	**7.94**	**7.94**	**7.94**	**7.94**

The Group has performed an impairment assessment for period ended June 30, 2021 and years ended March 31, 2021, March 31, 2020 and March 31, 2019, considering profits earned by CGU being significantly higher than carrying amount of goodwill for all the period and years covered above, thus. no impairment on goodwill has been recognised.

Note 3(b)- Other Intangible assets

	Computer Software	Brands and trademarks	Total
Gross carrying amount			
As at April 01, 2018	**3.40**	**112.50**	**115.90**
Additions	0.39	-	0.39
Disposals / Adjustments	-	-	-
As at March 31, 2019	**3.79**	**112.50**	**116.29**
Additions	0.37	-	0.37
Disposals / Adjustments	-	-	-
As at March 31, 2020	**4.16**	**112.50**	**116.66**
Additions	0.34	-	0.34
Disposals / Adjustments	-	-	-
As at March 31, 2021	**4.50**	**112.50**	**117.00**
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at June 30, 2021	**4.50**	**112.50**	**117.00**
Accumulated amortisation			
As at April 01, 2018	**3.40**	**75.00**	**78.40**
Charge for the year	0.08	25.00	25.08
Disposals / Adjustments	-	-	-
Accumulated amortisation as at March 31, 2019	**3.48**	**100.00**	**103.48**
Charge for the year	0.20	12.50	12.70
Disposals / Adjustments	-	-	-
Accumulated amortisation as at March 31, 2020	**3.68**	**112.50**	**116.18**
Charge for the year	0.37	-	0.37
Disposals / Adjustments	-	-	-
Accumulated amortisation as at March 31, 2021	**4.05**	**112.50**	**116.55**
Charge for the period	0.10	-	0.10
Disposals / Adjustments	-	-	-
Accumulated amortisation as at June 30, 2021	**4.15**	**112.50**	**116.65**
Net carrying amount			
As at March 31, 2019	**0.31**	**12.50**	**12.81**
As at March 31, 2020	**0.48**	**-**	**0.48**
As at March 31, 2021	**0.45**	**-**	**0.45**
As at June 30, 2021	**0.35**	**-**	**0.35**

(All amounts are in Rs. million, unless stated otherwise)

Note-4 Investments

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Current				
Investments in Mutual Fund				
Unquoted				
5,412.5550 (March 31, 2021 : 5,412.5550; March 31, 2020 : 5,412.5550; March 31, 2019: 10,632.1750) Units of UTI Treasury Advantage Fund Growth Plan	**14.47**	**14.32**	**13.45**	**27.67**
Total	**14.47**	**14.32**	**13.45**	**27.67**
Aggregate amount of unquoted investment	**14.47**	**14.32**	**13.45**	**27.67**

Note-5 Loans

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Current				
Loans to related parties (Refer Note 41 & Note (i) below)	331.00	421.00	130.00	100.00
	331.00	**421.00**	**130.00**	**100.00**

Note:-
(i) Disclosure as per section 186(4) of the Act

Particulars	Rate of Interest	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Raymond Luxury Cotton Limited	9.00%	-	200.00	-	-
Raymond Apparel Limited *	8.50%	230.00	120.00	30.00	100.00
Raymond UCO Denim Private Limited, India *	8.50%	100.00	100.00	100.00	-
Ray Global Consumer Trading limited	8.50%	1.00	1.00	-	-
Total Loans to related parties		**331.00**	**421.00**	**130.00**	**100.00**

* These loans have been repaid by the respective companies on September 28, 2021.

The Loan has been utilised for meeting their working capital requirement.

(ii) There are no loans or advances in the nature of loans outstanding as at June 30, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, granted to promoters, directors, key managerial personnels and other related parties, which are repayable on demand or granted without specifying any terms or period of repayment.

(iii) Break-up of security details

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Considered good - Secured	-	-	-	-
Considered good - Unsecured	331.00	421.00	130.00	100.00
Loans which have significant increase in credit risk	-	-	-	-
Loans credit impaired	-	-	-	-
Total	**331.00**	**421.00**	**130.00**	**100.00**

(All amounts are in Rs. million, unless stated otherwise)

Note-6 Other financial assets

Unsecured, considered good (unless otherwise stated)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Non-current				
Security deposits	14.94	14.94	14.51	13.23
Margin money deposit with banks*	0.05	0.05	0.05	0.05
Total	**14.99**	**14.99**	**14.56**	**13.28**

*Held as lien with Gujarat Irrigation Department

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Current				
Security deposits	0.03	0.03	0.03	-
Derivative financial instruments (Refer Note 38)	0.28	-	-	0.27
Receivable from related parties (Refer Note 41)	8.58	8.40	17.42	8.35
Less: Allowance for doubtful receivable	(8.37)	(8.37)	(8.37)	(8.35)
Interest accrued	1.64	5.69	2.30	0.32
Total	2.16	5.75	11.38	0.59

Note-7 Other non-current assets

Unsecured, considered good (unless otherwise stated)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Capital advances	2.24	3.00	2.18	1.17
Less: Allowance for doubtful advances	(0.38)	(0.38)	(0.38)	(0.38)
VAT refundable	8.23	8.23	15.15	15.15
Deposits with government authorities	6.17	6.46	6.96	7.09
Total	**16.26**	**17.31**	**23.91**	**23.03**

(All amounts are in Rs. million, unless stated otherwise)

Note-8 Inventories

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Raw materials	208.34	133.05	114.09	50.47
Raw material in transit	17.66	16.79	17.81	-
Work-in-progress	224.97	215.82	150.18	124.52
Finished goods	326.89	343.13	181.62	157.13
Stock-in-trade	168.90	90.08	90.87	105.64
Stock-in-trade in transit	4.52	14.98	10.86	22.59
Stores and spares	57.01	49.03	43.43	35.75
Total	**1,008.29**	**862.88**	**608.86**	**496.10**

Write-down of inventories are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value and in case of reversal of write-down are mainly on account of commodity price movement (steel) and changes in market demand pattern due to changes in market dynamics. Reversal of write-down inventories amounted to Rs. 31.62 million for the three months ended June 30, 2021 (Write-down Rs. 27.79 million and Rs. 21.26 million for the year ended March 31, 2021 and year ended March 31, 2020, respectively) (Reversal of write-down Rs. 36.51 million for the year ended March 31,2019). These write- downs or reversal thereof were recognised as expenses / reduction of expenses and included in 'Raw material consumed', 'changes in value of inventories of finished goods, stock- in -trade and work -in-progress' and 'consumption of stores and spares' in the Restated Consolidated Statement of Profit and Loss.

Note-9 Trade receivables

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Trade Receivables from related parties (Refer note 41)	37.86	36.22	45.67	52.59
Trade Receivables for others customers	290.77	152.20	625.02	569.96
Less: Loss allowances	(42.09)	(44.11)	(60.41)	(63.31)
Total receivables	**286.54**	**144.31**	**610.28**	**559.24**

Break-up of security details

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Considered good, Secured	20.31	13.19	24.53	20.44
Considered good, Unsecured	308.32	175.23	646.16	602.11
Receivables which have significant increase in credit risk	-	-	-	-
Receivables credit impaired	-	-	-	-
Total	**328.63**	**188.42**	**670.69**	**622.55**
Less: Loss allowances	(42.09)	(44.11)	(60.41)	(63.31)
Total trade receivables	**286.54**	**144.31**	**610.28**	**559.24**

Note:
Trade Receivable (considered good) ageing schedule

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at June 30, 2021	235.84	47.88	0.55	0.26	0.48	43.62	328.63
As at March 31, 2021	135.91	7.76	0.04	0.46	0.58	43.67	188.42
As at March 31, 2020	280.77	326.87	9.39	1.04	23.93	28.69	670.69
As at March 31, 2019	340.59	219.39	3.46	29.61	28.62	0.88	622.55

There are no disputed trade receivables.

(All amounts are in Rs. million, unless stated otherwise)

Note-10 (a) Cash and cash equivalents

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Balances with banks				
- In current accounts	4.03	40.71	0.50	0.22
- In deposit accounts	2.50	2.50	-	-
Cash on hand	0.27	0.26	0.26	0.20
Total	**6.80**	**43.47**	**0.76**	**0.42**

Note-10 (b) Bank balances other than 10(a) above

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Deposits with maturity of more than three months but less than 12 months	4.95	-	0.89	-
Total	**4.95**	**-**	**0.89**	**-**

Note-11 Other current assets

Unsecured, considered good (unless otherwise stated)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Export benefit receivables	59.69	51.68	57.83	52.69
GST receivable/refundable	111.38	113.91	94.10	98.78
Advances to suppliers	51.00	53.45	36.08	28.38
Prepaid expenses	15.95	7.85	6.99	4.14
Deposits with government authorities	-	0.19	-	-
Other receivables	5.47	3.44	2.38	2.95
Total	**243.49**	**230.52**	**197.38**	**186.94**

Note-12 Assets held for sale

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Land - Freehold	3.55	3.55	3.55	3.55
Building	7.03	7.03	7.03	7.03
Total	**10.58**	**10.58**	**10.58**	**10.58**

During financial year 2017-18, the Group closed its plant at Kolkata, pursuant to which, during FY 2018-19, the Group decided to sell its remaining assets (land and building of Kolkata plant) with a carrying value of Rs 10.58 million. The Group has partially received an advance of Rs. 132.50 million (March 31, 2021 Rs. 132.50 million; March 31, 2020 Rs. 132.20 million; March 31, 2019 Rs.100.60 million) against proposed sale of these assets. The said amount is shown under Note 20 'Other current liabilities'. The land and building are carried at book value in accordance with 'Ind AS 105-Non-current asset held for sale and discontinued operations' being lower than the fair value less cost to sell.

The delay in sale of asset held for sale is due to delay in obtaining government clearances and ongoing Covid-19 pandemic. Subsequent to June 30, 2021, the Group has partially completed the government clearances process to execute the sale and is in the process of completing remaining clearances.

(All amounts are in Rs. million, unless stated otherwise)

Note-13 Equity Share capital and instrument entirely in the nature of equity

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Authorised				
17,000,000 [March 31, 2021 : 17,000,000; March 31, 2020 : 17,000,000, March 31, 2019 : 17,000,000] Equity Shares of Rs. 10 each#	170.00	170.00	170.00	170.00
2,200,000 [March 31, 2021 : 2,200,000; March 31, 2020 : 2,200,000; March 31, 2019 : 2,200,000] 9% Non-Cumulative Convertible Preference Shares of Rs.100 each*	220.00	220.00	220.00	220.00
Total	**390.00**	**390.00**	**390.00**	**390.00**
Issued, subscribed and fully paid up				
8,740,658 [March 31, 2021 : 8,740,658; March 31, 2020 : 8,740,658; March 31, 2019 : 8,740,658] Equity Shares of Rs. 10 each#	87.41	87.41	87.41	87.41
2,200,000 [March 31, 2021: 2,200,000; March 31, 2020: 2,200,000; March 31, 2019: 2,200,000] 9% Non-Cumulative Convertible Preference Shares of Rs.100 each*	220.00	220.00	220.00	220.00
Total	**307.41**	**307.41**	**307.41**	**307.41**

a) Reconciliation of number of shares outstanding

	As at June 30, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity Shares #								
Balance as at the beginning and end of the year / period	8,740,658	87.41	8,740,658	87.41	8,740,658	87.41	8,740,658	87.41
Instruments entirely equity in nature								
9% Non-Cumulative Convertible Preference Shares ("Preference Shares" or "NCCPS") *								
Balance as at the beginning and end of the year / period	2,200,000	220.00	2,200,000	220.00	2,200,000	220.00	2,200,000	220.00

b) Right, preference and restrictions attached to shares:

i) Equity shares: The Company has only one class of equity shares having par value of Rs.10 per share. Each shareholder is entitled to one vote per share. In the event of liquidation of the Groups the holder of equity shares will be entitled to receive any of the remaining assets of the Group after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) Preference shares: 9% Non-cumulative convertible preference shares shall be converted into 1,833,300 number of equity shares of Rs. 10 each on October 27, 2029 (before sub - division of equity shares - Refer Note 47). Each shareholder is entitled to one vote per share only on resolutions placed before the Company which directly affects their rights attached to NCCPS. The dividends are discretionary. Once proposed by the Board, they are subject to approval by shareholders. In the event of liquidation of the Company, the holders of NCCPS will have priority over equity shares in payment of dividend and repayment of capital. The Company has an option to redeem the shares at par.

c) Shares of the Company held by holding company

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Equity Shares #				
Raymond Limited, India and its nominees	8,740,658	8,740,658	8,740,658	8,740,658
Preference Shares *				
Raymond Limited, India	2,200,000	2,200,000	2,200,000	2,200,000

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholders	As at June 30, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
Equity Shares #								
Raymond Limited, India and its nominees	8,740,658	100%	8,740,658	100%	8,740,658	100%	8,740,658	100%
Preference Shares *								
Raymond Limited, India	2,200,000	100%	2,200,000	100%	2,200,000	100%	2,200,000	100%

e) During the five years immediately preceding the reporting date, no shares have been bought back nor had the Company issued any bonus shares or any shares for consideration other than cash. (Also Refer Note 48)

f) Terms of any securities convertible into equity - Refer Note 13b(ii)

g) Disclosure of Shareholding of Promoters
Since all the shares of the Company are held by its promoter Raymond Limited and there being no changes in such shareholding as at the end of the each period/year referred in 13 d) above, hence no separate disclosure is required in respect of 'Disclosure of Shareholding of Promoters'.

* Refer Note 40 for Redemption Of 9% Non-Cumulative Convertible Preference Shares (“9% NCCPS”)

Refer Note 47 and Note 48 for sub-division of equity shares and issue of bonus shares subsequent to June 30, 2021.

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Note 14 Other Equity

	Reserves and surplus		Total Other Equity attributable to owners of parent	Non-controlling Interest	Total
	Securities Premium	Retained Earnings			
Balance as at April 01, 2018	**31.45**	**134.23**	**165.68**	**21.89**	**187.57**
Restated profit for the year	-	165.76	165.76	2.11	167.87
Restated other comprehensive income for the year	-	5.60	5.60	0.01	5.61
Restated total comprehensive income for the year	-	171.36	171.36	2.12	173.48
Balance as at March 31, 2019	**31.45**	**305.59**	**337.04**	**24.01**	**361.05**
Restated profit for the year	-	140.72	140.72	2.30	143.02
Restated other comprehensive income / (loss) for the year	-	3.17	3.17	(0.03)	3.14
Restated total comprehensive income for the year	-	143.89	143.89	2.27	146.16
Balance as at March 31, 2020	**31.45**	**449.48**	**480.93**	**26.28**	**507.21**
Restated profit for the year	-	254.60	254.60	1.09	255.69
Restated other comprehensive income / (loss) for the year	-	(16.64)	(16.64)	(0.38)	(17.02)
Restated total comprehensive income for the year	-	237.96	237.96	0.71	238.67
Balance as at March 31, 2021	**31.45**	**687.44**	**718.89**	**26.99**	**745.88**
Restated profit for the period	-	95.86	95.86	0.22	96.08
Restated other comprehensive income / (loss) for the period	-	(0.43)	(0.43)	0.05	(0.38)
Restated total comprehensive income for the period	-	95.43	95.43	0.27	95.70
Balance as at June 30, 2021	**31.45**	**782.87**	**814.32**	**27.26**	**841.58**

Securities Premium
Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

(All amounts are in Rs. million, unless stated otherwise)

Note-15 - Non current borrowings

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Secured				
Term loan from a bank	-	-	-	25.46
Less: Current maturity of long term borrowings (included in Note 16)	-	-	-	(25.17)
Less: Interest accrued but not due on borrowings (included in Note 18)	-	-	-	(0.29)
- Repaid in March, 2020. Rate of interest as on date of repayment 10.90% p.a. (March 31, 2019 : 10.90% p.a). Amount outstanding as on June 30, 2021 - Rs. Nil; March 31, 2021 - Rs. Nil March 31, 2020 - Rs. Nil; March 31, 2019 - Rs. 25.17 million				
Total (A)	-	-	-	-
Unsecured				
Loan from related party				
- Repaid in December 2019 Rate of interest as on date of repayment 10.50% p.a.; March 31, 2019 : 10.50% p.a.	-	-	-	342.78
Total (B)	-	-	-	342.78
Total (A+B)	-	-	-	342.78

The carrying amounts of financial and non-financial assets as security for secured borrowings are disclosed in Note 34 - Assets pledged as security.

In respect of borrowings made from Banks on the basis of security of current assets, quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts in respect of all the periods/years referred above and there are no material discrepancies found.
The above borrowings from parties have been utilised by the Group for meeting their working capital requirement and has not been further advanced or loaned by the Group to any other parties.

Note 16 - Current borrowings

	Terms of repayment	Interest Rate	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Loans repayable on demand						
Secured						
From banks						
- Cash credit	Payable on demand	8.20% ~8.55%	5.08	33.13	295.84	125.81
- Packing credit	Repayable on demand	5.20% ~7.62%	45.16	65.18	80.30	90.38
- Working capital demand Loan	Repayable on demand	7.30%	50.00	50.00	-	-
(The above borrowings are secured by way of first pari passu charge on all current assets of the Company)						
Unsecured						
From banks						
- Commercial Credit Cards	Repayable on demand	10.54%	20.30	-	9.84	-
Current maturities of long-term debt (Refer Note 15)			-	-	-	25.17
Total current borrowings			**120.54**	**148.31**	**385.98**	**241.36**
Less: Interest accrued but not due on borrowings (included in Note 18)			(0.16)	(0.18)	(0.31)	(0.38)
Total			**120.38**	**148.13**	**385.67**	**240.98**

The carrying amounts of financial and non-financial assets pledged as security for secured borrowings are disclosed in Note 34 - Assets pledged as security.

In respect of borrowings made from banks on the basis of security of current assets, quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts in respect of all the periods/years referred above and there are no material discrepancies found.
The above borrowings from parties have been utilised by the Group for meeting its working capital requirements and has not been further advanced or loaned by the Group to any other parties.

(All amounts are in Rs. million, unless stated otherwise)

Net debt reconciliation	**As at June 30, 2021**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Cash and cash equivalents	(6.80)	(43.47)	(0.76)	(0.42)
Current borrowings	120.38	148.13	385.67	240.98
Non current borrowings	-	-	-	342.78
Interest accrued but not due on borrowings	0.16	0.18	0.31	0.67
Lease liabilities	138.57	141.04	149.93	155.27
Net debt	**252.31**	**245.88**	**535.15**	**739.28**

	Other assets	**Liabilities from financing activities**			
	Cash and Cash equivalents	**Lease liabilities**	**Non current borrowings (Including interest accrued)**	**Current borrowings (Including interest accrued)**	**Total**
Net debt as at April 01, 2018	**(2.34)**	**162.46**	**342.78**	**506.07**	**1,008.97**
Cash flows	1.92	(7.19)	-	(264.03)	(269.30)
Interest expense	-	17.58	51.39	30.20	99.17
Interest paid	-	(17.58)	(51.39)	(30.59)	(99.56)
Net Debt as at March 31, 2019	**(0.42)**	**155.27**	**342.78**	**241.65**	**739.28**
Cash flows	(0.34)	(5.34)	(342.78)	144.69	(203.77)
Interest expense	-	17.39	23.64	26.29	67.32
Interest paid	-	(17.39)	(23.64)	(26.65)	(67.68)
Net Debt as at March 31, 2020	**(0.76)**	**149.93**	**-**	**385.98**	**535.15**
Cash flows	(42.71)	(8.89)	-	(237.54)	(289.14)
Interest expense	-	16.02	0.96	15.10	32.08
Interest paid	-	(16.02)	(0.96)	(15.23)	(32.21)
Net Debt as at March 31, 2021	**(43.47)**	**141.04**	**-**	**148.31**	**245.88**
Cash flows	36.67	(2.47)	-	(27.75)	6.45
Interest expense	-	3.85	-	2.43	6.28
Interest paid	-	(3.85)	-	(2.45)	(6.30)
Net Debt as at June 30, 2021	**(6.80)**	**138.57**	**-**	**120.54**	**252.31**

(All amounts are in Rs. million, unless stated otherwise)

Note-17 - Trade payables

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Trade payables	619.76	525.75	589.54	443.25
Total	**619.76**	**525.75**	**589.54**	**443.25**

Refer Note-41 for information about dues to Related parties.

Note:
Trade Payable ageing schedule

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
As at June 30, 2021	158.16	166.32	288.13	2.35	3.24	1.56	619.76
As at March 31, 2021	154.67	256.00	108.66	2.74	3.15	0.53	525.75
As at March 31, 2020	192.89	228.25	153.98	4.51	1.48	8.43	589.54
As at March 31, 2019	146.29	177.49	108.06	6.92	0.28	4.21	443.25

There are no disputed trade payables.

(All amounts are in Rs. million, unless stated otherwise)

Note-18 - Other current financial liabilities

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on borrowings	0.16	0.18	0.31	0.67
Capital creditors	1.05	1.60	1.59	2.25
Deposits from dealers, agents etc.	58.38	58.86	63.88	56.08
Employee benefits payable	151.46	134.90	117.50	92.85
Derivative financial instruments (Refer Note 38)	-	0.55	0.16	-
Other payables	3.65	4.35	5.11	6.02
Total	**214.70**	**200.44**	**188.55**	**157.87**

Note-19 - Provisions

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer note 31)				
-Gratuity	37.11	32.64	6.77	2.46
-Compensated absences	36.38	40.67	34.42	32.86
Total	**73.49**	**73.31**	**41.19**	**35.32**

Note 20-Other current liabilities

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Contract liabilities *	67.45	86.21	19.15	16.79
Advance against assets held for sale (Refer note 12)	132.50	132.50	132.20	100.60
Statutory dues payable	11.64	19.16	16.53	22.48
Refund liabilities	8.84	7.49	6.35	-
Stamp duty payable	17.78	17.78	17.78	17.78
Other payables	3.60	4.13	5.51	5.39
Total	**241.81**	**267.27**	**197.52**	**163.04**

* Contract liabilities reflect advance payments from customers. These are amounts received prior to transferring goods and services to the customer. The balance as at the beginning of the year/period is recognised as revenue during the year/period while the amount recognised as at the end of the year/period represents advance payments received during the respective year/period.

(All amounts are in Rs. million, unless stated otherwise)

Note-21 Revenue from operations

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contract with customers				
Sale of Products - recognised at a point in time				
(i) Manufactured goods - Domestic	301.87	1,297.62	1,345.93	1,593.09
(ii) Manufactured goods - Export	663.87	1,503.55	1,689.63	1,747.95
(iii) Stock-in trade- Domestic	74.00	463.06	504.78	449.02
(iv) Stock-in trade- Export	17.13	70.07	58.77	47.68
Total (A)	**1,056.87**	**3,334.30**	**3,599.11**	**3,837.74**
Sale of Services - recognised over a period of time	11.75	7.86	10.26	-
Total (B)	**11.75**	**7.86**	**10.26**	**-**
Revenue from contracts with customers (A+B) (C)	**1,068.62**	**3,342.16**	**3,609.37**	**3,837.74**
Other operating revenue				
(i) Export Incentives	17.93	49.61	108.03	118.48
(ii) Process waste sale	18.24	50.78	42.46	57.11
Total (D)	**36.17**	**100.39**	**150.49**	**175.59**
Total (C + D)	**1,104.79**	**3,442.55**	**3,759.86**	**4,013.33**

Notes:
(i) Disaggregation of revenue from contracts with customers:
The Group derives revenue from the transfer of goods and services in the following geographical regions:

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
India	375.87	1,760.68	1,850.71	2,042.11
Africa	250.70	443.51	629.16	635.95
America	271.78	805.64	537.35	487.08
Asia (excluding India)	126.00	213.02	439.11	476.56
Rest of the world	44.27	119.31	153.04	196.04
Total	**1,068.62**	**3,342.16**	**3,609.37**	**3,837.74**

The Group derives revenue from the transfer of following goods and services:

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Files	749.37	1,992.83	2,260.10	2,518.85
Drills	181.85	705.75	735.74	776.18
Hand tools and power tool accessories	73.26	424.53	468.69	445.34
Power tool machines	17.44	106.22	93.30	50.09
Others	34.95	104.97	41.28	47.28
Sale of Products (A)	**1,056.87**	**3,334.30**	**3,599.11**	**3,837.74**
Sale of Services (B)	**11.75**	**7.86**	**10.26**	**-**
Revenue from contracts with customers (A + B)	**1,068.62**	**3,342.16**	**3,609.37**	**3,837.74**

(ii) Unsatisfied performance obligations resulting from revenue from contracts with customers

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Aggregate amount of the transaction price allocated to sale contracts that are partially or fully unsatisfied	1.19	1.81	0.66	-
	1.19	**1.81**	**0.66**	**-**

(iii) Contract liabilities reflect advance payments from customers. These are amounts received prior to transferring goods and services to the customer. The balance as at the beginning of the year/period is recognised as revenue during the year/period while the amount recognised as at the end of the year/period represents advance payments received during the respective year/period.

(iv) Reconciliation of revenue recognised with contract price:

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Contract price	1,105.59	3,518.62	3,794.10	4,041.80
Adjustments for :				
Refund liabilities - discounts, rebates, sales related schemes, incentives etc.	(36.97)	(176.46)	(184.73)	(204.06)
Total	**1,068.62**	**3,342.16**	**3,609.37**	**3,837.74**

Note-22 Other income

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Interest income				
- on financial assets at amortised cost	9.28	28.09	15.69	13.70
- on income tax / sales tax refund	-	1.34	1.32	0.24
- others	0.15	0.72	0.64	1.33
Net gain on foreign exchange fluctuations	1.03	0.48	36.75	-
Net gain on disposal/discard of property, plant and equipment	-	0.23	-	-
Net gain on sale / fair valuation of investments	0.16	0.87	-	2.17
Miscellaneous Income	3.39	22.35	6.21	7.28
Total	**14.01**	**54.08**	**60.61**	**24.72**

Note-23 Cost of raw materials consumed

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Raw material at the beginning of the year	149.84	131.90	50.47	43.33
Purchases	375.29	912.18	945.01	935.10
Less : Raw material at the end of the year	226.00	149.84	131.90	50.47
Total	**299.13**	**894.24**	**863.58**	**927.96**

Note-24 Purchases of Stock-in-Trade

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Purchases of stock-in-trade	141.24	425.39	411.23	449.82
Total	**141.24**	**425.39**	**411.23**	**449.82**

(All amounts are in Rs. million, unless stated otherwise)

Note-25 Changes in inventories of work-in-progress , finished goods and stock-in-trade

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Opening inventories				
Work-in-progress	215.82	150.18	124.52	164.01
Finished goods	343.13	181.62	157.13	176.16
Stock-in-trade	105.06	101.73	128.23	70.66
	664.01	**433.53**	**409.88**	**410.83**
Closing inventories				
Work-in-progress	224.97	215.82	150.18	124.52
Finished goods	326.89	343.13	181.62	157.13
Stock-in-trade	173.42	105.06	101.73	128.23
	725.28	**664.01**	**433.53**	**409.88**
Total	**(61.27)**	**(230.48)**	**(23.65)**	**0.95**

Note-26 Employee benefits expense

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	156.36	529.66	620.65	590.03
Gratuity expense (Refer note 31)	4.08	12.09	11.05	12.30
Contribution to provident and other funds (Refer note 31)	9.25	34.90	38.66	33.39
Workmen and staff welfare expenses	7.43	25.76	40.03	55.22
Total	**177.12**	**602.41**	**710.39**	**690.94**

Note-27 Finance costs

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Interest on term loan	-	0.96	23.64	51.39
Interest on lease liabilities	3.85	16.02	17.39	17.58
Interest expense on current borrowings	2.43	15.10	26.29	30.20
Interest on shortfall of advance tax	-	1.17	0.62	1.86
Interest expense - Others	0.93	3.51	3.77	3.73
Other borrowing costs	0.26	0.26	0.72	0.35
Total	**7.47**	**37.02**	**72.43**	**105.11**

Note-28 Depreciation and amortization expense

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment	20.85	82.57	75.61	76.56
Depreciation on right-of-use assets	3.56	14.22	15.14	14.71
Amortization of intangible assets	0.10	0.37	12.70	25.08
Total	**24.51**	**97.16**	**103.45**	**116.35**

Note-29 Other Expenses

Note-29 (a) Manufacturing and Operating expenses

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spare parts	98.12	320.03	318.54	338.30
Power and fuel	53.58	179.83	196.95	206.12
Job work charges	83.13	282.66	243.95	207.86
Payment to labour contractor	53.68	160.00	164.78	159.17
Repairs to buildings	2.49	5.64	7.90	8.96
Repairs to machinery	7.14	34.84	42.24	43.46
Other Manufacturing and Operating expenses	6.39	19.99	20.50	24.56
Total (A)	**304.53**	**1,002.99**	**994.86**	**988.43**

Note-29 (b) Other expenses

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Rent	4.89	18.17	16.28	16.53
Insurance	4.02	11.53	11.87	11.48
Repairs and maintenance others	1.85	7.82	7.69	7.04
Rates and taxes	1.45	2.73	18.21	3.12
Commission to selling agents	19.70	56.59	89.18	94.59
Freight and octroi	27.09	83.77	83.18	84.54
Legal and professional expenses	4.62	26.73	35.71	52.03
IT outsourced support services	3.97	16.15	22.56	21.48
Travelling and conveyance	2.08	9.29	39.42	38.90
Advertisement expenses	0.15	0.56	9.56	7.44
Sales promotion expenses	3.33	9.77	15.90	13.56
Directors Sitting fees	0.05	0.30	1.60	0.75
Net loss on foreign exchange fluctuations	-	-	-	0.58
Net gain on disposal/discard of property, plant and equipment	-	-	0.06	1.02
Facility Charges (Refer note 41)	12.00	34.64	48.00	48.00
Corporate Social Responsibility	0.02	3.50	1.40	-
Bad Debts written off	-	0.32	1.18	4.60
Less: Allowances there against	-	(0.32)	(1.18)	(4.60)
Net loss on sale / fair valuation of investments	-	-	1.72	-
Software expenses	0.89	4.43	4.79	3.96
Security charges	4.17	15.11	14.24	14.21
Communication expenses	0.94	3.46	3.18	3.57
Printing and stationery expenses	1.11	3.84	4.69	5.19
Motor car expenses	1.71	6.30	7.09	7.71
Miscellaneous expenses	5.57	25.75	39.24	34.48
Total (B)	**99.61**	**340.44**	**475.57**	**470.18**
Total (A + B)	**404.14**	**1,343.43**	**1,470.43**	**1,458.61**

JK Files & Engineering Limited
(Formerly known as JK Files (India) Limited)
CIN: U27104MH1997PLC105955
Annexure V - Notes to the Restated Consolidated Financial Information
(All amounts are in Rs. million, unless stated otherwise)

Note 30(a): Income Taxes

Tax expense recognised in the Restated Consolidated Statement of Profit and Loss

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Current tax				
Current period / year	30.13	78.72	54.53	78.63
Total current tax	**30.13**	**78.72**	**54.53**	**78.63**
Deferred tax				
Decrease in deferred tax assets (net)	2.23	8.87	18.12	2.13
Increase / (decrease) in deferred tax liabilities (net)	0.04	0.16	(1.36)	(0.04)
Total deferred tax	**2.27**	**9.03**	**16.76**	**2.09**
Total income tax expense	**32.40**	**87.75**	**71.29**	**80.72**

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Group is as follows :

Reconciliation of effective tax rate	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Restated Profit before tax	128.48	343.44	214.31	248.59
Applicable income tax rate	**25.17%**	**25.17%**	**25.17%**	**34.94%**
Tax Expense at applicable income tax rate	32.34	86.44	53.94	86.86
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income	0.02	1.18	5.83	-
Previously unrecognized deferred tax assets now recognized	-	-	-	(0.85)
Changes in tax rate	-	-	12.14	(0.70)
Different tax rate in respect of subsidiary	-	-	-	(2.12)
Others	0.04	0.13	(0.62)	(2.47)
Total income tax expense	**32.40**	**87.75**	**71.29**	**80.72**

Consequent to reconciliation items shown above, the effective tax rate is 25.21% (2020-21: 25.55%) (2019-20: 33.26%) (2018-19: 32.47%)

Note 30(b): Current tax assets (net) - non-current

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Current tax assets (net of provision of Rs. 566.39 million (March 31, 2021: Rs. 555.01 million; As at March 31, 2020: Rs. 489.29 million; As at March 31, 2019: Rs. 442.48 million)	24.45	24.12	32.50	11.50
	24.45	**24.12**	**32.50**	**11.50**

Note 30(b): Current tax liabilities (net)

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Current tax liabilities (net of taxes paid of Rs. 19.72 million)	9.41	-	-	-
	9.41	**0.00**	**0.00**	**0.00**

JK Files & Engineering Limited
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CIN: U27104MH1997PLC105955
Annexure V - Notes to the Restated Consolidated Financial Information
(All amounts are in Rs. million, unless stated otherwise)

Note 30(c): Deferred tax

Deferred tax assets (net)

Movement during the period ended June 30, 2021

Particulars	As at April 01, 2021	Credit/(charge) in Statement of Profit and Loss	As at June 30, 2021
Deferred tax assets on account of :			
Amounts allowable for tax purpose on payment basis	9.23	(0.88)	8.35
Allowances for doubtful receivable and advances	13.21	(0.51)	12.70
Amount paid under voluntary retirement scheme	13.83	(3.42)	10.41
Lease Liabilities	35.50	(0.62)	34.88
Other temporary differences	5.74	-	5.74
	77.51	**(5.43)**	**72.08**
Deferred tax (liabilities) on account of:			
Property plant and equipment and intangible assets	(32.08)	2.35	(29.73)
Right-of-use Assets	(23.88)	0.85	(23.03)
	(55.96)	**3.20**	**(52.76)**
Deferred tax assets (net)	**21.55**	**(2.23)**	**19.32**

Movement during the year ended March 31, 2020 and March 31, 2021

Particulars	As at April 01, 2019	Credit/(charge) in Statement of Profit and Loss	As at March 31, 2020	Credit/(charge) in Statement of Profit and Loss	As at March 31, 2021
Deferred tax assets on account of :					
Amounts allowable for tax purpose on payment basis	10.59	(2.66)	7.93	1.30	9.23
Allowances for doubtful receivable and advances	25.05	(7.62)	17.43	(4.22)	13.21
Amount paid under voluntary retirement scheme	62.25	(32.92)	29.33	(15.50)	13.83
Lease Liabilities	54.26	(16.52)	37.74	(2.24)	35.50
Other temporary differences	7.99	(2.25)	5.74	-	5.74
	160.14	**(61.97)**	**98.17**	**(20.66)**	**77.51**
Deferred tax (liabilities) on account of:					
Property plant and equipment and intangible assets	(69.03)	28.57	(40.46)	8.38	(32.08)
Right-of-use Assets	(42.57)	15.28	(27.29)	3.41	(23.88)
	(111.60)	**43.85**	**(67.75)**	**11.79**	**(55.96)**
Deferred tax assets (net)	**48.54**	**(18.12)**	**30.42**	**(8.87)**	**21.55**

Movement during the year ended March 31, 2019

Particulars	As at April 01, 2018	Credit/(charge) in Statement of Profit and Loss	As at March 31, 2019
Deferred tax assets on account of :			
Amounts allowable for tax purpose on payment basis	8.94	1.65	10.59
Allowances for doubtful receivable and advances	13.17	11.88	25.05
Amount paid under voluntary retirement scheme	79.05	(16.80)	62.25
Lease liabilities	47.48	6.78	54.26
Unabsorbed depreciation	15.59	(15.59)	-
Other temporary differences	6.57	1.42	7.99
	170.80	**(10.66)**	**160.14**
Deferred tax (liabilities) on account of:			
Property plant and equipment and intangible assets	(81.93)	12.90	(69.03)
Right-of-use assets	(38.20)	(4.37)	(42.57)
	(120.13)	**8.53**	**(111.60)**
Deferred tax assets (net)	**50.67**	**(2.13)**	**48.54**

(All amounts are in Rs. million, unless stated otherwise)

Note 30(c): Deferred tax

Deferred tax liabilities (net)

Movement during the period ended June 30, 2021

Particulars	As at April 01, 2021	Credit/(charge) in Statement of Profit and Loss	As at June 30, 2021
Deferred tax assets on account of :			
Amounts allowable for tax purpose on payment basis	2.04	0.09	2.13
	2.04	**0.09**	**2.13**
Deferred tax (liabilities) on account of:			
Property plant and equipment and intangible assets	(2.21)	(0.09)	(2.30)
Fair valuation of Investment	(0.32)	(0.04)	(0.36)
	(2.53)	**(0.13)**	**(2.66)**
Deferred tax liabilities (net)	**(0.49)**	**(0.04)**	**(0.53)**

Movement during the year ended March 31, 2020 and March 31, 2021

Particulars	As at April 01, 2019	Credit/(charge) in Statement of Profit and Loss	As at March 31, 2020	Credit/(charge) in Statement of Profit and Loss	As at March 31, 2021
Deferred tax assets on account of :					
Amounts allowable for tax purpose on payment basis	0.29	1.46	1.75	0.29	2.04
	0.29	**1.46**	**1.75**	**0.29**	**2.04**
Deferred tax (liabilities) on account of:					
Property plant and equipment and intangible assets	(1.42)	(0.56)	(1.98)	(0.23)	(2.21)
Fair valuation of Investment	(0.56)	0.46	(0.10)	(0.22)	(0.32)
	(1.98)	**(0.10)**	**(2.08)**	**(0.45)**	**(2.53)**
Deferred tax liabilities (net)	**(1.69)**	**1.36**	**(0.33)**	**(0.16)**	**(0.49)**

Movement during the year ended March 31, 2019

Particulars	As at April 01, 2018	Credit/(charge) in Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2019
Deferred tax assets on account of :				
Amounts allowable for tax purpose on payment basis	1.15	(0.81)	(0.05)	0.29
	1.15	**(0.81)**	**(0.05)**	**0.29**
Deferred tax (liabilities) on account of:				
Property plant and equipment and intangible assets	(2.48)	1.06	-	(1.42)
Fair valuation of Investment	(0.35)	(0.21)	-	(0.56)
	(2.83)	**0.85**	**-**	**(1.98)**
Deferred tax liabilities (net)	**(1.68)**	**0.04**	**(0.05)**	**(1.69)**

Note:
The Group has not recognised deferred tax liability in respect of taxable temporary difference associated with its investment in the subsidiary arising on account of the undistributed profits of the subsidiary amounting to Rs. 172.72 million (March 31, 2021: Rs. 170.36 million, March 31, 2020: Rs. 164.02 million; March 31, 2019: 143.55 million).

Subsequent to June 30, 2021, JK Talabot Limited has declared one off dividend by utilising 75.54% of its cumulative earnings and which has been passed on by the Company to its parent company. As per the provisions of section 80M of the Income Tax Act, 1961, there will be no tax liability on the Company in respect of the dividend received.

The Group believes that it is able to control the timing of reversal of the such taxable temporary differences arising on account of undistributed profits of the subsidiary and it is probable that such the temporary differences will not reverse in the foreseeable future.

(All amounts are in Rs. million, unless stated otherwise)

Note 31: Post retirement benefit plans

(i) Defined benefit plans - 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. 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, subject to ceiling of Rs. 2.00 million. The gratuity plan is funded plan and the Group makes contributions to recognised fund in India.

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the period / year are as below:

A. Balance Sheet

Gratuity

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	(249.82)	(244.04)	(212.23)	(206.82)
Fair value of plan assets	212.71	211.40	205.46	204.36
Net defined benefit obligation	**(37.11)**	**(32.64)**	**(6.77)**	**(2.46)**

B. Movements in plan assets and plan liabilities

	As at June 30, 2021			As at March 31, 2021			As at March 31, 2020			As at March 31, 2019		
	Present value of obligation	Fair value of plan assets	Net	Present value of obligation	Fair value of plan assets	Net	Present value of obligation	Fair value of plan assets	Net	Present value of obligation	Fair value of plan assets	Net
As at beginning of the period / year	**(244.03)**	**211.39**	**(32.64)**	**(212.24)**	**205.47**	**(6.77)**	**(206.82)**	**204.36**	**(2.46)**	**(199.03)**	**182.60**	**(16.43)**
Current service cost (including past service cost)	(3.33)	-	**(3.33)**	(11.63)	-	**(11.63)**	(10.86)	-	**(10.86)**	(11.01)	-	**(11.01)**
Interest (cost) / income	(4.19)	3.44	**(0.75)**	(14.51)	14.05	**(0.46)**	(15.63)	15.44	**(0.19)**	(15.57)	14.28	**(1.29)**
Remeasurements:												
Return on plan assets excluding actual return on plan asset	-	(0.80)	**(0.80)**	-	(0.31)	**(0.31)**	-	(1.06)	**(1.06)**	-	0.20	**0.20**
Gain/(loss) arising from changes in demographic assumptions	(0.02)	-	**(0.02)**	-	-	**-**	-	-	**-**	-	-	**-**
Gain/(loss) arising from changes in financial assumptions	0.27	-	**0.27**	0.87	-	**0.87**	15.68	-	**15.68**	(3.46)	-	**(3.46)**
Gain/(loss) arising from experience adjustments	0.06	-	**0.06**	(22.67)	-	**(22.67)**	(10.41)	-	**(10.41)**	11.86	-	**11.86**
Employer contributions	-	-	**-**	-	7.52	**7.52**	-	2.53	**2.53**	-	17.67	**17.67**
Benefit payments	1.32	(1.32)	**-**	15.33	(15.33)	**-**	15.81	(15.81)	**-**	10.39	(10.39)	**-**
Benefit paid directly by the Employer	0.10	-	**0.10**	0.81	-	**0.81**	-	-	**-**	-	-	**-**
As at end of the period / year	**(249.82)**	**212.71**	**(37.11)**	**(244.04)**	**211.40**	**(32.64)**	**(212.23)**	**205.46**	**(6.77)**	**(206.82)**	**204.36**	**(2.46)**

The present value of obligation at each balance sheet date above relates to active employees.

C. The Group expects to contribute Rs.24.14 million to the funded plans in financial year 2022-23 (2021-22:Rs.24.14 million) (2020-21: Rs.17.81 million) (2019-20: Rs.13.33 million) for gratuity

D. Statement of Profit and Loss

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Employee Benefit Expenses:				
Current service cost (including past service cost)	3.33	11.63	10.86	11.01
	3.33	**11.63**	**10.86**	**11.01**
Interest Cost (net of interest earned)	0.75	0.46	0.19	1.29
Net impact on the Profit before tax	**4.08**	**12.09**	**11.05**	**12.30**
Remeasurement of the net defined benefit liability:				
Return on plan assets excluding actual return on plan asset	(0.80)	(0.31)	(1.06)	0.20
Gains/(losses) arising from changes in demographic	(0.02)	-	-	-
Gains/(losses) arising from changes in financial assumptions	0.27	0.87	15.68	(3.46)
Gains/(losses) arising from experience adjustments	0.06	(22.67)	(10.41)	11.86
Net impact on the Other Comprehensive Income before tax	**(0.49)**	**(22.11)**	**4.21**	**8.60**

E. Assets

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Insurer managed fund	212.71	211.40	205.46	204.36
Total	**212.71**	**211.40**	**205.46**	**204.36**

F. Significant Estimate: Actuarial assumptions

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Financial assumptions				
Discount rate	6.83% ~ 7.13%	6.86% ~ 6.96%	6.82% ~ 6.84%	7.54% ~ 7.78%
Salary growth rate	5%~7.5%	3%~7.5%	4%~6%	7.50%
Attrition rate	2.00%	2.00%	2.00%	2.00%
Return on plan assets	6.84%~7.00%	6.84%~7.00%	7.25%~7.27%	7.59%

Demographic assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table

(All amounts are in Rs. million, unless stated otherwise)

G. Significant Estimate: Sensitivity of actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions is:

		As at June 30, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Change in assumption	Increase in assumption having an impact on present value of plan obligation	Decrease in assumption having an impact on present value of plan obligation	Increase in assumption having an impact on present value of plan obligation	Decrease in assumption having an impact on present value of plan obligation	Increase in assumption having an impact on present value of plan obligation	Decrease in assumption having an impact on present value of plan obligation	Increase in assumption having an impact on present value of plan obligation	Decrease in assumption having an impact on present value of plan obligation
Discount rate	1%	(17.16)	19.75	(17.26)	19.88	(14.91)	17.03	(13.24)	15.09
Salary growth rate	1%	19.50	(17.27)	19.63	(17.37)	16.85	(13.19)	14.79	(8.62)
Attrition rate	1%	(0.55)	0.64	(0.62)	0.72	(0.31)	0.38	0.04	(0.05)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of each period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

The weighted average duration of the defined benefit obligation is 8 to 20 years (31 March, 2021 : 8 to 20 years, 31 March, 2020 : 8 to 20 years, 31 March, 2019 :8 to 20 years).

H. The defined benefit obligations shall mature after period/year end June 30, 2021 ; March 31, 2021 ; year end March 31, 2020; year end March 31, 2019 as follows:

	Defined benefit obligation			
Gratuity :	**As at June 30, 2021**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
1st year	19.80	13.26	11.96	21.26
2nd year	14.87	14.30	7.77	10.70
3rd year	19.74	22.79	18.11	15.91
4th year	24.92	22.37	21.47	20.83
5th year	24.78	24.61	20.93	23.01
Thereafter	381.68	382.27	322.90	318.35

Risk Exposure

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset volatility Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. These are subject to interest rate risk and the fund manages interest rate risk to an acceptable level.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(ii) Defined contribution plans :

The Group also has certain defined contribution plans. Contributions are made to provident fund, employees state insurance scheme in India for employees .The contributions are made to registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 9.25 million (March 31,2021 - Rs.34.9million; March 31, 2020 - Rs. 38.66 million; March 31, 2019 - Rs.33.39 million).

(iii) Compensated absences:

The leave obligations cover the Group's liability for sick and earned leave, which are classified as other long term benefits.

The entire amount of the provision of Rs. 36.38 million (March 31,2021- Rs. 40.67 million) (March 31, 2020 – Rs. 34.42 million) (March 31, 2019 – Rs. 32.86 million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(All amounts are in Rs. million, unless stated otherwise)

Note 32: Social security code

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 33: Earnings per share

		Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Basic earnings per share has been computed as under:					
Restated profit for the period / year attributable to owners of the parent	A	95.86	254.60	140.72	165.76
Weighted average number of equity shares outstanding (in nos.)		8,740,658	8,740,658	8,740,658	8,740,658
Add: Impact of sub-division of equity shares (Refer Note 47)		34,962,632	34,962,632	34,962,632	34,962,632
Add: Impact of bonus equity shares (Refer Note 48)		8,740,658	8,740,658	8,740,658	8,740,658
Weighted average number of equity shares for basic EPS	B	52,443,948	52,443,948	52,443,948	52,443,948
Earnings per share (Rs.)	A/B	1.83	4.85	2.68	3.16
Diluted earnings per share has been computed as under:					
Restated profit for the period / year attributable owners of the parent		95.86	254.60	140.72	165.76
Less: Adjustment		-	-	-	-
Adjusted Restated Profit for the period / year	C	95.86	254.60	140.72	165.76
Weighted average number of equity shares outstanding for basic EPS (in nos.)		52,443,948	52,443,948	52,443,948	52,443,948
Add: Dilutive potential equity share (Refer Note 13)		1,833,300	1,833,300	1,833,300	1,833,300
Add: Dilutive impact of sub-division of potential equity shares (Refer Note 47)		7,333,200	7,333,200	7,333,200	7,333,200
Weighted average number of equity shares for dilutive EPS	D	61,610,448	61,610,448	61,610,448	61,610,448
Dilutive Earnings Per Share (Rs.)	C/D	1.56	4.13	2.28	2.69
Nominal value per equity share (in Rs.) (Refer Note 47)		2.00	2.00	2.00	2.00

Note 34: Assets pledged as security

The carrying amounts of assets pledged as security are:

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Current assets				
Floating Charge				
Trade receivables	286.54	144.31	610.28	559.24
Inventories	1,008.29	862.88	608.86	496.10
Cash and cash equivalents	6.80	38.22	0.69	0.38
Others financial asset	2.16	4.16	9.38	0.59
Other current assets	243.49	228.36	192.85	183.36
Total Current assets given as security	**1,547.28**	**1,277.93**	**1,422.06**	**1,239.67**
Non-current assets *				
First Charge				
Plant and machinery	-	-	318.97	335.46
Furniture & fixtures	-	-	3.44	4.10
Vehicles	-	-	0.56	0.80
Office equipment	-	-	1.72	1.80
Computers	-	-	2.96	3.09
Total non-current assets pledged as security	**-**	**-**	**327.65**	**345.25**
Total assets pledged as security	**1,547.28**	**1,277.93**	**1,749.71**	**1,584.92**

* The charge was satisfied subsequent to March 31, 2020.

Note 35: Contingent liabilities

Contingent Liabilities	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Claims against the Group not acknowledged as debts in respect of:				
Income tax matters	10.27	11.07	11.07	12.88
Sales tax matters	20.90	34.78	29.92	25.44
Excise and service tax matters	2.64	2.64	2.64	2.84
Other matters *	13.01	13.01	11.60	8.99

* Amount pertains to various labour related matters.

(ii)The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. The Group believes that there will be no significant impact on its contributions to Provident Fund due to the Supreme Court Order. The Group will evaluate its position and act as clarity emerges on impact of the ruling.

The amount shown in respect of above items represent the best possible estimates arrived at on basis of available information. The timing of cash flows will be determinable only on receipt of judgement / decisions pending with various forums / authorities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

Note 36: Commitments

Capital Commitments

Capital expenditure contracted for at the end of the each period but not recognised as liabilities is as follows:

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment (net of capital advances)	**2.82**	**1.97**	**3.64**	**1.62**

(All amounts are in Rs. million, unless stated otherwise)

Note 37: Fair Value measurements

Financial instruments by category

	As at June 30, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	FVPL	Amortised Cost	FVPL	Amortised Cost	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial Assets								
Investments	14.47	-	14.33	-	13.45	-	27.67	-
Loans	-	331.00	-	421.00	-	130.00	-	100.00
Derivative financial instruments	0.28	-	-	-	-	-	0.27	-
Other Financial Assets	-	16.87	-	20.74	-	25.95	-	13.61
Trade receivable	-	286.54	-	144.31	-	610.28	-	559.24
Cash and Cash equivalents	-	6.80	-	43.47	-	0.76	-	0.42
Bank Balance other than above	-	4.95	-	-	-	0.89	-	-
	14.75	**646.16**	**14.33**	**629.52**	**13.45**	**767.88**	**27.94**	**673.27**
Financial Liabilities								
Borrowings	-	120.38	-	148.13	-	385.67	-	583.76
Derivative financial instruments	-	-	0.55	-	0.16	-	-	-
Other Financial Liabilities	-	214.70	-	199.89	-	188.39	-	157.87
Trade Payables	-	619.76	-	525.75	-	589.55	-	443.25
	-	**954.84**	**0.55**	**873.77**	**0.16**	**1,163.61**	**-**	**1,184.88**

Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements	As at June 30, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2
Financial Assets								
Investments	14.47		14.33		13.45		27.67	
Derivative financial instruments		0.28		-		-		0.27
Total financial assets	**14.47**	**0.28**	**14.33**	**-**	**13.45**	**-**	**27.67**	**0.27**
Financial Liabilities								
Derivative financial instruments		-		0.55		0.16		-
Total financial liabilities	**-**	**-**	**-**	**0.55**	**-**	**0.16**	**-**	**-**

Financial Instruments by category

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:
1. Fair value of trade receivables, cash and cash equivalent, other bank balances, other current financial asset (other than derivative), trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

3. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Valuation Technique used to determine fair value
- the use of NAV declared by the fund for investment in mutual funds
- the fair value of forward exchange contracts is determined using forward exchange rates at the reporting date.

(All amounts are in Rs. million, unless stated otherwise)

Note 38: Financial risk management

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. The Group financial risk management is set by the Working Board comprising of CEO, CFO and various head of departments. The policies and procedures issued by appropriate authorities; process of regular internal reviews/audits to set appropriate risk limits and controls are monitored by higher authorities and approved by senior management. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in the financial statements.

A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. The Group has in place appropriate risk management policies to limit the impact of these risks on its financial performance. The Group ensures optimization of cash through fund planning and robust cash management practices.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, the Group performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Exposure to interest rate risk

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total borrowings (non-current and current)	120.38	148.13	385.67	583.76
% of Borrowings bearing variable rate of interest	100%	100%	100%	41%

Interest rate sensitivity
A change of 50 bps in interest rates would have following impact on restated profit before tax

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
50 bp increase would decrease the profit before tax by	0.60	0.74	22.16	9.31
50 bp decrease would Increase the profit before tax by	(0.60)	(0.74)	(22.16)	(9.31)

b) Foreign Currency risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by foreign exchange forward contracts in the respective currencies.

Foreign Currency Exposure as at the reporting date

	As at June 30, 2021						
Particulars	**USD (in Mn.)**	**In Rs**	**EUR (in Mn.)**	**In Rs**	**GBP (in Mn.)**	**In Rs**	**Total (In Rs.)**
Trade Receivable	2.63	195.50	1.26	111.41	-	-	306.91
Offset by Derivatives : Foreign Exchange Forwards Contracts	(1.92)	(143.52)	(0.50)	(44.80)	-	-	(188.32)
Net Exposure	**0.71**	**51.98**	**0.76**	**66.61**	**-**	**-**	**118.59**
Trade Payable	0.89	66.02	-	-	-	-	66.02
Offset by Derivatives : Foreign Exchange Forwards Contracts	-	-	-	-	-	-	-
Net Exposure	**0.89**	**66.02**	**-**	**-**	**-**	**-**	**66.02**
Packing Credit in Foreign Currency	0.01	5.02	-	-	-	-	5.02
Offset by Derivatives : Foreign Exchange Forwards Contracts	-	-	-	-	-	-	-
Net Exposure	**0.01**	**5.02**	**-**	**-**	**-**	**-**	**5.02**

	As at March 31, 2021						
Particulars	**USD (in Mn.)**	**In Rs**	**EUR (in Mn.)**	**In Rs**	**GBP (in Mn.)**	**In Rs**	**Total (In Rs.)**
Trade Receivable	2.12	155.28	0.66	56.60	-	-	211.88
Offset by Derivatives : Foreign Exchange Forwards Contracts	(2.12)	(155.28)	-	-	-	-	(155.28)
Net Exposure	**-**	**-**	**0.66**	**56.60**	**-**	**-**	**56.60**
Trade Payable	1.13	82.39	-	-	-	-	82.39
Offset by Derivatives : Foreign Exchange Forwards Contracts	-	-	-	-	-	-	-
Net Exposure	**1.13**	**82.39**	**-**	**-**	**-**	**-**	**82.39**

Particulars	As at March 31, 2020						
	USD (in Mn.)	In Rs	EUR (in Mn.)	In Rs	GBP (in Mn.)	In Rs	Total (In Rs.)
Trade Receivable	5.21	393.85	1.79	147.70	0.01	0.54	542.09
Offset by Derivatives : Foreign Exchange Forwards Contracts	-	-	(0.20)	(16.16)	-	-	(16.16)
Net Exposure	**5.21**	**393.85**	**1.59**	**131.54**	**0.01**	**0.54**	**525.92**

Particulars	As at March 31, 2019						
	USD (in Mn.)	In Rs	EUR (in Mn.)	In Rs	GBP (in Mn.)	In Rs	Total (In Rs.)
Trade Receivable	4.01	281.16	0.98	88.51	0.01	1.02	370.69
Offset by Derivatives : Foreign Exchange Forwards Contracts	-	-	(0.08)	(6.60)	-	-	(6.60)
Net Exposure	**4.01**	**281.16**	**0.90**	**81.91**	**0.01**	**1.02**	**364.09**

Derivative outstanding as at the reporting date

(Foreign Currency in million)

Foreign currency	As at June 30, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy
Forward Contracts USD	1.92	-	2.12	-	-	-	-	-
Forward Contracts EURO	0.50	-	-	-	0.20	-	0.08	

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

Foreign Currency Risk Sensitivity

A change of 5% in foreign currency would have following impact on restated profit before tax

	Three months ended June 30, 2021		Year ended March 31, 2021		Year ended March 31, 2020		Year ended March 31, 2019	
	5% Increase	5% Decrease	5% Increase	5% Decrease	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	6.22	(6.22)	3.64	(3.64)	19.69	(19.69)	14.06	(14.06)
EURO	5.57	(5.57)	2.83	(2.83)	6.58	(6.58)	4.10	(4.10)
GBP	-	-	-	-	0.03	(0.03)	0.05	(0.05)
Increase/Decrease in Profit or Loss	11.79	(11.79)	6.47	(6.47)	26.30	(26.30)	18.21	(18.21)

c) Price risk
Exposure
Security price risk is the risk that the fair value of a financial instrument will fluctuate due to change in market traded prices. The Company invests its surplus funds primarily in liquid schemes of mutual funds (debt instruments) which are categorised as low risk products from liquidity and interest rate perspectives. The carrying amount of the Group's investments are designated as at fair value through profit or loss at the end of the reporting period.

Sensitivity
The sensitivity analysis below is presented with reference to changes in NAV of these securities:-

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
NAV - Increases by 1% *	0.14	0.14	0.13	0.28
NAV - Decreases by 1% *	(0.14)	(0.14)	(0.13)	(0.28)

* Holding all other variables constant

B) Credit risk
Credit risk is the risk that a counterparty fails to discharge its obligation to the Group.
The Group is exposed to credit risk from its operating activities (primarily trade receivables) , security deposit and from its investing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Cash and cash equivalent and other bank balances
Credit risk related to cash and cash equivalents is managed by accepting highly rated banks. Management does not expect any losses from non-performance by these counterparties.

Other financial assets measured at amortized cost
Other financial assets measured at amortized cost includes bank deposits, loans and other receivables. Credit risk related to these assets are managed by monitoring the recoverability of such amounts continuously, while at the same time the internal control system in place ensures that amounts are within defined limits. The expected credit loss on these financial instruments is expected to be insignificant.

Trade and other receivables
The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates have been computed based on ageing

(All amounts are in Rs. million, unless stated otherwise)

i) Movement in allowances for expected credit losses on trade receivables

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
As at beginning of the year/period	44.13	60.43	63.31	39.45
Add:- Loss Allowances (Expected Credit Loss)	-	-	-	28.46
Less:- Write back of Loss Allowances	(2.02)	(15.98)	(1.70)	-
Less:- Allowances utilised against bad debts (Refer Note 29(b))	-	(0.32)	(1.18)	(4.60)
As at end of the year/period	42.11	44.13	60.43	63.31

ii) Movement in allowances for other receivables

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
As at beginning of the year/period	8.37	8.37	8.35	-
Add:- Loss Allowances	-	-	0.02	8.35
As at end of the year/period	8.37	8.37	8.37	8.35

C) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time, or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Financing arrangements

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

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing - cash credit (expires within 1 year)	519.62	491.87	254.32	304.19

The cash credit facilities may be drawn at any time and be terminated by bank without notice. Subject to satisfactory credit ratings, these facilities may be drawn at any time in INR.

Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	As at June 30, 2021				
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
Long term borrowings (Including current maturity of long term borrowing)	-	-	-	-	-
Current borrowings *	120.38	-	-	-	120.38
Trade payable	-	619.76	-	-	619.76
Lease liabilities	-	27.35	133.96	35.96	197.27
Deposits from dealers, agents etc.	-	6.00	-	52.38	58.38
Other financial liabilities (excluding Deposits from dealers, agents etc.)	-	156.32	-	-	156.32
Total	**120.38**	**809.43**	**133.96**	**88.34**	**1,152.11**

	As at March 31, 2021				
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
Long term borrowings (Including current maturity of long term borrowing)	-	-	-	-	-
Current borrowings *	148.13	-	-	-	148.13
Trade payable	-	525.75	-	-	525.75
Lease liabilities	-	27.38	137.64	59.51	224.53
Deposits from dealers, agents etc.	-	6.00	-	52.86	58.86
Other financial liabilities (excluding Deposits from dealers, agents etc.)	-	141.58	-	-	141.58
Total	**148.13**	**700.71**	**137.64**	**112.37**	**1,098.85**

	As at March 31, 2020				
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
Long term borrowings (Including current maturity of long term borrowing)	-	-	-	-	-
Current borrowings *	385.67	-	-	-	385.67
Trade payable	-	589.54	-	-	589.54
Lease liabilities	-	24.91	135.45	87.88	248.24
Deposits from dealers, agents etc.	-	-	-	63.88	63.88
Other financial liabilities (excluding Deposits from dealers, agents etc.)	-	124.67	-	-	124.67
Total	**385.67**	**739.12**	**135.45**	**151.76**	**1,412.00**

(All amounts are in Rs. million, unless stated otherwise)

	As at March 31, 2019				
	On demand	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Long term borrowings (Including current maturity of long term borrowing)	-	404.22	-	-	404.22
Current borrowings *	215.81	-	-	-	215.81
Trade payable	-	443.25	-	-	443.25
Lease liabilities	-	24.06	132.49	118.18	274.73
Deposits from dealers, agents etc.	-	-	-	56.08	56.08
Other financial liabilities (excluding Deposits from dealers, agents etc.)	-	101.79	-	-	101.79
Total	**215.81**	**1,105.81**	**306.75**	**1,670.14**	**1,495.88**

*does not include interest payable in future periods, since they are repayable on demand and contractual payment to be made in respect of Interest is not accurately determinable considering balance vary based on the fund requirements of the Group.

(All amounts are in Rs. million, unless stated otherwise)

Note 39: Capital risk management

(a) The Group aims to manage its capital efficiency to safeguard its ability to continue as going concern and optimise return to the shareholders.

The capital structure of the Group is based on management judgement of the appropriate balance of key element in order to meet its strategic and day to day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and risk characteristics of the underlying asset. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with focus on total equity so as to maintain stakeholder confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Group's management monitors the return on capital as well as the level of dividends to shareholders.

The Group monitors the gearing ratio to evaluate debt leveraging and to ensure debts are maintained at the acceptable level.

The gearing ratio were as follows:

	As at June 30, 2021	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Net Debt *	252.31	245.88	535.15	739.28
Total Equity	1,148.99	1,053.29	814.62	668.46
Net Debt to total equity	**21.96%**	**23.34%**	**65.69%**	**110.59%**

* Includes borrowings, lease liabilities, interest accrued thereon which is compensated by cash and cash equivalents.

(b) Dividend

The Group has not paid any dividend for the current year as well as previous years.

The Group has subsequent to period ended June 30, 2021, declared interim dividend for the financial year 2021-22 of Rs. 4 each (face value Rs. 2 per share) amounting to Rs. 209.78 million which is approved by the Board of Directors of Holding Company in its meeting held on 25th October 2021.

Note 40: Redemption Of 9% Non-Cumulative Convertible Preference Shares (“9% NCCPS”)

Pursuant to the approval Board of Directors in their meeting held on September 27, 2021, the Company exercised its option to redeem NCCPS on October 06, 2021.

Note 41: Related parties disclosures as per Ind AS 24

1. **Name of the Related Parties :**

Related parties where control exists, irrespective of whether transaction has occurred or not:

(a) (i) **Holding Company**
Raymond Limited, India

(ii) **Subsidiary Company**
JK Talabot Limited, India

Other related parties with whom transactions have taken place during the period:

(b) **Fellow Subsidiary Companies**
Raymond (Europe) Limited, United Kingdom
Ring Plus Aqua Limited, India (Refer Note 49)
Raymond Apparel Limited, India
Raymond Luxury Cotton Limited, India
Silverspark India Apparel Limited, India

(c) **Entities over which parent exercises significant influence**
PT. Jaykay Files Indonesia, Indonesia
PT. Jaykay International Indonesia, Indonesia
J K Helene Curtis Limited, India
Ray Global Consumer Trading Limited, India
Raymond UCO Denim Private Limited, India

Other related parties:

(d) **Key Management Personnel :**
Whole time Director : Ganesh Kumar Subramanian (till May 31,2020)
Chief Executive Officer : Hukumchand Lakhotiya (w.e.f January 07, 2021)
Independent director : Narayan Ramalingam (till February 12, 2020)
Independent director : Ramchandra Anant Prabhudesai (till February 12,2020)
Independent Director : Rashmi Brijgopal Mundada
Non executive director : Krishnan Ashwath Narayan
Non executive director : Krishnan Ashwath Narayan
Non executive director : Balasubramanian Vishwanathan (w.e.f. November 09, 2020)
Non executive director : Ganesh Kumar Subramanian (w.e.f. June 01, 2020)

(e) **Trust**
JK Files (India) Limited - Employees Gratuity Scheme
JK Talabot Limited - Employees Gratuity Scheme

(All amounts are in Rs. million, unless stated otherwise)

Note--2. Transactions carried out with related parties referred in 1, in ordinary course of business :

Nature of transactions	Related Parties																			
	Referred in 1(a)(i) above				Referred in 1(b) above				Referred in 1(c) above				Referred in 1(d) above				Referred in 1(e) above			
	For Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	For Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	For Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	For Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	For Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Purchases :																				
Purchase of DEPB licence	-	-	-	-	-	-	6.10	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales :																				
Sale of products and Services	-	-	-	-	0.09	0.60	0.60	0.27	-	-	-	4.76	-	-	-	-	-	-	-	-
Sale of property, plant and equipment	-	-	-	-	-	0.09	0.09	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income :																				
Interest Income on Inter-company loan	-	-	-	-	5.95	11.10	2.05	8.34	2.14	8.52	8.61	-	-	-	-	-	-	-	-	-
Expenses :																				
Employee Benefits Expenses																				
(Managerial remuneration)	-	-	-	-	-	-	-	-	-	-	-	-	3.69	6.13	26.12	23.88	-	-	-	-
Finance Cost																				
Interest expense on Inter-company loan	-	-	21.96	43.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses																				
Rent expenses	3.64	14.54	14.54	14.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facility Charges	12.00	34.64	48.00	48.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal and Professional Expenses	-	-	-	-	-	-	-	-	-	-	-	-	0.40	1.30	1.60	-	-	-	-	-
Directors fees	-	-	-	-	-	-	-	-	-	-	-	-	0.06	0.30	1.50	0.75	-	-	-	-
Sales Promotion expenses	-	-	-	-	-	-	-	0.22	0.03	-	0.10	0.06	-	-	-	-	-	-	-	-
Reimbursement of Expenses																				
Electricity charges	0.67	1.68	4.89	9.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal and Professional Expenses	0.20	1.55	3.66	4.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenses	1.56	5.70	5.54	4.88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employees Gratuity fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.51	2.54	14.90
Other Receipts :																				
Cost of shared manpower	-	-	0.33	0.79	0.21	-	-	8.54	-	-	-	0.39	-	-	-	-	-	-	-	-
Reimbursement of expenses	14.88	62.39	97.91	79.91	0.05	0.14	0.35	1.33	-	-	0.02	-	-	-	-	-	-	-	-	-
Borrowings :																				
Loan from related party received	-	-	305.00	350.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan from related party repaid	-	-	647.78	350.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans given :																				
Inter Corporate loan Given	-	-	-	-	110.00	291.00	205.00	300.00	-	1.00	-	-	-	-	-	-	-	-	-	-
Inter Corporate loan repayment received	-	-	-	-	-	200.00	175.00	200.00	-	-	-	-	-	-	-	-	-	-	-	-

JK Files & Engineering Limited
(Formerly known as JK Files (India) Limited)
CIN: U27104MH1997PLC105955
Annexure V - Notes to the Restated Consolidated Financial Information
(All amounts are in Rs. million, unless stated otherwise)

Note--2. Transactions carried out with related parties referred in 1 above, in ordinary course of business :

Nature of transactions	Related Parties											
	Referred in 1(a)(i) above				Referred in 1(b) above				Referred in 1(c) above			
	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Outstandings :												
Trade payable	9.15	6.69	0.66	0.42	1.61	1.61	1.61	1.61	-	-	-	-
Non current borrowing	-	-	-	342.78	-	-	-	-	-	-	-	-
Trade receivable *	-	-	-	-	-	0.08	-	1.50	30.11	30.40	38.45	43.58
Loans#	-	-	-	-	230.00	320.00	30.00	100.00	101.00	101.00	100.00	-
Other financial assets												
- Interest Accrued	-	-	-	-	-	3.81	0.57	-	1.56	1.58	1.43	-
- Receivable from Related Parties	-	-	9.04	-	0.21	0.03	0.01	-	8.37	8.37	8.37	8.35

(All amounts are in Rs. million, unless stated otherwise)

Note--3. Transactions carried out with related parties referred in 1 above, in ordinary course of business :

Disclosure in respect of material transactions with related parties during the year	For Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Purchases :				
Purchase of DEPB licence				
Silverspark Apparel Limited	-	-	6.10	-
Sales :				
Sale of products and services				
Ring Plus Aqua Limited.	0.09	0.60	0.60	0.27
P T Jaykay Files Indonesia	-	-	-	4.76
Sale of property, plant and equipment				
Ring Plus Aqua Limited.	-	0.09	0.09	-
Other Income :				
Interest Income on Inter-company loan				
Raymond Apparel Limited	4.64	2.57	2.05	8.34
Raymond Luxury Cotton Limited	1.31	8.53	-	-
Raymond UCO Denim Private Limited	2.12	8.50	8.61	-
Ray Global Consumer Trading Limited	0.02	0.02	-	-
Expenses :				
Employee benefits expenses				
Short term employee benefits				
Ganesh Kumar Subramanian	-	2.26	25.08	22.89
Hukumchand Lakhotiya	3.55	3.57	-	-
Post employment benefits				
Ganesh Kumar Subramanian	-	0.16	1.04	0.99
Hukumchand Lakhotiya	0.14	0.14	-	-
Finance Cost				
Interest expense on Inter-company loan				
Raymond Limited	-	-	21.96	43.49
Other Expenses				
Rent expenses				
Raymond Limited	3.64	14.54	14.54	14.54
Facility charges				
Raymond Limited	12.00	34.64	48.00	48.00
Director sitting fees				
Narayan Ramalingam	-	-	0.50	0.25
Ramchandra Anant Prabhudesai	-	-	0.40	0.25
Rashmi Mundada Brijgopal	0.03	0.15	0.35	0.25
Ravikant Uppal	0.03	0.15	0.25	-
Legal and professional expenses				
Ravikant Uppal	0.40	1.30	1.60	-
<u>Reimbursement of Expenses</u>				
Electricity charges				
Raymond Limited	0.67	1.68	4.89	9.39
Legal and professional expenses				
Raymond Limited	0.20	1.55	3.66	4.36
Miscellaneous expenses				
Raymond Limited	1.56	5.70	5.54	4.88
Sales Promotion expenses				
J K Helene Curtis Limited	0.03	-	0.10	0.06
Raymond Apparel Limited	-	-	-	0.22
Paid to trust - Employees gratuity fund	-	7.51	2.54	14.90
Other Receipts :				
Cost of shared manpower				
Ring Plus Aqua Limited	0.21	-	-	8.54
Raymond Ltd	-	-	0.33	0.79
P T Jaykay Files Indonesia	-	-	-	0.39
Reimbursement of expenses				
Raymond Limited	14.88	62.39	97.91	79.91
Ring Plus Aqua Limited	0.05	0.14	0.35	1.33
P T Jaykay Files Indonesia	-	-	0.02	-

(All amounts are in Rs. million, unless stated otherwise)

Note--3. Transactions carried out with related parties referred in 1 above, in ordinary course of business :

Disclosure in respect of material transactions with related parties during the year	For Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Loans given:				
Inter Corporate loan Given				
Raymond Apparel Limited	110.00	90.00	30.00	300.00
Raymond Luxury Cotton Limited	-	200.00	-	-
Raymond UCO Denim Private Limited	-	-	175.00	-
Ray Global Consumer Trading Limited	-	1.00	-	-
Inter Corporate loan repayment received				
Raymond Apparel Limited	-	-	100.00	200.00
Raymond UCO Denim Private Limited	-	-	75.00	-
Raymond Luxury Cotton Limited	200.00	-	-	-
Borrowings:				
Loan from related party received				
Raymond Limited	-	-	305.00	350.00
Loan from related party repaid				
Raymond Limited	-	-	647.78	350.00

Outstandings :	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Trade payable				
Raymond Limited	9.15	6.69	0.66	0.42
Raymond Europe Limited	1.61	1.61	1.61	1.61
Trade receivable				
P T Jaykay International Indonesia*	30.11	30.40	33.32	31.90
Ring Plus Aqua Limited	-	0.08	-	1.50
P T Jaykay Files Indonesia*	-	-	5.13	11.68
Loans				
Raymond Limited	-	-	-	342.78
Loans#				
Raymond Apparel Limited	230.00	120.00	30.00	100.00
Raymond Luxury Cotton Limited	-	200.00	-	-
Raymond UCO Denim Private Limited	100.00	100.00	100.00	-
Ray Global Consumer Trading Limited	1.00	1.00	-	-
Other financial assets				
- Interest Accrued				
Raymond Apparel Limited	-	0.02	0.57	-
Raymond Luxury Cotton Limited	-	3.79	-	-
Raymond UCO Denim Private Limited	1.55	1.57	1.43	-
Ray Global Consumer Trading Limited	0.01	0.01	-	-
- Receivable from Related Parties				
Raymond Limited	-	-	9.04	-
Ring Plus Aqua Limited	0.21	0.03	0.01	-
P T Jaykay Files Indonesia*	8.37	8.37	8.37	8.35

* The total receivable from PT JayKay Files and PT JayKay International, Indonesia has been provided.

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Trade Receivables				
P T Jaykay International Indonesia	29.01	29.96	33.32	31.03
P T Jaykay Files Indonesia	-	-	5.13	8.98
Other Financial Assets				
P T Jaykay Files Indonesia	8.37	8.37	8.37	8.35

\# Inter-company loan receivable were provided to group companies to meet their working capital requirements.
Transactions were done in ordinary course of business and on normal terms and conditions.

(All amounts are in Rs. million, unless stated otherwise)

Note--4. The following are the details of the transactions of JK Files Limited with JK Talabot Limited eliminated during the period / year ended:

Particulars	For Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products and services	20.97	61.98	63.19	70.03
Interest income	-	-	0.80	-
Purchase of goods and services	49.87	178.16	200.34	211.16
Reimbursement of expenses Employee benefit expenses	0.24	1.05	1.58	1.43
Sale of property, plant and machinery	-	0.45	-	9.65
Purchase of property, plant and equipment	-	5.43	-	-
Intercorporate deposit taken	-	-	75.00	-
Intercorporate deposit repaid	-	-	75.00	-

Note--5. The following are the details of the balances eliminated:

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Trade payables	50.66	56.16	36.17	41.31

(All amounts are in Rs. million, unless stated otherwise)

Note 42: Segment Information

Identification of Segments:
The chief operating decision maker (Chief Executive Officer) monitors the operating results at the Group level for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the restated consolidated financial information.

Accordingly, the Group's business activity falls within a single operating segment i.e. "tools and hardware".

Entity-wide disclosures
a) The Group's products falls under single product category i.e. tools and hardware
b) Information in respect of geographical area is as below:

Revenue*

	For Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
India	375.87	1,760.68	1,850.71	2,042.11
Africa	250.70	443.51	629.16	635.95
America	271.78	805.64	537.35	487.08
Asia (excluding India)	126.00	213.02	439.11	476.56
Rest of the world	44.27	119.31	153.04	196.04
Total	**1,068.62**	**3,342.16**	**3,609.37**	**3,837.74**

Non-current asset**

	As on June 30, 2021	As on March 31, 2021	As on March 31, 2020	As on March 31, 2019
India	600.60	616.23	706.29	753.80
Africa	-	-	-	-
America	-	-	-	-
Asia (excluding India)	-	-	-	-
Rest of the world	-	-	-	-
Total	**600.60**	**616.23**	**706.29**	**753.80**

* Based on location of customer
** Excluding financial asset and current tax assets, deferred tax assets

c) Considering the nature of business of Group in which it operates, the Group deals with various customers including multiple geographies. Consequently, none of the customer contribute materially to the revenue of the Group.

(All amounts are in Rs. million, unless stated otherwise)

Note 43: Interests in other entities

The Restated Consolidated Financial Information present the consolidated accounts of the Group with its following Subsidiary:

A. Subsidiary

The details of the Group's subsidiary are set out below. Its share capital consists solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	**Country of Incorporation / Principal activities**	**As on June 30, 2021**	**As on March 31, 2021**	**As on March 31, 2020**	**As on March 31, 2019**
Subsidiary :					
JK Talabot Limited	India / Engineering, tools and related component				
- Ownership interest held by the Group		90.00%	90.00%	90.00%	90.00%
- Ownership interest held by non-controlling interests		10.00%	10.00%	10.00%	10.00%

B. Non-controlling interests (NCI)

Set out below is summarised financial information for subsidiary's non-controlling interests. The amounts disclosed for subsidiary are before Inter-company eliminations.

Summarised balance sheet	**As on June 30, 2021**	**As on March 31, 2021**	**As on March 31, 2020**	**As on March 31, 2019**
Current assets	240.02	237.68	208.01	190.42
Current liabilities	38.33	36.73	31.58	29.16
Net current assets	**201.69**	**200.95**	**176.43**	**161.26**
Non-current assets	71.31	69.38	86.68	80.46
Non-current liabilities	0.53	0.49	0.33	1.69
Net non-current assets	**70.78**	**68.89**	**86.35**	**78.77**
Net assets	**272.47**	**269.84**	**262.78**	**240.03**
Accumulated NCI	**27.26**	**26.99**	**26.28**	**24.01**

Summarised statement of profit and loss	**For Three months ended June 30, 2021**	**Year ended March 31, 2021**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Revenue	60.88	201.90	232.65	250.64
Profit for the year/period	2.18	10.85	23.01	21.05
Other comprehensive income / (loss)	0.45	(3.82)	(0.26)	0.13
Total comprehensive income	**2.63**	**7.03**	**22.75**	**21.18**
Profit allocated to NCI	0.22	1.09	2.30	2.11
Other comprehensive income / (loss) allocated to NCI	0.05	(0.38)	(0.03)	0.01
Total comprehensive income allocated to NCI	**0.27**	**0.71**	**2.27**	**2.12**
Dividends paid to NCI	-	-	-	-

Summarised cash flows	**For Three months ended June 30, 2021**	**Year ended March 31, 2021**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Cash flows from operating activities	(1.24)	(8.54)	18.98	3.40
Cash flows from investing activities	(0.34)	15.06	(17.93)	(4.14)
Cash flows from financing activities	-	(1.33)	(1.02)	0.63
Net increase/ (decrease) in cash and cash equivalents	**(1.58)**	**5.19**	**0.03**	**(0.11)**

C. There are no transactions with NCI during the period/year covered under Restated Consolidated Financial Information.

(All amounts are in Rs. million, unless stated otherwise)

Note 44: Disclosures mandated by Schedule III of Companies Act 2013, by way of additional information, refer below :

Name of Entities	Three Months ended June 30, 2021							
	Net Assets i.e. total assets minus total liabilities		Share in restated profit before tax		Share in restated Other Comprehensive Income		Share in restated Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
Parent:								
JK Files (India) Limited	82.60%	949.04	97.73%	93.90	218.42%	(0.83)	97.25%	93.07
Subsidiary:								
JK Talabot Limited (Group's Share)	21.34%	245.18	2.04%	1.96	-105.26%	0.40	2.47%	2.36
Non Controlling Interest of JK Talabot Limited	2.37%	27.26	0.23%	0.22	-13.16%	0.05	0.28%	0.27
Inter-company Elimination & Consolidation Adjustments	-6.31%	(72.49)		-		-		-
Grand Total		**1,148.99**		**96.08**		**(0.38)**		**95.70**

Name of Entities	2020-21							
	Net Assets i.e. total assets minus total liabilities		Share in restated profit before tax		Share in restated Other Comprehensive Income		Share in restated Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
Parent:								
JK Files (India) Limited	81.26%	855.95	95.76%	244.84	77.56%	(13.20)	97.05%	231.64
Subsidiary:								
JK Talabot Limited (Group's Share)	23.06%	242.84	3.82%	9.76	20.21%	(3.44)	2.65%	6.32
Non Controlling Interest of JK Talabot Limited	2.56%	26.99	0.42%	1.09	2.23%	(0.38)	0.30%	0.71
Inter-company Elimination & Consolidation Adjustments	-6.88%	(72.49)		-		-		-
Grand Total		**1,053.29**		**255.69**		**(17.02)**		**238.67**

(All amounts are in Rs. million, unless stated otherwise)

Name of Entities	2019-20							
	Net Assets i.e. total assets minus total liabilities		Share in restated profit before tax		Share in restated Other Comprehensive Income		Share in restated Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
Parent:								
JK Files (India) Limited	76.64%	624.33	86.20%	123.29	108.28%	3.40	86.67%	126.69
Subsidiary:								
JK Talabot Limited (Group's Share)	29.03%	236.50	14.48%	20.71	-7.32%	(0.23)	14.01%	20.48
Non Controlling Interest of JK Talabot Limited	3.23%	26.28	1.61%	2.30	-0.96%	(0.03)	1.55%	2.27
Inter-company Elimination & Consolidation Adjustments	-8.90%	(72.49)	-2.29%	(3.27)		-	-2.23%	(3.27)
Grand Total		**814.62**		**143.03**		**3.14**		**146.17**

Name of Entities	2018-19							
	Net Assets i.e. total assets minus total liabilities		Share in restated profit before tax		Share in restated Other Comprehensive Income		Share in restated Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
Parent:								
JK Files (India) Limited	74.94%	500.92	90.12%	151.28	97.68%	5.48	90.36%	156.76
Subsidiary:								
JK Talabot Limited (Group's Share)	32.32%	216.02	11.28%	18.94	2.14%	0.12	10.99%	19.06
Non Controlling Interest of JK Talabot Limited	3.59%	24.01	1.26%	2.11	0.18%	0.01	1.22%	2.12
Inter-company Elimination & Consolidation Adjustments	-10.85%	(72.49)	-2.66%	(4.46)		-	-2.57%	(4.46)
Grand Total		**668.46**		**167.87**		**5.61**		**173.48**

(All amounts are in Rs. million, unless stated otherwise)

Note 45: Exceptional Items

The Group offered 'voluntary retirement benefits and other termination benefits (VRS Scheme) to its eligible employees at Ratnagiri plant unit beginning from July 24, 2018 and ending on July 31, 2018. Pursuant to this, 7 employees opted for the scheme. Total separation cost has been disclosed as "Exceptional Item' in the statement of profit & loss.

	Three months ended June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
- Voluntary retirements benefits	-	-	-	2.91
	-	-	-	2.91

Note 46: Name change

Subsequent to period ended June 30, 2021, the Board of Directors of the Holding Company in their meeting held on September 27, 2021 has approved the change in the name of the Holding Company from JK Files (India) Limited to JK Files & Engineering Limited as approved by Ministry of Company Affairs, effective from 10th November, 2021.

Note 47: Sub-division of equity shares

Subsequent to the period ended June 30, 2021, the Board of Directors of the Holding Company in its meeting held on September 27, 2021 have approved sub-division of existing authorised share capital of the Holding Company from Rs. 170 million consisting of 17,000,000 equity shares of face value of INR 10 each to 85,000,000 equity shares of face value of INR 2 each and sub-division of existing issued, subscribed and paid up equity share capital of the Holding Company from Rs. 87.41 million consisting of 8,740,658 equity shares of face value of Rs. 10 each to 43,703,290 equity shares of face value of Rs. 2 each. This has been approved by the shareholders in their extra-ordinary general meeting held on October 28, 2021.

Note 48: Bonus issue of equity shares

Subsequent to the period ended June 30, 2021, the Board of Directors of the Holding Company in its meeting held on September 27, 2021 have approved issuance of bonus shares in the ratio of 1:5 to existing equity shareholders by capitalising a sum of Rs. 17.48 million out of the reserves of the Holding Company, pursuant to which issued, subscribed and paid-up equity share capital of the Holding Company stands increased from Rs. 87.41 million consisting of 43,703,290 equity shares of face value of INR 2 each to Rs. 104.89 million consisting of 52,443,948 equity shares of face value of INR 2 each. This has been approved by the shareholders in their extra-ordinary general meeting held on October 28, 2021.

Note 49: Acquisition of subsidiaries

On October 31, 2021, Raymond Limited, the holding company of JK Files & Engineering Limited (Formerly known as JK Files (India) Limited) transferred by way of delivery, 100% equity share capital of Scissors Engineering Products Limited ('SEPL') to JK Files & Engineering Limited at Nil consideration. Accordingly, effective October 31, 2021, SEPL has become a wholly owned subsidiary of JK Files & Engineering Limited. Subsequently, SEPL transferred by way of delivery, 89.07% of equity share capital of Ring Plus Aqua Limited (‘RPAL’), the then subsidiary of SEPL, at Nil consideration to JK Files & Engineering Limited. Accordingly, effective November 11, 2021, RPAL has become a direct subsidiary of JK Files & Engineering Limited. The aforesaid acquisitions will be accounted as business combination of entities under common control as per Appendix C of Ind AS 103, using pooling of interest method.

Note 50: COVID-19 Assessment

The Group is in the business of engineering tools and related component and, a key supplier in tools and hardware supply chain market. The Group’s strong contingency plans are in place to secure operations and supply chain so that business operations continues.

The Group has made detailed assessments of the carrying values of all its assets as at balance sheet date and also assessed its liquidity position for the next year, and on the basis of evaluation, has concluded that it has no significant impact on its consolidated financial statement. The Group is of the view that considering the nature of its business operations, existing customer and supplier relationships and its market position, impact on its business operations, if any, arising from COVID -19 pandemic is not expected to be significant. However, the Group will continue to monitor any material changes to future economic conditions.

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration N0. 012754N/N500016

Arunkumar Ramdas
Partner
Membership No.: 112433

Mumbai
December 01, 2021

For and on behalf of Board of Directors

Balasubramanian V.
Managing Director
DIN: 05222476

Ravikant Uppal
Director
DIN: 00025970

Arun Agarwal
Chief Financial Officer

Akshat Chechani
Company Secretary

Mumbai
December 01, 2021

JK Files & Engineering Limited
(Formerly known as JK Files (India) Limited)
CIN: U27104MH1997PLC105955
Annexure VI - Statement of Adjustments to Audited Special Purpose Consolidated Financial Statements
(All amounts are in Rs. million, unless stated otherwise)

Summarized below are the restatement adjustments made to the Audited Special Purpose Consolidated Financial Statements for the period ended June 30, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and their impact on equity and the profit of the Group.

Part A: Statement of Adjustments to Audited Special Purpose Consolidated Financial Statements

Reconciliation between equity as per Audited Special Purpose Consolidated Financial Statements and equity as per Restated Consolidated Financial Information

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total Equity as per Audited Special Purpose Consolidated Financial Statements	**1,148.99**	**1,053.29**	**814.62**	**668.46**
Restated Adjustments	-	-	-	-
Total Impact of Adjustments	**-**	**-**	**-**	**-**
Total Equity as per Restated Consolidated Financial Information	**1,148.99**	**1,053.29**	**814.62**	**668.46**

Reconciliation between audited profit and restated profit :

	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Profit after tax as per Audited Special Purpose Consolidated Financial Statements	96.08	255.69	143.02	167.87
Restated Adjustments	-	-	-	-
Total Impact of Adjustments	-	-	-	-
Profit after tax as per Restated Consolidated Financial Information	**96.08**	**255.69**	**143.02**	**167.87**

Material regrouping/reclassification

Appropriate regrouping/reclassification have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Audited Special Purpose Consolidated Financial Statements for the three months period ended June 30, 2021 prepared in accordance with Schedule III (Division II) of the Act, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Part B :- Non adjusting items

(a) Emphasis of matters not requiring adjustments to Restated Consolidated Financial Information

i) J K Files (India) Limited

Emphasis of matter paragraph in the audit report on standalone financial statements for the year ended March 31, 2021:

We draw your attention to Note 46 to the financial statements, which explains the uncertainties and the management's assessment of the financial impact due to restrictions and other conditions related to the COVID-19 pandemic situation (including its second wave), for which a definitive assessment of the impact in the subsequent period is dependent upon circumstances as they evolve. Our opinion is not modified in respect of the matter.

Auditor's Comments in Annexure to Auditors' Report for the year ended March 31, 2021:
Clause i(c) of the CARO 2016 Order
The title deeds of immovable properties, as disclosed in Note 2 (b) on fixed assets to the financial statements, are held in the name of the Company, except for following leasehold land transferred to the Company, pursuant to a demerger from Raymond Limited, which is pending registration in the name of the Company:

Location	Type of Immovable Property	Gross Block	Net Block
Chiplun	Leasehold Land	15.48	13.23

Clause vii(a) of the CARO 2016 Order
According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, income tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 35 to the financial statements regarding management's assessment on certain matter relating to provident fund.

Clause vii(b) of the CARO 2016 Order
According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise, service tax and goods and service tax as at March 31, 2021 which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, and value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows

Name of Statute	Nature of Dues	Amount (Rs. In million) (net of deposit)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002	Sales Tax (VAT and CST)	25.08	2012-13 to 2016-17	Deputy Commissioner of Sales Tax
The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003	Sales Tax (VAT and CST)	1.15	2013-14 and 2014-15	Sales Tax Officer
The Central Sales Tax Act, 1956 and Madhya Pradesh Value Added Tax Act, 2002	Sales Tax (VAT and CST)	0.18	2015-16	Deputy Commissioner
The Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002	Sales Tax (VAT and CST)	0.38	2010-11	Joint Commissioner (Appeals)
West Bengal Value Added Tax Act, 2003	Sales Tax (VAT and CST)	0.01	2014-15	Sr. Joint Commissioner
The Income Tax Act, 1961	Income Tax	8.90	2010-11 to 2015-16	Commissioner of Income Tax (Appeals)

Part B :- Non adjusting items

Emphasis of matter paragraph in the audit report on standalone financial statements for the year ended March 31, 2020:

We draw your attention to Note 48 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Auditor's Comments in Annexure to Auditors' Report for year ended March 31, 2020:
Clause i(c) of the CARO 2016 Order
The title deeds of immovable properties, as disclosed in Note 2 (b) on Property, Plant and Equipment and Note 12 on Assets classified as held for sale to the financial statements, are held in the name of the Company, except for following leasehold land transferred to the Company, pursuant to a demerger from Raymond Limited, which is pending registration in the name of the Company:

Location	Type of Immovable Property	Gross Block	Net Block
Chiplun	Leasehold Land	15.48	13.43

Clause vii(a) of the CARO 2016 Order
According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, income tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 35 to the financial statements regarding management's assessment on certain matter relating to provident fund.

Clause vii(b) of the CARO 2016 Order
According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise, and goods and services tax as at March 31, 2020 which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of Dues	Amount (Rs. In million) (net of deposit)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003	Sales Tax (VAT and CST)	6.62	2007-08 and 2011-12	Revision Board
The Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002	Sales Tax (VAT and CST)	12.43	2012-13 to 2014-15	Deputy Commissioner of Sales Tax
The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003	Sales Tax (VAT and CST)	1.15	2013-14 and 2014-15	Sales Tax Officer
The Central Sales Tax Act, 1956 and Madhya Pradesh Value Added Tax Act, 2002	Sales Tax (VAT and CST)	0.18	2015-16	Deputy Commissioner
The Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002	Sales Tax (VAT and CST)	0.38	2010-11	Joint Commissioner (Appeals)
West Bengal Value Added Tax Act, 2003	Sales Tax (VAT and CST)	0.01	2014-15	Sr. Joint Commissioner
The Central Sales Tax Act, 1956	Sales Tax (VAT)	0.02	1996-97	Appellate Board
The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003	Sales Tax (VAT and CST)	0.72	2013-14 to 2017-18	Deputy Commissioner of Sales Tax
The Income Tax Act, 1961	Income Tax	8.90	2010-11 to 2015-16	Commissioner of Income Tax (Appeals)

Part B :- Non adjusting items

Auditor's Comments in Annexure to Auditors' Report for the year ended March 31, 2019:

Clause i(c) of the CARO 2016 Order

The title deeds of immovable properties, as disclosed in Note 2 on Property, Plant and Equipment and Note 12 on Assets classified as held for sale to the financial statements, are held in the name of the Company, except for following leasehold land transferred to the Company, pursuant to a demerger from Raymond Limited, which is pending registration in the name of the Company:

Location	Type of Immovable Property	Gross Block	Net Block
Chiplun	Leasehold Land	15.48	13.52

Clause vii(a) of the CARO 2016 Order

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, income tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 35 to the financial statements regarding management's assessment on certain matter relating to provident fund.

Clause vii(b) of the CARO 2016 Order

According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise, and goods and services tax as at March 31, 2019 which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax and value added tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of Dues	Amount (Rs. In million) (net of deposit)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003	Sales Tax (VAT and CST)	6.62	2007-08 and 2011-12	Revision Board
The Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002	Sales Tax (VAT and CST)	8.44	2009-10 and 2013-14	Deputy Commissioner of Sales Tax
The Central Sales Tax Act, 1956, Maharashtra Value Added Tax Act, 2002 and West Bengal Value Added Tax Act, 2003	Sales Tax (VAT and CST)	2.15	2012-13 to 2014-15	Sales Tax Officer
The Central Sales Tax Act, 1956 and Madhya Pradesh Value Added Tax Act, 2002	Sales Tax (VAT and CST)	0.25	2015-16	Deputy Commissioner
The Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002	Sales Tax (VAT and CST)	0.38	2010-11	Joint Commissioner (Appeals)
West Bengal Value Added Tax Act, 2003	Sales Tax (VAT and CST)	0.01	2014-15	Sr. Joint Commissioner
The Central Sales Tax Act, 1956	Sales Tax (VAT)	0.02	1996-97	Appellate Board
The Income Tax Act, 1961	Income Tax	5.35	2009-10 to 2012-13	Commissioner of Income Tax (Appeals)

Part B :- Non adjusting items

ii) J K Talabot (India) Limited

Emphasis of matter paragraph in the audit report on standalone financial statements for the year ended March 31, 2021:
We draw your attention to Note 37 to the financial statements, which explains the uncertainties and the management's assessment of the financial impact due to restrictions and other conditions related to the COVID-19 pandemic situation (including its second wave), for which a definitive assessment of the impact in the subsequent period is dependent upon circumstances as they evolve. Our opinion is not modified in respect of the matter.

Auditor's Comments in Annexure to Auditors' Report for the year ended March 31, 2021::

Clause vii(a) of the CARO 2016 Order
According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues of provident fund, income tax and goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 31 to the financial statements regarding management's assessment on certain matters relating to provident fund.

Clause vii(b) of the CARO 2016 Order
According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows

Name of Statute	Nature of Dues	Amount (Rs. In million) (net of deposit)	Period to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax Act, 2002	Value Added Tax	4.63	2006-07	Maharashtra Sales Tax Tribunal

Emphasis of matter paragraph in the audit report on standalone financial statements for the year ended March 31, 2020

We draw your attention to Note 39 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Auditor's Comments in Annexure to Auditors' Report for the year ended March 31, 2020:
Clause vii(a) of the CARO 2016 Order
According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues of provident fund, income tax and goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 31 to the financial statements regarding management's assessment on certain matters relating to provident fund.

Clause vii(b) of the CARO 2016 Order
According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, which have not been deposited on account of any dispute. The particulars of dues of value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows

Name of Statute	Nature of Dues	Amount (Rs. In million) (net of deposit)	Period to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax Act, 2002	Value Added Tax	4.63	2006-07	Maharashtra Sales Tax Tribunal

Part B :- Non adjusting items

Auditor's Comments in Annexure to Auditors' Report for the year ended March 31, 2019:
Clause vii(b) of the CARO 2016 Order
According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs and duty of excise which have not been deposited on account of any dispute. The particulars of dues of value added tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of Dues	Amount (Rs. In million) (net of deposit)	Period to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax Act, 2002	Value Added Tax	4.63	2006-07	Maharashtra Sales Tax Tribunal

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Arunkumar Ramdas
Partner
Membership No.: 112433

Mumbai
December 01, 2021

For and on behalf of Board of Directors

Balasubramanian V.
Managing Director
DIN: 05222476

Ravikant Uppal
Director
DIN: 00025970

Arun Agarwal
Chief Financial Officer

Akshat Chechani
Company Secretary

Mumbai
December 01, 2021

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The pro forma consolidated financial information is prepared for the purposes of inclusion in the Draft Red Herring Prospectus in connection with the offering of the equity shares of the Company, as part of the overall proposed initial public offering of equity shares of the Company. The rules and regulations related to the preparation of pro forma consolidated financial information in other jurisdictions may also vary significantly from the basis of preparation of the Pro Forma Consolidated Financial Information as set out in "*Pro Forma Consolidated Financial Information*" on page 311. Accordingly, the degree of reliance placed by investors on such proforma information should be limited.

Our Statutory Auditors have performed work and applied procedures in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus, issued by the Institute of Chartered Accountants of India with respect to the pro forma consolidated financial information of the Company as at and for the three months ended June 30, 2021 and as at and for the year ended March 31, 2021, included in the Draft Red Herring Prospectus. The work performed by Statutory Auditors on the Pro Forma Consolidated Financial Information has not been carried out in accordance with the auditing standards generally accepted in the United States of America, standards of the Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report. Our Statutory Auditors report dated December 1, 2021 included in the Draft Red Herring Prospectus therein states that they did not audit and they do not express an audit opinion on the Pro Forma Consolidated Financial Information of our Company. Accordingly, the degree of reliance on their report on such information should be restricted in light of the nature of the procedures applied by them.

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Price Waterhouse Chartered Accountants LLP

The Board of Directors
JK Files & Engineering Limited
(formerly known as JK Files (India) Limited)
New Hind House,
N.M. Marg, Ballard Estate,
Mumbai 400 001

Statutory Auditor's report on the compilation of Pro Forma Consolidated Financial Information in connection with the proposed Initial Public Offering ('IPO') of JK Files & Engineering Limited (formerly known as JK Files (India) Limited)

1. This report is issued in accordance with the terms of our agreement dated December 1, 2021.

2. We have completed our assurance engagement to report on the compilation of pro forma consolidated financial information of JK Files & Engineering Limited (formerly known as JK Files (India) Limited) (the 'Company') and its subsidiary (together referred to as "Group") by the Company's Management. The pro forma consolidated financial information consists of the Pro forma Consolidated Balance Sheet as at June 30, 2021 and March 31, 2021, the Pro forma Consolidated Statement of Profit and Loss for the three months ended June 30, 2021 and for the year ended March 31, 2021 and related notes, for inclusion in the Draft Red Herring Prospectus ('DRHP') by the Company (hereinafter referred as the "Pro Forma Consolidated Financial Information"). The applicable criteria, on the basis of which the Company's Management has compiled the Pro Forma Consolidated Financial Information as required by clause 11 (I) (B) (iii) of Part A of Schedule VI to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (SEBI) are specified in the "Basis of preparation" paragraph as described in Note 2 to the Pro Forma Consolidated Financial Information .

3. The Pro forma Consolidated Financial Information has been compiled by the Company's Management to illustrate the impact of the acquisition set out in Note 1 to the Pro Forma Consolidated Financial Information, on the Group's financial position as at June 30, 2021 and March 31, 2021, as if the acquisition had taken place as on those dates respectively; its financial performance for the three months ended June 30, 2021 and for the year ended March 31, 2021, as if the acquisition had taken place as at April 1, 2021 and April 1, 2020, respectively. As part of this process, information about the Group's financial position and financial performance has been extracted by the Company's Management from:

   a) the restated consolidated financial information of the Group as at and for the three months ended June 30, 2021 and as at and for the year ended March 31, 2021, on which we have expressed an unmodified opinion vide our examination report dated December 1, 2021 (included in the DRHP);

   b) the audited special purpose interim financial statements of Ring Plus Aqua Limited as at and for the three months ended June 30, 2021 on which we have issued an unmodified audit opinion dated November 30, 2021;

   c) the audited standalone special purpose interim financial statements of Scissors Engineering Products Limited as at and for the three months ended June 30, 2021 on which we have issued an unmodified audit opinion dated November 30, 2021;

   d) the audited financial statements of Ring Plus Aqua Limited as at and for the year ended March 31, 2021 on which we have issued unmodified audit opinion dated May 3, 2021;

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar
Mumbai - 400 028
T: +91(22) 66691000, F: +91 (22) 66547804 / 07

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 00

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/14500016 (ICAI registration number before conversion was 012754N)

e) the audited standalone financial statements of Scissors Engineering Products Limited as at and for the year ended March 31, 2021 on which we have issued unmodified audit opinion dated May 3, 2021;

Management's Responsibility for the Pro Forma Consolidated Financial Information

4. The Company's Management is responsible for compiling the Pro forma Consolidated Financial Information as required by clause 11 (I) (B) (iii) of Part A of Schedule VI to the SEBI ICDR Regulations, as specified in the "Basis of preparation" paragraph as described in Note 2 to the Pro Forma Consolidated Financial Information, which has been approved by the Board of Directors of the Company in their meeting dated December 1, 2021. This responsibility includes the responsibility for designing, implementing and maintaining internal controls relevant for compiling the Pro Forma Consolidated Financial Information on the basis stated in the aforementioned note that is free from material misstatement, whether due to fraud or error. The Company's Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro Forma Consolidated Financial Information.

Statutory Auditor's Responsibilities

5. Our responsibility is to express an opinion on the Pro Forma Consolidated Financial Information as required by clause 11 (I) (B) (iii) of Part A of Schedule VI to the SEBI ICDR Regulations on whether the Pro Forma Consolidated Financial Information has been compiled, in all material respects, by the Company's Management on the basis stated in Note 2 to the Proforma Consolidated Financial Information.

6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, 'Assurance Engagements to Report on the Compilation of Proforma Financial Information included in a Prospectus', issued by the Institute of Chartered Accountants of India. This Standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Company's Management has compiled, in all material respects, the Pro forma Consolidated Financial Information on the basis stated in Note 2 to the Pro Forma Consolidated Financial Information.

7. For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro forma Consolidated Financial Information.

8. The purpose of Pro Forma Consolidated Financial Information for inclusion in the DRHP is solely to illustrate the impact of a significant event or transaction (the acquisition as described in Note 1 to the Pro Forma Consolidated Financial Information) on unadjusted financial information of the Group at an earlier date selected as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the acquisition described in Note 1 to the Pro Forma Consolidated Financial Information at the respective dates, would have been as presented.

9. A reasonable assurance engagement to report on whether the Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Company's Management in the compilation of the Pro forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transactions, and to obtain sufficient appropriate evidence about whether:
   - the related pro forma adjustments give appropriate effect to those criteria; and

- the Pro forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

10. The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the Company, the event or transactions in respect of which the Pro forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances.

11. The engagement also involves evaluating the overall presentation of the Pro forma Consolidated Financial Information.

12. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report or examination report issued by us on any financial statements or restated consolidated financial information of the Company or any of the components included in the Pro Forma Consolidated Financial Information (Refer paragraph 3 above).

14. We have no responsibility to update our report or reissue our report for events and circumstances occurring after the date of the report.

Opinion

15. In our opinion, the Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis as stated in Note 2 to the Pro Forma Consolidated Financial Information.

Restrictions on Use

16. This report is addressed to and is provided to the Board of Directors of the Company to enable them to include this report in the DRHP, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Arunkumar Ramdas
Partner
Membership Number : 112433
UDIN: 21112433AAAAFV5933
Place: Mumbai
Date: December 1, 2021

JK Files & Engineering Limited
(Formerly known as J K Files (India) Limited)
Pro forma Consolidated Balance Sheet as at June 30, 2021
(All amounts are in Rs. million, unless stated otherwise)

		Acquisition		Adjustments		
	JKFL Group (Note 2)	**SEPL (Note 1)**	**RPAL (Note 1)**	**Pro forma Adjustments (Note 3)**	**Inter-company eliminations (Note 5)**	**JKFL Group Proforma Consolidated**
	A	**B**	**C**	**D**	**E**	**F=SUM(A+E)**
ASSETS						
I Non-current assets						
(a) Property, plant and equipment	439.81	-	779.06	-	-	1,218.87
(b) Right of use assets	130.53	-	8.53	-	-	139.06
(c) Capital work-in-progress	5.71	-	2.14	-	-	7.85
(d) Goodwill	7.94	-	-	-	-	7.94
(e) Other intangible assets	0.35	-	0.31	-	-	0.66
(f) Investment in subsidiary	-	283.81	-	(283.81)	-	-
(g) Financial assets						
(i) Investments	-	-	0.86	-	-	0.86
(ii) Other financial assets	14.99	0.13	2.00	-	-	17.12
(h) Deferred tax assets (net)	19.32	-	-	-	-	19.32
(i) Current tax assets (net)	24.45	-	-	-	-	24.45
(j) Other non-current assets	16.26	-	14.97	-	-	31.23
Total non-current assets	**659.36**	**283.94**	**807.87**	**(283.81)**	**-**	**1,467.36**
II Current assets						
(a) Inventories	1,008.29	-	487.00	-	-	1,495.29
(b) Financial assets						
(i) Investments	14.47	-	203.84	-	-	218.31
(ii) Trade receivables	286.54	-	340.57	-	-	627.11
(iii) Cash and cash equivalents	6.80	0.32	28.89	-	-	36.01
(iv) Bank balances other than (iii) above	4.95	-	-	-	-	4.95
(v) Loans	331.00	-	500.00	-	-	831.00
(vi) Other financial assets	2.16	-	2.08	-	(0.21)	4.03
(c) Other current assets	243.49	-	57.64	-	-	301.13
	1,897.70	**0.32**	**1,620.02**	**-**	**(0.21)**	**3,517.83**
(d) Assets held for sale	10.58	-	-	-	-	10.58
Total current assets	**1,908.28**	**0.32**	**1,620.02**	**-**	**(0.21)**	**3,528.41**
TOTAL ASSETS	**2,567.64**	**284.26**	**2,427.89**	**(283.81)**	**(0.21)**	**4,995.77**
I EQUITY AND LIABILITIES						
Equity						
(a) Equity share capital	87.41	181.31	77.57	(258.88)	-	87.41
(b) Instruments entirely in the nature of equity	220.00	-	-	-	-	220.00
(c) Other equity	814.32	102.87	1,550.02	(202.83)	-	2,264.38
Equity attributable to Owners	**1,121.73**	**284.18**	**1,627.59**	**(461.71)**	**-**	**2,571.79**
Non-controlling interests	27.26	-	-	177.90	-	205.16
Total Equity	**1,148.99**	**284.18**	**1,627.59**	**(283.81)**	**-**	**2,776.95**
LIABILITIES						
II Non-current liabilities						
(a) Financial liabilities						
(i) Lease liabilities	126.66	-	-	-	-	126.66
(b) Current tax liabilities (net)	-	-	9.45	-	-	9.45
(c) Deferred tax liabilities	0.53	-	37.68	-	-	38.21
Total non-current liabilities	**127.19**	**-**	**47.13**	**-**	**-**	**174.32**
III Current liabilities						
(a) Financial Liabilities						
(i) Borrowings	120.38	-	101.14	-	-	221.52
(ii) Lease liabilities	11.91	-	-	-	-	11.91
(iii) Trade payables	619.76	0.08	486.39	-	-	1,106.23
(iv) Other financial liabilities	214.70	-	72.74	-	(0.21)	287.23
(b) Provisions	73.49	-	51.06	-	-	124.55
(c) Current tax liabilities (net)	9.41	-	-	-	-	9.41
(d) Other current liabilities	241.81	-	41.84	-	-	283.65
Total current liabilities	**1,291.46**	**0.08**	**753.17**	**-**	**(0.21)**	**2,044.50**
Total liabilities	**1,418.65**	**0.08**	**800.30**	**-**	**(0.21)**	**2,218.82**
TOTAL EQUITY AND LIABILITIES	**2,567.64**	**284.26**	**2,427.89**	**(283.81)**	**(0.21)**	**4,995.77**

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Arunkumar Ramdas
Partner
Membership No.: 112433

Mumbai
December 01, 2021

For and on behalf of Board of Directors

Balasubramanian V.
Managing Director
DIN: 05222476

Ravikant Uppal
Director
DIN: 00025970

Arun Agarwal
Chief Financial Officer

Akshat Chechani
Company Secretary

Mumbai
December 01, 2021

JK Files & Engineering Limited
(Formerly known as J K Files (India) Limited)
Pro forma Consolidated Balance Sheet as at March 31, 2021
(All amounts are in Rs. million, unless stated otherwise)

		Acquisition		Adjustments			
	JKFL Group (Note 2)	**SEPL (Note 1)**	**RPAL (Note 1)**	**Pro forma Adjustments (Note 3)**	**Reclassification Adjustments (Note 4)**	**Inter-company eliminations (Note 5)**	**JKFL Group Proforma Consolidated**
	A	**B**	**C**	**D**	**E**	**F**	**G = SUM(A+F)**
ASSETS							
I Non-current assets							
(a) Property, plant and equipment	449.97	-	803.57	-	-	-	1,253.54
(b) Right of use assets	134.09	-	8.55	-	-	-	142.64
(c) Capital work-in-progress	6.47	-	0.28	-	-	-	6.75
(d) Goodwill	7.94	-	-	-	-	-	7.94
(e) Other intangible assets	0.45	-	0.39	-	-	-	0.84
(f) Investment in subsidiary	-	283.81	-	(283.81)	-	-	-
(g) Financial assets							
(i) Investments	-	-	0.86	-	-	-	0.86
(ii) Loans	-	0.13	2.00	-	(2.13)	-	-
(iii) Other financial assets	14.99	-	-	-	2.13	-	17.12
(h) Deferred tax assets (net)	21.55	-	-	-	-	-	21.55
(i) Current tax assets (net)	24.12	-	-	-	-	-	24.12
(j) Other non-current assets	17.31	-	15.42	-	-	-	32.73
Total non-current assets	**676.89**	**283.94**	**831.07**	**(283.81)**	**-**	**-**	**1,508.09**
II Current assets							
(a) Inventories	862.88	-	491.75	-	-	-	1,354.63
(b) Financial assets							
(i) Investments	14.32	-	130.06	-	-	-	144.38
(ii) Trade receivables	144.31	-	350.99	-	-	(0.08)	495.22
(iii) Cash and cash equivalents	43.47	0.32	22.14	-	-	-	65.93
(iv) Bank balances other than (iii) above	-	-	-	-	-	-	-
(v) Loans	421.00	-	500.00	-	-	-	921.00
(vi) Other financial assets	5.75	-	3.62	-	-	(0.03)	9.34
(c) Other current assets	230.52	-	78.75	-	-	-	309.27
	1,722.25	**0.32**	**1,577.31**	**-**	**-**	**(0.11)**	**3,299.77**
(d) Assets held for sale	10.58	-	-	-	-	-	10.58
Total current assets	**1,732.83**	**0.32**	**1,577.31**	**-**	**-**	**(0.11)**	**3,310.35**
TOTAL ASSETS	**2,409.72**	**284.26**	**2,408.38**	**(283.81)**	**-**	**(0.11)**	**4,818.44**
I EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	87.41	181.31	77.57	(258.88)	-	-	87.41
(b) Instruments entirely in the nature of equity	220.00	-	-	-	-	-	220.00
(c) Other equity	718.89	102.87	1,472.32	(194.33)	-	-	2,099.75
Equity attributable to Owners	**1,026.30**	**284.18**	**1,549.89**	**(453.21)**	**-**	**-**	**2,407.16**
Non-controlling interests	26.99	-	-	169.40	-	-	196.39
Total Equity	**1,053.29**	**284.18**	**1,549.89**	**(283.81)**	**-**	**-**	**2,603.55**
LIABILITIES							
II Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	-	-	0.97	-	-	-	0.97
(ii) Lease liabilities	129.79	-	-	-	-	-	129.79
(b) Current tax liabilities (net)	-	-	3.68	-	-	-	3.68
(c) Deferred tax liabilities	0.49	-	33.18	-	-	-	33.67
Total Non Current Liabilities	**130.28**	**-**	**37.83**	**-**	**-**	**-**	**168.11**
III Current liabilities							
(a) Financial Liabilities							
(i) Borrowings	148.13	-	105.02	-	2.58	-	255.73
(ii) Lease liabilities	11.25	-	-	-	-	-	11.25
(iii) Trade payables	525.75	0.08	536.67	-	-	(0.08)	1,062.42
(iv) Other financial liabilities	200.44	-	64.65	-	(2.58)	(0.03)	262.48
(b) Provisions	73.31	-	52.52	-	-	-	125.83
(c) Current tax liabilities (net)	-	-	-	-	-	-	-
(d) Other current liabilities	267.27	-	61.80	-	-	-	329.07
Total Current Liabilities	**1,226.15**	**0.08**	**820.66**	**-**	**-**	**(0.11)**	**2,046.78**
Total Liabilities	**1,356.43**	**0.08**	**858.49**	**-**	**-**	**(0.11)**	**2,214.89**
TOTAL EQUITY AND LIABILITIES	**2,409.72**	**284.26**	**2,408.38**	**(283.81)**	**-**	**(0.11)**	**4,818.44**

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Arunkumar Ramdas
Partner
Membership No.: 112433

Mumbai
December 01, 2021

For and on behalf of Board of Directors

Balasubramanian V.
Managing Director
DIN: 05222476

Ravikant Uppal
Director
DIN: 00025970

Arun Agarwal
Chief Financial Officer

Akshat Chechani
Company Secretary

Mumbai
December 01, 2021

JK Files & Engineering Limited
(Formerly known as J K Files (India) Limited)
Pro forma Consolidated Statement of Profit and Loss for the three months ended June 30, 2021
(All amounts are in Rs. million, unless stated otherwise)

			Acquisition		Adjustments		
		JKFL Group (Note 2)	SEPL (Note 1)	RPAL (Note 1)	Pro forma Adjustments (Note 3)	Inter-company eliminations (Note 5)	JKFL Group Proforma Consolidated
		A	B	C	D	E	F=SUM(A+E)
I	**Revenue from operations**	1,104.79	-	700.14	-	(0.09)	1,804.84
II	**Other income**	14.01	-	23.79	-	-	37.80
III	**Total income (I+II)**	**1,118.80**	**-**	**723.93**	**-**	**(0.09)**	**1,842.64**
IV	**Expenses**						
	Cost of raw materials consumed	299.13	-	277.67	-	-	576.80
	Purchases of stock-in-trade	141.24	-	-	-	-	141.24
	Changes in inventories of work-in progress, finished goods and stock-in-trade	(61.27)	-	5.17	-	(0.09)	(56.19)
	Employee benefits expense	177.12	-	65.72	-	0.21	243.05
	Finance costs	7.47	-	1.29	-	-	8.76
	Depreciation and amortization expense	24.51	-	26.66	-	-	51.17
	Net impairment losses (including reversals) on financial assets	(2.02)	-	-	-	-	(2.02)
	Other expenses	404.14	0.01	242.39	-	(0.21)	646.33
	Total expenses (IV)	**990.32**	**0.01**	**618.90**	**-**	**(0.09)**	**1,609.14**
V	**Profit / (loss) before tax (III-IV)**	**128.48**	**(0.01)**	**105.03**	**-**	**-**	**233.50**
VI	**Tax expense**						
	Current tax	30.13	-	21.88	-	-	52.01
	Deferred tax	2.27	-	5.10	-	-	7.37
	Total tax expenses (VI)	**32.40**	**-**	**26.98**	**-**	**-**	**59.38**
VII	**Profit / (loss) for the period (V - VII)**	**96.08**	**(0.01)**	**78.05**	**-**	**-**	**174.12**
VIII	**Other comprehensive income / (loss)**						
	Items that will not be reclassified to profit or loss						
	- Remeasurements of net defined benefit plans	(0.49)	-	(2.37)	-	-	(2.86)
	- Income tax relating to above	0.11	-	0.60	-	-	0.71
	Other comprehensive income / (loss) for the period, net of tax	**(0.38)**	**-**	**(1.77)**	**-**	**-**	**(2.15)**
IX	**Total comprehensive income / (loss) for the period (VII + VIII)**	**95.70**	**(0.01)**	**76.28**	**-**	**-**	**171.97**
	Total comprehensive income for the period (Comprising profit and other comprehensive income for the period) attributable to:						
	Owners of the parent	95.43	(0.01)	76.28	(8.34)	-	163.36
	Non-controlling interests	0.27	-	-	8.34	-	8.61
		95.70	**(0.01)**	**76.28**	**-**	**-**	**171.97**
	Of the total comprehensive income above, profit attributable to:						
	Owners of the parent	95.86	(0.01)	78.05	(8.53)	-	165.37
	Non-controlling interests	0.22	-	-	8.53	-	8.75
		96.08	**(0.01)**	**78.05**	**-**	**-**	**174.12**
	Of the total comprehensive income above, other comprehensive income / (loss) attributable to:						
	Owners of the parent	(0.43)	-	(1.77)	0.19	-	(2.01)
	Non-controlling interests	0.05	-	-	(0.19)	-	(0.14)
		(0.38)	**-**	**(1.77)**	**-**	**-**	**(2.15)**
X	**Earnings per equity share attributable to owners of parent**						
	Basic earnings per share (in Rs.)						3.15
	Diluted earnings per share (in Rs.)						2.68

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Arunkumar Ramdas
Partner
Membership No.: 112433

Mumbai
December 01, 2021

For and on behalf of Board of Directors

Balasubramanian V.
Managing Director
DIN: 05222476

Ravikant Uppal
Director
DIN: 00025970

Arun Agarwal
Chief Financial Officer

Akshat Chechani
Company Secretary

Mumbai
December 01, 2021

JK Files & Engineering Limited
(Formerly known as J K Files (India) Limited)
Pro forma Consolidated Statement of Profit and Loss for the year ended March 31, 2021
(All amounts are in Rs. million, unless stated otherwise)

			Acquisition		Adjustments		
		JKFL Group (Note 2)	SEPL (Note 1)	RPAL (Note 1)	Pro forma Adjustments (Note 3)	Inter-company eliminations (Note 5)	JKFL Group Proforma Consolidated
		A	B	C	D	E	F=SUM(A+E)
I	**Revenue from operations**	3,442.55	-	1,973.16	-	(0.60)	5,415.11
II	**Other income**	54.08	-	63.78	-	-	117.86
III	**Total income (I+II)**	**3,496.63**	**-**	**2,036.94**	**-**	**(0.60)**	**5,532.97**
IV	**Expenses**						
	Cost of raw materials consumed	894.24	-	756.56	-	-	1,650.80
	Purchases of stock-in-trade	425.39	-	-	-	-	425.39
	Changes in inventories of work-in progress, finished goods and stock-in-trade	(230.48)	-	(97.57)	-	(0.60)	(328.65)
	Employee benefits expense	602.41	-	255.84	-	-	858.25
	Finance costs	37.02	-	8.76	-	-	45.78
	Depreciation and amortization expense	97.16	-	108.61	-	-	205.77
	Net impairment losses (including reversals) on financial assets	(15.98)	-	-	-	-	(15.98)
	Other expenses	1,343.43	0.17	718.98	-	-	2,062.58
	Total expenses (IV)	**3,153.19**	**0.17**	**1,751.18**	**-**	**(0.60)**	**4,903.94**
V	**Profit / (loss) before tax (III-IV)**	**343.44**	**(0.17)**	**285.76**	**-**	**-**	**629.03**
VI	**Tax expense**						
	Current tax	78.72	-	76.84	-	-	155.56
	Deferred tax	9.03	-	(15.85)	-	-	(6.82)
	Tax charge in respect of earlier years	-	-	(0.40)	-	-	(0.40)
	Total tax expenses (VI)	**87.75**	**-**	**60.59**	**-**	**-**	**148.34**
VII	**Profit / (loss) for the year (V - VII)**	**255.69**	**(0.17)**	**225.17**	**-**	**-**	**480.69**
VIII	**Other comprehensive income / (loss)**						
	Items that will not be reclassified to profit or loss						
	- Remeasurements of net defined benefit plans	(22.11)	-	(5.62)	-	-	(27.73)
	- Income tax relating to above	5.09	-	1.41	-	-	6.50
	Other comprehensive income / (loss) for the year, net of tax	**(17.02)**	**-**	**(4.21)**	**-**	**-**	**(21.23)**
IX	**Total comprehensive income / (loss) for the year (VII + VIII)**	**238.67**	**(0.17)**	**220.96**	**-**	**-**	**459.46**
	Total comprehensive income for the year (Comprising profit and other comprehensive income for the year) attributable to:						
	Owners of the parent	237.96	(0.17)	220.96	(24.15)	-	434.60
	Non-controlling interests	0.71	-	-	24.15	-	24.86
		238.67	**(0.17)**	**220.96**	**-**	**-**	**459.46**
	Of the total comprehensive income above, profit attributable to:						
	Owners of the parent	254.60	(0.17)	225.17	(24.61)	-	454.99
	Non-controlling interests	1.09	-	-	24.61	-	25.70
		255.69	**(0.17)**	**225.17**	**-**	**-**	**480.69**
	Of the total comprehensive income above, other comprehensive income / (loss) attributable to:						
	Owners of the parent	(16.64)	-	(4.21)	0.46	-	(20.39)
	Non-controlling interests	(0.38)	-	-	(0.46)	-	(0.84)
		(17.02)	**-**	**(4.21)**	**-**	**-**	**(21.23)**
X	**Earnings per equity share attributable to owners of parent**						
	Basic earnings per share (in Rs.)						8.68
	Diluted earnings per share (in Rs.)						7.38

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Arunkumar Ramdas
Partner
Membership No.: 112433

-
-

Mumbai
December 01, 2021

For and on behalf of Board of Directors

Balasubramanian V.
Managing Director
DIN: 05222476

Ravikant Uppal
Director
DIN: 00025970

Arun Agarwal
Chief Financial Officer

Akshat Chechani
Company Secretary

Mumbai
December 01, 2021

1) Background

On October 31, 2021, Raymond Limited, the holding company of JK Files & Engineering Limited transferred by way of delivery, 100% equity share capital of Scissors Engineering Products Limited ('SEPL') to JK Files & Engineering Limited ("JKFL", "JKFL Group", "Group" or "Company") at Nil consideration. Accordingly, effective October 31, 2021, SEPL has become a wholly owned subsidiary of JKFL. Subsequently, SEPL transferred by way of delivery, 89.07% of equity share capital of Ring Plus Aqua Limited ('RPAL'), the then subsidiary of SEPL, at Nil consideration to JKFL. Accordingly, effective November 11, 2021, RPAL has become a direct subsidiary of JKFL.

2) Basis of Preparation

The pro forma consolidated financial information of JKFL Group comprising of the pro forma consolidated balance-sheet as at March 31, 2021 and June 30, 2021, pro forma consolidated statement of profit and loss for the three months ended June 30, 2021 and for the year ended March 31, 2021, read with the notes to the pro forma consolidated financial information (hereinafter referred to as the 'pro forma consolidated financial information'), is prepared to reflect the acquisition of SEPL (including its subsidiary, RPAL) (hereinafter referred to as "acquisition"). The pro forma consolidated financial information has been prepared pursuant to the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") for the purposes of inclusion in the Draft Red Herring Prospectus ('DRHP').

The pro forma consolidated balance-sheet as at March 31, 2021 and June 30, 2021 has been prepared, as if the acquisition have taken place on March 31, 2021 and on June 30, 2021, respectively.

The pro forma consolidated statement of profit and loss for the three months ended June 30, 2021 has been prepared as if the acquisition have taken place on April 1, 2021.

The pro forma consolidated statement of profit and loss for the year ended March 31, 2021 has been prepared as if the acquisition have taken place on April 1, 2020.

The acquisition have been accounted as business combination of entities under common control as per Appendix C of Ind AS 103, using pooling of interest method. Because of their nature, the pro forma consolidated financial information addresses a theoretical situation and therefore, does not represent JKFL Group's factual financial results. They purport to indicate the results that would have resulted had the acquisition been completed at the dates mentioned above, but are not intended to be indicative of expected results or operations in the future periods of the Group.

In addition, the rules and regulations related to the preparation of pro forma consolidated financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below. Accordingly, the degree of reliance placed by investors in other jurisdictions on such pro forma information should be limited.

The pro forma financial information for the periods presented has been prepared by combining the following financial information prepared as per Ind AS and after making the adjustments as detailed in the following section "Pro forma adjustments" –

(a) the restated consolidated financial information of JKFL Group as at and for the three months period ended June 30, 2021 and as at and for the year ended March 31, 2021, (included elsewhere in the DRHP);
(b) the audited standalone financial statements of SEPL as at and for the year ended March 31, 2021;
(c) the audited financial statements of RPAL as at and for the year ended March 31, 2021;
(d) the audited standalone special purpose interim financial statements of SEPL as at and for the three months ended June 30, 2021;
(e) the audited special purpose interim financial statements of RPAL as at and for the three months ended June 30, 2021.

Accordingly, the various columns in the pro forma consolidated financial information, for the periods presented, represent as below:
(i) Column A represents restated consolidated financial information of the JKFL Group as included elsewhere in the DRHP;
(ii) Columns represented by "Acquisition" reflect historical financial information of SEPL and RPAL for the respective periods as stated in the paragraph above;
(iii) Columns represented by "Adjustments" reflect impact of adjustments arising out of acquisition, reclassification adjustments, if any and inter-company eliminations as described in Note 3, 4 and 5 below.

The pro forma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable. The pro forma adjustments are included only to the extent they are (i) directly attributable to the acquisition and (ii) factually supportable. The adjustments do not consider any expected cost savings or potential synergies that may result from the acquisition.

The Restated Consolidated Financial Information of JKFL Group have been prepared by the management from the audited special purpose consolidated financial statements of the JKFL Group which is prepared in accordance with Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act. The pro forma consolidated financial information has been compiled in a manner consistent with the accounting policies adopted by JKFL Group in its restated consolidated financial information for the three months ended June 30, 2021.

The standalone special purpose interim financial statements of SEPL and special purpose interim financial statements of RPAL, as referred above, have been prepared to enable JKFL to prepare pro forma consolidated financial information.

JK Files & Engineering Limited
(Formerly known as J K Files (India) Limited)
Notes to the proforma consolidated financial information as at and for the three months ended June 30, 2021 and as at and for the year ended March 31, 2021

(All amounts are in Rs. million, unless stated otherwise)

3) Pro forma adjustments

(A) Acquisition adjustments

The acquisition of SEPL and RPAL has been accounted as business combination of entities under common control, using pooling of interests method under Ind AS 103, *Business Combinations*. Accordingly:
(a) The assets and liabilities of SEPL and RPAL are reflected at their carrying amounts in the columns identified as "Acquisition".
(b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. There were no differences in accounting policies.
(c) The reserves of SEPL and RPAL, including retained earnings (presented as other equity), have become the reserves of the Company.
(d) The difference between the amount of consideration (which is nil) and the amount of share capital of SEPL is transferred to capital reserve within other equity.
(e) Since RPAL was subsidiary of SEPL before the date of its acquisition by the Company, the share capital of RPAL is eliminated against SEPL's investment in subsidiary.

The following tables summarise the above impacts:

As at June 30, 2021

	SEPL	RPAL	Total
Equity Share Capital			
Transfer to capital reserves within Other Equity	(181.31)	-	(181.31)
Elimination against SEPL's investment in subsidiary	-	(69.09)	(69.09)
Transfer to non-controlling interests	-	(8.48)	(8.48)
Total	**(181.31)**	**(77.57)**	**(258.88)**
Other Equity			
Capital reserve on common control business combination	181.31	-	181.31
Transfer to non-controlling interests	-	(169.42)	(169.42)
Elimination against SEPL's investment in subsidiary	-	(214.72)	(214.72)
Total	**181.31**	**(384.14)**	**(202.83)**

As at March 31, 2021

Description	SEPL	RPAL	Total
Equity Share Capital			
Transfer to capital reserves within Other Equity	(181.31)	-	(181.31)
Elimination against SEPL's investment in subsidiary	-	(69.09)	(69.09)
Transfer to non-controlling interests	-	(8.48)	(8.48)
Total	**(181.31)**	**(77.57)**	**(258.88)**
Other Equity			
Capital reserve on common control business combination	181.31	-	181.31
Transfer to non-controlling interests	-	(160.92)	(160.92)
Elimination against SEPL's investment in subsidiary	-	(214.72)	(214.72)
Total	**181.31**	**(375.64)**	**(194.33)**

(B) Non-controlling interests

The Company acquired 89.07% of equity share capital of RPAL. Accordingly, the remaining 10.93% equity interest is held by non-controlling interests.
The following table presents adjustments recorded to recognise non-controlling interests.

Description	June 30, 2021	March 31, 2021
Adjustment in pro forma balance-sheet		
Total equity of RPAL	1,627.59	1,549.89
Non-controlling interests at 10.93%	177.90	169.40
Adjustment in pro forma statement of profit and loss		
Profit for the period/year	78.05	225.17
Share of non-controlling interests	8.53	24.61
Other comprehensive income for the period/year	(1.77)	(4.21)
Share of non-controlling interests	(0.19)	(0.46)

(C) Investment in subsidiary

As described in the background section, RPAL is now a direct subsidiary of the Company. Accordingly, SEPL's erstwhile investment in RPAL amounting to Rs. 283.81 million is eliminated from pro forma balance-sheet as at June 30, 2021 and March 31, 2021 respectively.

(D) Earnings per share

The pro forma basic and diluted earning per share for the three months ended June 30, 2021 and the year ended March 31, 2021, are calculated as follows (in million, except per share data):

Description	For three months ended June 30, 2021	For the year ended March 31, 2021
Pro forma profit after tax attributable to owners of the parent - (A)	165.37	454.99
Weighted average number of equity shares outstanding (in nos.) used for calculation of basic EPS - as per restated consolidated financial information - (B)	52,443,948	52,443,948
Basic earnings per share (Rs.) - (A/B)	**3.15**	**8.68**
Weighted average number of equity shares outstanding (in nos.) used for calculation of diluted EPS - as per restated consolidated financial information - (C)	61,610,448	61,610,448
Diluted earnings per share (Rs.) - (A/C)	**2.68**	**7.38**
Nominal value of equity shares	2.00	2.00

JK Files & Engineering Limited
(Formerly known as J K Files (India) Limited)
Notes to the proforma consolidated financial information as at and for the three months ended June 30, 2021 and as at and for the year ended March 31, 2021

(All amounts are in Rs. million, unless stated otherwise)

4) Reclassification adjustments:

Reclassification adjustments pertain to RPAL and include:
(i) Security deposits amounting to Rs 2.13 million (presented within non-current loans) as at March 31, 2021, which have been reclassified to other non-current financial assets to conform to Group's presentation of security deposits.
(ii) Current maturities of long-term borrowings amounting to Rs 2.58 million (presented within other current financial liabilities) as at March 31, 2021, which have been reclassified to other current borrowings to conform to Group's presentation of current maturities of long-term borrowings.

5) Inter-company eliminations:

These adjustments reflect eliminations on account of intra-group transactions between JKFL Group and acquired entities and within the acquired entities for the periods presented.

As per our report of even date attached

For Price Waterhouse Chartered Accountants LLP	**For and on behalf of the Board of Directors**	
Firm Registration No. 012754N/N500016		
Arunkumar Ramdas Partner Membership No.: 112433	Balasubramanian V. Managing Director DIN: 05222476	Ravikant Uppal Director DIN: 00025970
	Arun Agarwal Chief Financial Officer	Akshat Chechani Company Secretary
Mumbai December 01, 2021	Mumbai December 01, 2021	

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company, JKTL and RPAL for Financial Years ended March 31, 2021, March 31, 2020, and March 31, 2019 respectively ("**Audited Financial Statements**") are available at https://www.jkfilesandengineering.com/investor-relations/. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholder have significant influence and should not be relied upon or used as a basis for any investment decision. None of the advisors, nor any Book Running Lead Manager or the Promoter Selling Shareholder, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Set forth below are the details of accounting ratios required under Clause 11 of Part A of the SEBI ICDR Regulations as of three months' period ended June 30, 2021 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 calculated on the basis of the Restated Consolidated Financial Information:

(₹ million except as mentioned)

Particulars	As of June 30, 2021	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020	As at and for the Financial Year ended March 31, 2019
Equity attributable to owners of the Company	1121.73	1026.30	788.34	644.45
Restated profit for the period / year attributable to owners of the Parent	95.86	254.60	140.72	165.76
Weighted average no. of equity shares outstanding during the period/ year				
- For basic earnings per equity share	52.44	52.44	52.44	52.44
- For diluted earnings per equity share	61.61	61.61	61.61	61.61
Basic and diluted earnings per share (₹ / share)				
- Restated basic earnings per share (in ₹)	1.83	4.85	2.68	3.16
- Restated diluted earnings per share (in ₹)	1.56	4.13	2.28	2.69
Return on net worth (%)	34.18	24.81	17.85	25.72
Net asset value per equity share (basic) (in ₹)	17.19	15.37	10.84	8.09
Net asset value per equity share (diluted) (in ₹)	18.21	16.66	12.80	10.46
EBITDA	160.46	477.62	390.19	472.96

Notes:

1) *Earning Per Share (Basic) = Restated profit for the year attributable to equity shareholders for calculation of basic EPS /Weighted average number of equity shares outstanding during the period/year*
2) *Earning Per Share (Diluted) = Restated Profit for the year attributable to equity shareholders for calculation of diluted EPS// Weighted average number of diluted potential equity shares outstanding during the period/year*
3) *Basic EPS and Diluted EPS for the three months ended June 30, 2021 and June 30, 2021 are not annualized*
4) *Return on Net worth (%) = Net worth (refers to the the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as on June 30, 2021, and March 31, 2021, 2020 and 2019) divided by restated profit attributable to owners of the parent. . For the reconciliation of Reconciliation of Return on Net Worth, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Restated Consolidated Financial Information - Reconciliation for Return on Net Worth" on page 351.*
5) *Restated Net Asset Value per Equity Share (basic) (in ₹) = Net worth attributable to Equity Shareholder (equity share capital plus other equity) divided by Weighted average number of equity shares outstanding during the period/ year in million. For the reconciliation of Reconciliation of Net Asset Value per Equity Share, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Restated Consolidated Financial Information - Reconciliation for Net Asset Value per Equity Share" on page 352.*
6) *EBITDA (earnings before interest, taxes, depreciation, and amortisation) = restated profit for the period/ year + tax expense + depreciation and amortisation expenses + finance costs + exceptional items. For the reconciliation of EBITDA, see "Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Restated Consolidated Financial Information - Reconciliation for EBITDA" on page 351.*

CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization as of June 30, 2021, derived from Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" beginning on pages 330 and 27, respectively**.**

(₹ *million*)

Particulars	Pre-Offer as of June 30, 2021	As adjusted for the proposed Offer*
Borrowings		
- Current borrowings# (A)	120.38	[•]
- Non-current borrowings (including current maturities of long-term borrowings)# (B)	-	[•]
Total borrowings (C)	120.38	[•]
Total Equity		
Equity share capital	87.41	[•]
Other equity#	814.32	[•]
Instrument entirely in the nature of equity	220.00	[•]
Equity attributable to owners of the Company (D)	1,121.73	[•]
Ratio: Non-current borrowings (including current maturities of long term borrowings) / total equity (B/D)	0.00%	[•]
Ratio: Total borrowings / total equity (C/D)	10.73%	[•]

 # These terms carry the same meaning as per Schedule III of the Companies Act.

Notes:

1) *The above has been derived from the Restated Consolidated Financial Information.*
2) *Company is proposing to offer the Equity Shares through an offer for sale by way of initial public offering.*
3) *The issue price of share is not known at the time of filing of Draft red Herring Prospectus hence post issue position cannot be presented and accordingly revised capitalisation statement will be issued at the final Prospectus stage.*
4) *Pre offer and adjusted proposed offer is same, as post offer issue position cannot be determined.*
5) *As certified by S D T & Co., Chartered Accountants, pursuant to their certificate dated December 8, 2021.*

FINANCIAL INDEBTEDNESS

We have availed loans in the ordinary course of its business, typically for the purposes of meeting its working capital and business requirements such as, pre-shipment financing or funding of purchase of raw materials, packing material, stocks, spares, submission of performance or bank guarantee for business purposes, *etc.* For the purposes of the Offer, we have informed and obtained the necessary consents required under the relevant documentation for its borrowings, including for undertaking activities such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company.

Pursuant to the Articles of Association and applicable provisions of the Companies Act and pursuant to the special resolution passed by the Shareholders of our Company at its extra-ordinary general meeting dated September 1, 2014, the Board is entitled to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of our Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained from our Company's bankers in the ordinary course of business shall not be in excess of ₹10,000 million over and above the aggregate paid up share capital and free reserves of our Company. Further, pursuant to the Articles of Association and applicable provisions of the Companies Act and pursuant to the special resolution passed by the shareholders of RPAL at its extra-ordinary general meeting dated September 1, 2014, RPAL is entitled to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of RPAL, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from RPAL's bankers in the ordinary course of business shall not be in excess of ₹10,000 million over and above the aggregate paid up share capital and free reserves of RPAL.

A brief summary of the aggregate financial indebtedness of our Company and the Subsidiaries as of November 30, 2021 is disclosed below.

Nature of Borrowing(1)	**Amount Sanctioned (1) (₹ million)**	**Fund Based Outstanding Amount (1)(2) (₹ million)**	**Non-Fund Based Outstanding (1) (2) (₹ million)**
Company			
Secured Loans			
Term Loan	-	-	-
Working Capital Loan(3) (PCFC/EPC/CC)	780.00	125.24	162.88
Unsecured Loans	20.00	20.00	-
Total (A)	**800.00**	**145.24**	**162.88**
Ring Plus Aqua Limited			
Secured Loans			
Term Loan	-	-	-
Working Capital Loan(4) (PCFC/EPC/CC)	356.00	100.00	76.05
Unsecured Loans	-	-	-
Total (B)	**356.00**	**100.00**	**76.05**
JK Talabot Limited			
Secured Loans			
Term Loan	-	-	-
Working Capital Loan	20.00	-	3.00
Unsecured Loans	-	-	-
Total (C)	**20.00**	**-**	**3.00**
Scissors Engineering Products Limited			
Secured Loans			
Term Loan	-	-	-
Working Capital Loan	-	-	-
Unsecured Loans	-	-	-
Total (D)	-	-	-
Total (A)+(B)+(C)+(D)	**1,176.00**	**245.24**	**241.93**

(1) As certified by S D T & Co., Chartered Accountants, pursuant to their certificate dated December 8, 2021.
(2) Excludes interest accrued but not due.
(3) Facilities availed by our Company from Axis Bank Limited to the extent of ₹200 million and the packing credit in foreign currency facility and the bank guarantee availed from ICICI Bank Limited of ₹100 million are interchangeable between fund based and non-fund based limits.

(4) Cash credit facilities availed by RPAL from HDFC Bank Limited to the extent of ₹117 million and facilities availed from Saraswat Co-operative Bank Limited of ₹70 million are fungible between fund based and non-fund based limits.

Principal terms of the borrowings availed by our Company and the Subsidiaries are disclosed below.

1. *Interest:* In terms of the loans availed by our Company and the Subsidiaries, the interest rate is typically tied to a base rate / MCLR / LIBOR as specified by respective lenders with varying reset options. The base rate / MCLR / LIBOR may vary from lender to lender. In terms of the cash credit facilities / working capital facilities availed by us, the interest rate is typically tied to MCLR or is fixed on a particular date or negotiated at the time of disbursement.

2. *Tenor:* The tenor of the working capital cash credit facilities availed by us range from a period of 14 days to 180 days. In terms of letters of credit and bank guarantees availed by us, the tenor of the said facilities ranges up to 180 days and 12 to 24 months respectively.

3. *Security:* In terms of working capital borrowings availed by us where security needs to be created, such security typically includes charge by way of lien on export bills negotiated or purchased or discounted, hypothecation of movable plant and machinery, outstanding claims and receivables, book debts (to the extent permitted by law), stock, goods meant for export, inventory, spares and consumables, and all other current assets, both present and future. In terms of facilities such as bill discounting, the goods meant for export are typically hypothecated in favour of the lender. In terms of facilities such as letters of credit, the goods under the letters of credit are hypothecated in favour of the lender. The bank guarantees availed by us are secured by way of a counter guarantee extended by our Company.

4. *Repayment*: The cash credit facilities availed by us are typically repayable on demand. Working capital demand loans and foreign bills discounted are repayable on specified repayment due dates. Repayment for export credit is typically tied to the submission or realisation of export documents, or for a maximum prescribed period, as applicable.

5. *Pre-payment:* Among the facilities which specify a pre-payment penalty, the pre-payment penalty in case of loans availed by RPAL is typically 2% of the amount proposed to be pre-paid in the case of our borrowing, if the prepayment is not made from internal accruals of RPAL. Under certain facilities, if our Company wishes to prepay any part or whole of any facility, our Company may do so with payment of prepayment premium of 0.25% on the principal amount of the loan being prepaid subject to giving an irrevocable written notice at least 15 days prior to the prepayment. In certain other cases, our Company and the Subsidiaries are entitled to prepay the outstanding amounts subject to the payment of applicable prepayment charges at the discretion of the lenders.

6. *Penalty Interest:* The terms of the facilities availed by us and the Subsidiaries prescribe penalties for delayed payment, default in repayment obligations, non-compliance with the terms and conditions set out by the lenders, excessive withdrawals over sanctioned limits *etc*. Such penal interest typically ranges from 1% to 3% over and above the applicable interest rate, varying from lender to lender.

7. *Restrictive Covenants:* Several of borrowing arrangements entered into by us with various lenders entail various restrictive covenants and conditions restricting certain corporate actions, and we are required to take the prior approval of, or provide prior intimation to, the respective lender before carrying out such actions, including for:

    (a) Any change in our name, the location of the factory, project product line, technical process, plant and machinery and godown, etc.;

    (b) any change or modification in our ownership, control or management (including by pledge of promoter/sponsor shareholding in the borrower to any third party);

    (c) any change or modification in our change in capital structure, scheme of amalgamation or reconstruction, undertaking any new project, any investment by share capital, if such results in breach of financial covenants or diversion of working capital requirements to financing long term assets, change in management or borrowing arrangements;

(d) undertaking any liquidation or dissolution;

(e) undertaking any alteration in our constitutional documents;

(f) undertaking any change in our management;

(g) change in practice with regard to the remuneration of the directors by means of ordinary remuneration, commission, scale of sitting fee, etc.;

(h) approaching capital markets for mobilising resources either in the form of debt or equity;

(i) creation of pledge on the shares of the Promoter in favour of any bank/NBFC/FI;

(j) availing any fresh borrowing arrangement or undertake guarantee;

(k) carrying out any change in general nature in business or undertake any expansion or invest in any other entity leading to material effect on our financial capability;

(l) carrying out any change in shareholding resulting in the shareholding of the promoter to fall below 51% of our total share capital;

(m) withdrawing the subordination of unsecured loans from promoter/associates;

(n) declaring dividend, except for out of profits, if any instalment towards principal or interest remains unpaid on its due date;

(o) withdrawing monies brought in by key promoter / depositors;

(p) implementing any scheme of expansion or acquiring fixed assets of substantial value.

Please note that the above mentioned list is indicative and there may be additional restrictive or financial covenants (such as fixed assets coverage ratio, net debt to EBITDA, debt service coverage ratio, net debt / tangible net worth, interest service coverage ratio, *etc*.) and conditions where we may be required to take prior written consent or intimate the respective lender under the various borrowing arrangements entered into by us.

8. *Events of Default:* In terms of borrowing arrangements for the facilities availed by us, the occurrence of any of the following events, among others, constitute an event of default:

(a) approaching capital market for mobilizing additional resources either in the form of debt or equity;

(b) non-payment or defaults of any amount including the principal, interest or other charges;

(c) enter into any scheme of merger, amalgamation, compromise, buy-back or reconstruction without the prior written consent of security agents and trustees

(d) change in ownership, management, and/or control, resulting in the shareholding of the promoter to fall below 51% of the total share capital of our Company, without prior written consent of the lender;

(e) amendments in the Memorandum and Articles of Association without the prior written consent of the security agents & trustees;

(f) undertake any expansion or invest in any other entity;

(g) create, assume or incur any further indebtedness of a long term nature whether for borrowed money or otherwise, except with the prior written consent of the security agents & trustees;

(h) declare any dividend if any instalment towards principal or interest remains unpaid on its due date

(i) attempt to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over the property or fixed assets;

(j) implement any scheme of expansion or acquire fixed assets of substantial value, other than the envisaged project;

(k) pay any commission, brokerage or fees to its promoter/directors/guarantors/ security provider;

(l) avail any loan; and/ or provide stand as surety or guarantor for any third party liability or obligation; and/or provide any loan or advance to any third party;

(m) make any repayment of the loans and deposits and discharge other liabilities;

(n) use of facilities for a purpose other than for which they were sanctioned;

(o) dispose any assets without approval;

(p) utilize the facility for extending loans to subsidiary companies/associates or for making inter-corporate deposits;

(q) resort to any outside borrowing such as hundi finances of any kind;

(r) wind up/liquidate its affair or agree/authorize to settle any litigation/arbitration having a material adverse effect;

(s) change the general nature of its business or undertake any expansion or invest in any other entity;

(t) induct a person identified as willful defaulter by RBI or CIBIL or any other authorities;

(u) loans to directors/associates and other related entities shall be made only with our prior consent in writing;

(v) entering into any contractual obligation of a long term nature or which, in the reasonable assessment of the lender, is detrimental to lender's interest, viz. acquisitions beyond the capability of borrower as determined by the present scale of operations or tangible net worth of the applicant borrower net means of promoter etc. leveraged buyout etc.; and

(w) breach of any representation, warranty, declaration, covenant or undertaking furnished by us under the loan documentation or such representation and warranty being proven untrue, incorrect or misleading in any materially adverse respect at the time it was made.

Please note that the abovementioned list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

9. *Consequences of occurrence of events of default:* In terms of borrowing arrangements entered into by us with various lenders, for the facilities availed by us, upon the occurrence of events of default, the concerned lenders may:

(a) commence legal proceedings to recover such sum, we shall further pay the bank all advances, charges, cost and expenses, including reasonable legal fees. incurred or paid by the bank;

(b) charge additional or penal interest on the outstanding amount;

(c) furnish upon demand any other security in such form and value as may be required by the security agents & trustees from time to time in sufficient amounts and values;

(d) enforce security provided by us;

(e) appoint its nominee as receiver without having to resort to a court of law and/or to a proceeding in court, to take possession of the properties held/to be held by the bank as security for the loan;

(f) disclose our name and the names of our directors to the Reserve Bank of India (RBI) to publish our name and the names of our directors as defaulters in such manner and through such medium as the lender in their absolute discretion may think fit; and

(g) the lender shall have the right to call up the facilities sanctioned.

Please note that the abovementioned list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

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

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscals 2019, 2020 and 2021 and the three months ended June 30, 2021. We have included in this section a discussion of our financial statements on a restated consolidated basis as well as on a proforma basis.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" on pages 27 and 25, respectively.

*The Restated Consolidated Financial Information included in this Draft Red Herring Prospectus are in accordance with the requirements of Section 26 of the Companies Act, 2013, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)"issued by the ICAI (the "**Guidance Note**"), which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods..*

*Our Promoter, Raymond Limited, transferred by way of delivery, its entire shareholding in Scissors Engineering Products Limited ("**SEPL**") to our Company at nil consideration with effect from October 31, 2021 and subsequently, SEPL transferred by way of delivery, its shareholding in Ring Plus Aqua Limited ("**RPAL**") to our Company at nil consideration with effect from November 11, 2021. As a result, SEPL and RPAL became subsidiaries of our Company with effect from October 31, 2021 and November 11, 2021, respectively, and the auto components and engineering products business was consolidated with the tools and hardware business. Accordingly, our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus relates to periods prior to the SEPL and RPAL Transfer and therefore only include the consolidated financial results of our Company (i.e. our tools and hardware business). We have included in this Draft Red Herring Prospectus, the Pro Forma Consolidated Financial Information (to be read in conjunction with "– Basis of Preparation of the Pro Forma Consolidated Financial Information" on page 335) as at and for the year ended March 31, 2021 and as at and for the three months ended June 30, 2021. See "Financial Information – Pro Forma Consolidated Financial Information" on page 311. Also, see "Financial Information – Restated Consolidated Financial Information" for our financial position prior to the SEPL and RPAL Transfer and "History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years" on page 215 for more details on the SEPL and RPAL Transfer. Also, see "Risk Factors - We have recently completed the SEPL and RPAL Transfer after the period covered by the Restated Consolidated Financial Information, due to which the Restated Consolidated Financial Information may not be indicative of our future performance, and we may face administrative and operational difficulties as well as be unable to successfully integrate and manage SEPL and RPAL into our Company, which may expose us to business and financial risk. The Pro Forma Consolidated Financial Information may also not be indicative of our actual results of operations for the indicated periods." on page 29.*

Unless otherwise indicated or the context requires otherwise, the financial information for Fiscals 2019, 2020 and 2021 and the three months ended June 30, 2021 included herein is based on our Restated Consolidated Financial Information. Our Fiscal ends on March 31 of each year, and references to a particular Fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated or the context requires otherwise, in this section, references to "we", "us" or "our" refers to JK Files & Engineering Limited together with our Subsidiaries, on a consolidated basis, reflecting the effects of the SEPL and RPAL Transfer and references to "the Company" or "our Company" refers to JK Files & Engineering Limited on a standalone basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Assessment of Indian and Global markets for specific precision engineered components in Tools & Hardware and Auto Components Industry", December 2021 ("**CRISIL Report**") prepared exclusively for the Offer and released by CRISIL Research, a division of CRISIL Limited and commissioned and paid by us in connection with the Offer. For more information, see "Risk Factors - Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks" on page*

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Overview

We are engaged in the business of manufacturing, sale and distribution of precision engineered components for tools and hardware such as steel files and drills, and marketing, sale and distribution of hand tools, power tool accessories and power tool machines, and through our subsidiary, RPAL, manufacturing, sale and distribution of auto components and engineering products such as ring gears, flexplates and water pump bearings.

According to the CRISIL Report, our Company has the largest installed manufacturing capacity of steel files with a share of 25%-27% of the global capacity as of 2020 and was the second largest supplier globally of steel files with a market share of 10%-12% of the sales volume in 2020. Our Company is also the market leader in the files segment in India with a market share of 64%-66% in India by sales volume in Fiscal 2021. Our Company also has a strong presence in the Asian, African and Latin American regions and is the largest brand in the African market with a market share of 50%-55% by volume in steel files in 2020. In addition, our Company is also one of the leading players in the drills segment in India with the market share of 8%-10% in value terms in Fiscal 2021. (*Source: CRISIL Report*)

RPAL is estimated to occupy the highest volume share of 52%-56% in the domestic passenger vehicle ("**PV**") industry and 46%-50% in the domestic commercial vehicle ("**CV**") industry in terms of supply to original equipment manufacturers ("**OEMs**") for domestic production in Fiscal 2021 and is amongst the key players in the ring gears industry globally. RPAL is the sole domestic manufacturer of flexplates in India and is estimated to cater to 25%-27% of the flexplate volume demand for PV domestic production in Fiscal 2021. (*Source: CRISIL Report*)

Our businesses are technology driven with a strong focus on design, engineering and automation capabilities. Our business model is well diversified by customers, geographical spread and end-segment:

Customer Base. We have a strong customer focus and our customer base comprises business-to-business ("**B2B**") customers as well as business-to-consumer ("**B2C**") customers spread in more than 60 countries, as of June 30, 2021, located across Asia-Pacific, Africa, Latin America, Europe and North America.

- B2B business: We manufacture and supply to: (i) multiple global files and drill companies and provide end-to-end manufacturing solutions for manufacturing of files; and (ii) OEMs and Tier-1 suppliers (who are primarily directed by OEMs). We have also developed long-standing relationships with several customers. Our B2B business accounted for 52.15% and 58.11% of proforma total sale of product in Fiscal 2021 and the three months ended June 30, 2021, respectively.

- B2C business: Our Company has a well-established network of over 730 active distributors in India catering to more than 600 towns and over 150,000 retail outlets, and over 135 active distributors across international markets for our tools and hardware business, as of June 30, 2021. We have also developed long-standing relationships with several distributors. Our B2C business accounted for 47.85% and 41.89% of proforma total sale of product in Fiscal 2021 and the three months ended June 30, 2021, respectively.

Geographical Spread. We generate a significant amount of revenues from various markets, including India, Europe, Latin America, Africa, North America and Asia-Pacific. Our revenues from sale of products from exports contributing 52.99% and 65.58% of proforma total sale of products in Fiscal 2021 and the three months ended June 30, 2021, respectively.

End-use Segment. We derive our revenue from multiple end-segments from each of our businesses. Our tools and hardware products are used in, amongst others, the engineering, agriculture, construction, industrial, automotive, carpentry, saw and plumbing end-segments. We provide our auto components and engineering products to OEMs and Tier-1 engaged in the automotive, tractor, power generators, marine, lawn mower and construction segments. In Fiscal 2021, engineering and industrials, home improvement and carpentry, automotive and agriculture end-segments contributed 22.76%, 19.11%, 17.78% and 10.73%, respectively, of our proforma total revenue from operations, while in the three months ended June 30, 2021, these end-segments contributed 22.99%, 23.05%, 18.57% and 12.68%, respectively, of our proforma total revenue from operations.

Tools and Hardware Business

We provide customers with a wide range of tooling solution and have over seven decades of experience in the manufacturing of files and three decades in the manufacturing of drills. We have developed a presence for our tools and hardware products in both the B2C and B2B businesses. We primarily sell and market our tools and hardware products in India through our umbrella brand, '*JK SuperDrive*', and in the international markets, through various sub-brands including '*JK Sun Flower'*, '*JK Eye*', '*JK Three Files*', '*JK Two Files',* '*Premium Scissors*', '*JK Sher*', '*JK Thunderbolt*', '*JK Uno*', '*JK Two Tusk*' and '*MJK*'. '*JK SuperDrive*' is synonymous with files in India due to its strong brand (*Source: CRISIL Report*). Our Company has entered into strategic alliances with global files and drills companies such as Apex Tools Group, LLC headquartered in the United States for providing end-to-end manufacturing solution for files. In addition, Raymond Limited, our Promoter, entered into an agreement to form a joint venture with MOB Mondelin (French Tool manufacturer), for manufacturing, sale and distribution of files, and our Company has entered into a co-branding arrangement with Yunda International Trading Co Ltd under the brand, '*JK Cleveland*', in the Indian market for high performance taps in the cutting tool category.

Our manufacturing capabilities involve complex and critical processes with value addition resulting in a portfolio of the following high precision products that have diverse applications in agriculture, engineering, defence, fabrication, automotive, construction, home improvement, carpentry, saw, masonry, forestry, lumber and wood-working as well as high precision applications such as jewellery, watch-making and dentistry.

The following table sets forth the revenue generated from sale of each of our products in our tools and hardware business for the periods indicated:

Products	**Fiscal 2021**		**Three months ended June 30, 2021**	
	Revenue from sale of products	**% of total sale of products**	**Revenue from sale of products**	**% of total sale of products**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Files	1,992.83	59.77%	749.37	70.90%
Drills	705.10	21.15%	181.95	17.22%
Hand Tools and Power Tool Accessories	530.25	15.90%	90.64	8.58%
Power Tool Machines	3.14	0.09%	0.35	0.03%
Others	102.98	3.09%	34.56	3.27%
Total Sales of Products	**3,334.30**	**100.00%**	**1,056.87**	**100.00%**

Files. Our Company has the largest installed manufacturing capacity of steel files with a share of 25%-27% of the global capacity as of 2020 (*Source: CRISIL Report*). As of June 30, 2021, our Company's installed capacity for files was 7.44 million dozens. Our manufacturing capabilities enable us to manufacture three files per second. Our Company was the second largest supplier globally of steel files with a market share of 10%-12% of the sales volume in 2020 (*Source: CRISIL Report*). Our Company is also the market leader in the files segment in India with a market share of 64%-66% in India by sales volume in Fiscal 2021 (*Source: CRISIL Report*). Our Company's products include a wide range of files (from rasps and machinist files to precision files such as needle files and diamond coated files). We primarily market our files under our own brands in Asia, Africa and certain parts of Latin America and Europe. Our Company also has a strong presence in the Asian, African and Latin American regions and is the largest brand in the African market with a market share of 50%-55% by volume of steel files in 2020 (*Source: CRISIL Report*). We export our files under white labels to global files and drills companies in Europe, United States of America, Latin America and Asia such as Apex Tools Group, LLC. In Fiscal 2021 and the three months ended June 30, 2021, sales of files accounted for 59.77% and 70.90%, respectively, of our total sale of products in the tools and hardware business of which exports of files accounted for 64.66% and 80.17%, respectively, in the same periods. The following table sets forth the revenue generated from sale of each of the end-use segments for files for the periods indicated:

End-use segment	**Fiscal 2021**		**Three months ended June 30, 2021**	
	Revenue from sale of products	**% of total sale of products of files**	**Revenue from sale of products**	**% of total sale of products of files**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Files-Saw	1,034.76	51.92%	416.10	55.53%
Files-Engineering	563.81	28.29%	176.11	23.50%
Files-Agro	394.26	19.79%	157.16	20.97%
Total	**1,992.83**	**100.00%**	**749.37**	**100.00%**

Drills. Our Company is one of the leading players in the Indian drills market and has a strong presence in the retail market catering primarily to the retail users (*Source: CRISIL Report*). We manufacture various products such as jobber drills (ground and roll-forged), masonry drills, taper shank drills and drill blanks. As of June 30, 2021, we had an installed manufacturing capacity for drills of 13.20 million units.

Hand Tools and Power Tool Accessories. We leveraged our established distribution network and brand strength to expand into the hand tools business in 2008 and power tool accessories business in 2011. Our hand tools include hammers, screw drivers, pliers, spanners, wrenches and power tools accessories include diamond blades, tungsten carbide tips wheels, cutting wheels, grinding wheels, hammer drills and circular saws.

Power Tool Machines. We offer a premium range of wired and cordless power tool machines in the domestic market which include impact drilling machines, blowers, rotary hammers, angle cutters and grinders, chainsaw machines, routers and putty mixers.

As of June 30, 2021, our pan-India distribution network consisted of more than 730 active distributors with a retail reach of over 150,000 outlets spread across more than 600 towns in India and three strategically located depots in the northern, western and eastern regions of India, enabling us to establish a regional presence. Our global distribution and delivery capabilities enables us to export files and drills to over 55 countries across regions located in Africa, Latin America, Asia-Pacific, Europe and North America and derive a significant amount of revenue from exports, accounting for 46.79%, 48.58%, 47.19% and 64.44% of our total sale of products in the tools and hardware business in Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, respectively.

Our tools and hardware business operates five manufacturing facilities in India with two located at Chiplun and one at Ratnagiri in Maharashtra, one in Pithampur in Madhya Pradesh and Vapi in Gujarat, which are primarily involved in the manufacturing of files and drills. As of June 30, 2021, our installed capacity for manufacturing files and drills was 7.44 million dozens and 13.20 million units, respectively. We have equipped our manufacturing facilities with custom-made, specialised equipment, which strengthens our manufacturing capabilities. We believe our unique proposition of backward integration due to our hot rolling mill facility provides us with a competitive advantage and flexibility in the manufacturing of different sizes of files as well as cost advantage with quality assurance and faster turnaround time. Our decades of relationships with suppliers of steel have enabled us to source smooth supply of the raw material, for making diverse offerings to our customers.

Our restated profit for the year increased at a CAGR of 23.42% from ₹167.87 million in Fiscal 2019 to ₹255.69 million in Fiscal 2021, despite of the impact of the COVID-19 pandemic, and was ₹96.08 million in the three months ended June 30, 2021. In Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, our EBITDA was ₹472.96 million, ₹390.19 million, ₹477.62 million and ₹160.46 million, respectively. Our Operating RoCE for Fiscals 2019, 2020 and 2021 and for the three months ended June 30, 2021 was 30.50%, 25.69%, 48.76% and 55.55% (annualised), respectively, while PAT margin was 4.16%, 3.74%, 7.31% and 8.59%, respectively, in the same periods. For the reconciliation of non-GAAP measures, see "*Management's Discussion and Analysis of Financial Conditional and Results of Operations - Non-GAAP Measures - Based on our Restated Consolidated Financial Information*" on page 351.

Auto Components and Engineering Products Business

Our auto components and engineering products business involves the manufacturing of high precision components such as ring gears, flexplates and water pump bearings. According to the CRISIL Report, RPAL is estimated to occupy the highest volume share for ring gears of 52%-56% in the domestic PV industry and 46%-50% in the domestic CV industry in terms of supply to OEMs for domestic production in Fiscal 2021 and is amongst the key players in the ring gears industry globally (*Source: CRISIL Report*). By leveraging our long-term presence in tailor-made ring gears and long-standing relationships with OEMs and Tier-1 suppliers to OEMs, we have been able to develop a strong presence in the manufacturing of flexplates and water pump bearings. As of June 30, 2021, we manufactured over 750 active stock keeping units ("**SKUs**") of ring gears, flexplates and water pump bearings, with varied applications in the automotive industry such as passenger vehicle ("**PV**") and commercial vehicle ("**CV**") as well as non-automotive industry such as construction and mining equipment, tractors, industrial power generators, marine engine and lawn mowers.

We sell our products directly to OEMs and Tier-1 supplier to OEMs. According to the CRISIL Report, the validation process for vendor on-boarding is stringent and lengthy in the ring gear segment and the program pipelines continue multiple years, typically till the vehicle model stays in production. Each customer requirement is very specific in relation to quality, cost and delivery to each individual customers and models (*Source: CRISIL Report*). We believe our differentiation in manufacturing capabilities, operational know how and competence in machining have enabled us to become a 'qualified supplier' to and developed long-term relationships with marquee Indian and international OEM such as Kirloskar Oil Engines Limited, Cummins India Limited, Mahindra & Mahindra Limited and Tata Motors Ltd., and Tier-1 suppliers such as Magna Powertrain Inc, ZF India Private Limited, Sogefi Engine Systems India Private Limited, Metelli S.p.a and SATA S.p.a. As of June 30, 2021, we have been awarded programs from 20 customers across our product portfolio, where the start of production is either during or after Fiscal 2022.

Ring Gears. According to the CRISIL Report, RPAL is estimated to occupy the highest volume share for ring gears in the domestic PV industry and CV industry of 52%-56% and 46%-50%, respectively, in terms of supply to OEMs for domestic production in Fiscal 2021. Globally, RPAL is also among the key players in the ring gears segment (*Source: CRISIL Report*). The Indian ring gear industry is expected to grow at a CAGR of 13% to 15% between Fiscals 2021 to 2026 (*Source: CRISIL Report*). Our in-house engineering and design capabilities help us offer a wide-ranging portfolio of over 400 active SKUs ring gears, as of June 30, 2021, ranging from small sized ring gears (starting from 150 millimetre ("**mm**")) used for PVs to large sized ring gears (up to 1,500 mm) used for construction and heavy equipment. We provide ring gears to leading international and Indian OEMs clients and Tier-1 suppliers such as Tata Motors Ltd., Mahindra & Mahindra Limited, Kirloskar Oil Engines Limited, Toyota Industries Engine India Private Limited, John Deere India Private Limited, Cummins India Limited, Magna Powertrain Inc, SATA S.p.a, ZF India Private Limited and M.Paccagnini & C.Sas with whom we have developed long-standing relationships. As of June 30, 2021, we had installed manufacturing capacity for ring gears of 8.20 million units. In Fiscals 2019, 2020 and 2021 and for the three months ended June 30, 2021 sales of ring gears accounted for 73.08%, 74.14%, 71.60% and 73.81%, respectively, of our total sale of products in the auto components and engineering products business.

Flexplates. RPAL is the sole domestic manufacturer of flexplates in India and is estimated to cater to 25%-27% of the flexplate volume demand for PV domestic production in Fiscal 2021 (*Source: CRISIL Report*). Flexplates are primarily used in automatic transmission. The growth in flexplates in India is expected to be at a CAGR of 18% to 20% between Fiscals 2021 to 2026 (*Source: CRISIL Report*). We sell flexplates directly to OEMs such as Cummins India Limited and Mahindra & Mahindra Limited. As of June 30, 2021, we had installed manufacturing capacity for flexplates of 0.62 million units. In Fiscals 2019, 2020 and 2021 and for the three months ended June 30, 2021 sales of flexplates accounted for 8.87%, 10.05%, 9.00% and 7.71%, respectively, of our total sale of products in the auto components and engineering products business.

Water Pump Bearings. RPAL is one of the key players of water pump bearing with an estimated market share (volume terms) of 14%-18% for domestic PV and CV industry in Fiscal 2021 (*Source: CRISIL Report*). Our end-customers for water pump bearings include OEMs and Tier-1 suppliers such as Mahindra & Mahindra Limited, Tata Motors Ltd., Sogefi Engine Systems India Private Limited, KSPG Automotive India Pvt Ltd and Metelli S.p.a. As of June 30, 2021, we had installed manufacturing capacity for water pump bearings of 3.90 million units. RPAL, along with Perfect Polymers, also hold a patent for sealing device for integral shaft bearings. In Fiscals 2019, 2020 and 2021 and for the three months ended June 30, 2021 sales of water pump bearings accounted for 17.38%, 15.33%, 18.92% and 17.92% of our total sale of products in the auto components and engineering products business.

Our focussed effort with development capabilities in the auto components and engineering products business has achieved significant presence in exports with revenue from exports accounting for 65.65%, 64.74%, 63.61%, 67.44% of our total sale of products in the auto components and engineering products business in Fiscals 2019, 2020 and 2021 and for the three months ended June 30, 2021 respectively. Globally, the realization of ring gears is higher as compared to the domestic market (*Source: CRISIL Report*). Our sale of ring gears in export primarily caters to non-automotive segment such as industrial and power generators, construction and mining equipment, agricultural, lawn mower and marine applications.

RPAL operates three manufacturing facilities in India located in the industrial belt of Nashik, Maharashtra, which are involved in the manufacturing of ring gears, flexplates and water pump bearings. RPAL also operates five warehouses across Canada, United States and Germany. Our strategic location and close proximity to our OEM and Tier-1 suppliers to OEMs enable us to meet our customers' just-in-time delivery schedules, achieve economies of scale and logistical advantages for our customers, and to insulate them from local supply or other disruptions. Our manufacturing facilities include modern equipment, engineered layout with process controls and necessary automations for quality and productivity.

We use various grades of steel (including carbon steel for ring gears, hot rolled/ cold rolled sheets for flexplates and alloy steel for water pump bearings) in our production process. Majority of our steel requirement are sourced from a number of vendors based on our engineering designs ensuring supplies meeting required composition, strength and hardness. We have developed long-term relationships with our suppliers which ensures timely availability, smooth supplies and facilitate us to customize products as per requirements which enables us to manufacture quality products for our customers.

RPAL's (*i.e.* our auto components and engineering products business) revenue from operations was ₹1,973.16 million and ₹700.14 million in Fiscal 2021 and in the three months ended June 30, 2021, respectively, while profit for the year was ₹225.17 million and ₹78.05 million, respectively, in the same periods. RPAL's RoCE for Fiscal 2021 and the three months ended June 30, 2021 was 17.79% and 24.60%, respectively, while PAT margin was 11.05% and 10.78%, respectively, in the same periods.

We are led by Balasubramanian Vishwanathan, Managing Director of our Company, who has 35 years of experience and was working as a Whole-Time Director in RPAL and Hukumchand Lakhotiya, Chief Executive Officer of the tools and hardware business of our Company, who has 25 years of experience. We also have a diversified Board of Directors, which is supplemented by a management team with significant experience. Our senior management team also includes Arun Agarwal and Akshat Chechani, who have significant experience in the industries in which we operate.

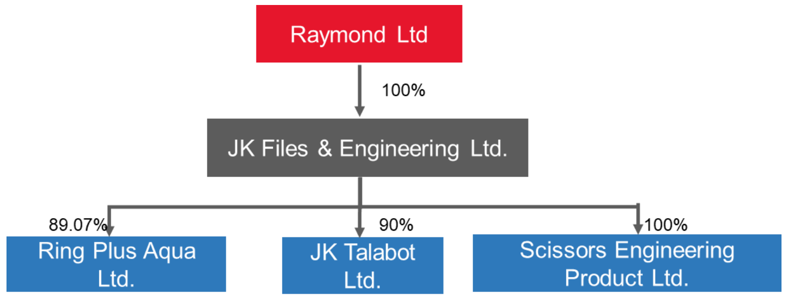
We are a subsidiary of Raymond Limited, the flagship company of 'The Raymond group'. Raymond Limited is a diversified and market-leading conglomerate with interests in textile and apparel sectors as well as has presence across diverse segments such as real estate, fast-moving consumer goods and engineering in domestic and international markets (*Source: CRISIL Report*). The Raymond group has a rich history of over 95 years and its long and successful track-record has enabled it to establish itself as the leader in the worsted suiting fabrics segment in India (*Source: CRISIL Report*). The Raymond group is also amongst the leading men's tailored suit manufacturers in the world and one of the leading players in branded apparel menswear segment (*Source: CRISIL Report*). Raymond group is known for its manufacturing facilities which are strategically located across India and carry out seamless integration with supply chain network to create products. (*Source: CRISIL Report*).

SEPL and RPAL Transfer and Basis of Preparation of the Pro Forma Consolidated Financial Information

Raymond Limited, our Promoter, transferred by way of delivery under Section 123 of the Transfer of Property Act, 1882, its entire shareholding in SEPL to our Company at nil consideration with effect from October 31, 2021. Subsequently, SEPL transferred by way of delivery under Section 123 of the Transfer of Property Act, 1882, its shareholding (aggregating to 89.07% of the equity share capital of RPAL) in RPAL to our Company at nil consideration with effect from November 11, 2021. As a result, SEPL has become a wholly owned subsidiary of our Company and RPAL has become a subsidiary of our Company with effect from October 31, 2021 and November 11, 2021, respectively, and the auto components and engineering products business was consolidated with the tools and hardware business. As of the date of this Draft Red Herring Prospectus, our Company held 100.00% and 89.07% of the equity shareholding of SEPL and RPAL, respectively.

Our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus relate to periods prior to the SEPL and RPAL Transfer and therefore only include the consolidated financial results of our Company (*i.e.* the tools and hardware business). See "*Financial Information – Restated Consolidated Financial Information*" page 249 for our financial position prior to the SEPL and RPAL Transfer and "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on page 215 for more details on the SEPL and RPAL Transfer.

The following chart provides a snapshot of our corporate structure (after reflecting the SEPL and RPAL Transfer) as of the date of this Draft Red Herring Prospectus:



We have included in this Draft Red Herring Prospectus, the Pro Forma Consolidated Financial Information as at and for the year ended March 31, 2021 and as at and for the three months ended June 30, 2021.

Basis of Preparation of the Pro Forma Consolidated Financial Information

The pro forma consolidated financial information of JKFL Group comprising of the pro forma consolidated balance-sheet as at March 31, 2021 and June 30, 2021, pro forma consolidated statement of profit and loss for the three months ended June 30, 2021 and for the year ended March 31, 2021, read with the notes to the pro forma consolidated financial information (hereinafter referred to as the "Pro Forma Consolidated Financial Information"), is prepared to reflect the acquisition of SEPL (including its subsidiary, RPAL) (hereinafter referred to as "acquisition"). The Pro Forma Consolidated Financial Information has been prepared pursuant to the provisions of the SEBI ICDR Regulations for the purposes of inclusion in the DRHP.

- The proforma consolidated balance-sheet as at March 31, 2021 and June 30, 2021 has been prepared, as if the acquisitions have taken place on March 31, 2021 and on June 30, 2021, respectively.

- The proforma consolidated statement of profit and loss for the three months ended June 30, 2021 has been prepared as if the acquisitions have taken place on April 1, 2021.

- The proforma consolidated statement of profit and loss for the year ended March 31, 2021 has been prepared as if the acquisitions have taken place on April 1, 2020.

The acquisition has been accounted as business combination of entities under common control as per Appendix C of Ind AS 103, using pooling of interest method. Because of their nature, the Pro Forma Consolidated Financial Information addresses a theoretical situation and therefore, does not represent JKFL Group's factual financial results. They purport to indicate the results that would have resulted had the acquisitions been completed at the dates mentioned above, but are not intended to be indicative of expected results or operations in the future periods of JKFL Group.

In addition, the rules and regulations related to the preparation of Pro Forma Consolidated Financial Information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below. Accordingly, the degree of reliance placed by investors in other jurisdictions on such proforma information should be limited.

The Pro Forma Consolidated Financial Information for the periods presented has been prepared by combining the following financial information prepared as per Ind AS and after making the adjustments as detailed in "pro forma adjustments" section (refer "*Financial Statements – Pro Forma Consolidated Financial Information – Pro forma adjustments*" on page 320")

a) the restated consolidated financial information of our JKFL Group as at and for the three months ended June 30, 2021 and as at and for the year ended March 31, 2021, (included elsewhere in the DRHP);

b) the audited standalone financial statements of SEPL as at and for the year ended March 31, 2021;

c) the audited financial statements of RPAL as at and for the year ended March 31, 2021;

d) the audited standalone special purpose interim financial statements of SEPL as at and for the three months ended June 30, 2021; and

e) the audited special purpose interim financial statements of RPAL as at and for the three months ended June 30, 2021.

Accordingly, the various columns in the pro forma consolidated financial information, for the periods presented, represent as below:

i. Column A represents restated consolidated financial information of our Company as included elsewhere in the DRHP;

ii. Columns represented by "acquisitions" reflect historical financial information of SEPL and RPAL for the respective periods as stated in the paragraph above;

iii. Columns represented by "Adjustments" reflect impact of adjustments arising out of acquisitions, reclassification adjustments, if any and inter-company eliminations (refer "*Financial Statements – Pro Forma Consolidated Financial Information – Pro forma adjustments*", "*Financial Statements – Pro Forma Consolidated Financial Information – Reclassification adjustments*" and "*Financial Statements – Pro Forma Consolidated Financial Information – Inter-company eliminations*" on pages 320, 322 and 322, respectively).

The pro forma adjustments are based upon available information and assumptions that the management of our Company believes to be reasonable. The pro forma adjustments are included only to the extent they are (i) directly attributable to the acquisitions and (ii) factually supportable. The adjustments do not consider any expected cost savings or potential synergies that may result from the acquisitions.

The Restated Consolidated Financial Information of JKFL Group have been prepared by the management from the audited special purpose consolidated financial statements of the JKFL Group which is prepared in accordance with Ind AS as notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013. The Pro Forma Consolidated Financial Information has been compiled in a manner consistent with the accounting policies adopted by JKFL Group in its restated consolidated financial information for the three months ended June 30, 2021.

The standalone special purpose interim financial statements of SEPL and special purpose interim financial statements of RPAL, as referred above, have been prepared to enable our Company to prepare Pro Forma Consolidated Financial Information.

For further information, see "*Financial Information – Pro Forma Consolidated Financial Information*" on page 311.

Significant Factors Affecting our Financial Condition and Results of Operations

We have listed below the key factors, which have affected and are expected to continue to affect the results of operations of our Company prior to and following the SEPL and RPAL Transfer.

Macroeconomic and market conditions affecting the end-segments and markets in which we operate

Our operational performance and growth depends to a large extent on the health of the economies and the multiple sectors in which we operate. Our products are sold across countries in Asia, Africa, North America, Europe and Latin America. We are therefore dependent on domestic, regional and global economic and market conditions**.** Our revenues are derived from multiple end-use segments including engineering and industrials, home improvement and carpentry, automotive and agriculture.

Macro-economic conditions tend to influence demand for our products. Additionally, factors, such as our competitiveness, quality and pricing, have an effect on our market share and our ability to win customers in competitive situations. We believe that our diversification across products, markets, geographies and customers reduces, our sensitivity to changes in economic cycles in end-segments markets. Key macroeconomic drivers which have historically benefited the end-use segments and markets in which we operate and which can therefore positively impact our results of operations are increasing urbanization and industrialization (particularly in emerging economies), increasing industrial and infrastructure construction and increasing per capita disposable income in emerging economies. However, factors such as inflation, access to capital and borrowing costs, trade policies, India's trade deficit, fluctuations in global commodity and crude oil prices, fluctuations in India's foreign exchange reserves or currency exchange rates, among others, may negatively impact our results of operations.

The global economy, though recovering, has been impacted by new COVID-19 variants (for example, delta variant), disparities in vaccine access in low-income countries, tight financing conditions in emerging and developing economies, supply-chain disruptions and higher commodity prices. Global gross domestic product ("**GDP**") growth is projected at 5.9% for 2021 and 4.9% for 2022, and beyond 2022, GDP is forecasted to moderate to approximately 3.3% over the medium term. India's GDP contracted to 4.0% in Fiscal 2020 from 6.5% in Fiscal 2019 and worsened in Fiscal 2021 with the GDP declining (7.3)% as pressure from an already slowing economy got aggravated by challenges heaped by the COVID-19 pandemic. While India's real GDP grew 20.1% on-year in the first quarter of Fiscal 2022 as per the National Statistical Office data driven by the base effect. Sequentially, India's real GDP contracted a sharp 16.9% in the quarter, impacted by a severe second wave of COVID-19 infections in India. However, continuous improvement in most high-frequency indicators since June 2021 suggested that the Indian economy is moving past the impact of the second wave with the pace of vaccination gathering pace. India's real GDP growth is projected to end Fiscal 2022 with an expansion of 9.5%. (*Source: CRISIL Report*)

End-segments: We derive our revenue from multiple end-segments in tools and hardware, and auto components and engineering products businesses. The following table sets forth proforma revenues generated from the sale of products from each of the end-segments for both of our businesses for the periods indicated:

End-use Segment	**Pro Forma Consolidated Financial Information**			
	Fiscal 2021		**Three months ended June 30, 2021**	
	Revenue from sale of products	**% of total revenue from operations**	**Revenue from sale of products**	**% of total revenue from operations**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Engineering and industrials	1,232.57	22.76%	414.94	22.99%
Home improvement and carpentry	1,034.76	19.11%	416.10	23.05%
Automotive	962.93	17.78%	335.11	18.57%
Agriculture	580.96	10.73%	228.88	12.68%
Multiple end-use segment				
-Drills	705.10	13.02%	181.95	10.08%
-Hand tools and power tool accessories	530.25	9.79%	90.64	5.02%
-Power tool Machines	3.14	0.06%	0.35	0.02%
Total multi end-use segment tools	1,238.49	22.87%	272.94	15.12%
Others	102.98	1.90 %	34.56	1.92 %
Total	**5,152.69**	**95.15%**	**1,702.53**	**94.33%**
Process waste sales and others	262.42	4.85%	102.31	5.67%
Total Revenue from Operations	**5,415.11**	**100.00%**	**1,804.84**	**100.00%**

Markets: The following table sets forth proforma revenues generated from the sale of products from each of the markets for both of our businesses for the periods indicated:

Region	**Pro Forma Consolidated Financial Information**			
	Fiscal 2021		**Three months ended June 30, 2021**	
	Revenue from sale of products	**% of total sale of products**	**Revenue from sale of products**	**% of total sale of products**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
India	2,422.36	47.01%	586.09	34.42%
Europe	740.59	14.37%	276.91	16.26%

Region	Pro Forma Consolidated Financial Information			
	Fiscal 2021		Three months ended June 30, 2021	
	Revenue from sale of products (₹ million)	% of total sale of products (%)	Revenue from sale of products (₹ million)	% of total sale of products (%)
Latin America	732.60	14.22%	243.78	14.32%
Africa	441.31	8.56%	246.45	14.48%
North America	449.54	8.72%	175.51	10.31%
Asia Pacific (excluding India)	366.29	7.12%	173.79	10.21%
Total	**5,152.69**	**100.00%**	**1,702.53**	**100.00%**

Relationships with and purchasing patterns of distributors and key customers and new business development

Tools and Hardware Business. We have developed a diverse presence in the B2C business through our own brand and wide distribution network and in the B2B business through white label and end to end manufacturing solution. '*JK SuperDrive*' is synonymous with files in India due to its strong brand (*Source: CRISIL Report*). We primarily sell our tools and hardware products in India and the international markets through our wide distribution network. We primarily sell and market our tools and hardware products in India through our umbrella brand, '*JK SuperDrive*', and in the international markets, through various sub-brands including '*JK Sun Flower'*, '*JK Eye*', '*JK Three Files*', '*JK Two Files',* '*Premium Scissors*', '*JK Sher*', '*JK Thunderbolt*', '*JK Uno*', '*JK Two Tusk*' and '*MJK*'. Our Company has also leveraged its market leadership and engineering capabilities to established strategic alliances with global files and drills companies such as Apex Tools Group, LLC and MOB Mondelin, as of June 30, 2021, for providing end-to-end manufacturing solution for files. In addition, our Company has entered into a co-branding arrangement with Yunda International Trading Co Ltd under the brand, '*JK Cleveland*', in the Indian market for high performance taps in the cutting tool category. We constantly seek to grow our product reach to underpenetrated geographies, increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets by growing our distribution network and relationships with white label customers. Further, we have expanded our product offering over the recent years. For instance, we launched 54 new SKUs between April 1, 2018 and June 30, 2021.

Our Company's pan-India distribution network consists of over 730 active distributors with a retail reach of over 150,000 outlets spread across more than 600 towns in India and three strategically located depots, with one depot each in the northern, western and eastern regions of India, as of June 30, 2021. In addition, our Company has over 135 active distributors outside India, as of June 30, 2021, which has enabled us to establish presence in over 55 countries across Latin America, Africa, Asia-Pacific, Europe and North America. Our Company has established long-term relationships with various distributors. For details on the duration of relationships with our distributors and customers, see "*Our Business – Our Competitive Strengths - Long term and well established relationships with distributors and marquee domestic and global OEMs supported by an extensive distributor network – Tools and Hardware Business*" on page 173. Accordingly, our revenues and success is dependent on our ability to successfully tie up with or appoint new distributors to expand our network and effectively manage our existing distribution network as well as continue to provide end-to-end manufacturing solution for files to global files and drills companies.

Auto Components and Engineering Products Business. With a track record of over three decades in manufacturing of automotive components and engineering products, we have been successful in the long customer validation processes of OEMs and Tier-1 suppliers (who are primarily directed by OEMs), which has enabled us to become a qualified supplier to and have developed relationships with marquee Indian and international OEMs such as Toyota Industries Engine India Private Limited, Kirloskar Oil Engines Limited, Cummins India Limited, Mahindra & Mahindra Limited, Tata Motors Ltd. and John Deere India Pvt Ltd, and Tier-1 suppliers such as Magna Powertrain Inc, ZF India Private Limited, Sogefi Engine Systems India Private Limited, Metelli S.p.a, SATA S.p.a., KSPG Automotive India Pvt Ltd and M.Paccagnini & C.Sas. The program pipelines continue multiple years, typically till vehicle model stays in production, and as a result, OEM and tier I players prefer procuring from regular suppliers entering into multiyear contracts which results in customer stickiness and create strong barriers to entry (*Source: CRISIL Report*). We supplied products to 20 OEMs and 108 Tier-1 suppliers Fiscals 2021. In Fiscals 2021, none of our customers contributed more than 10% of our revenue from operations from the auto components and engineering products business. A substantial amount of the new business awarded by OEMs is granted well in advance of a program launch. As of June 30, 2021, we have been awarded programs from 20 customers in the automotive and non-automotive sectors across our product portfolio, where the start of production is either during or after Fiscal 2022. For further details, see the table under the heading "*Our Business – Our Competitive Strengths - Long term and well established relationships with distributors and marquee domestic and global OEMs supported by an extensive distributor network - Auto Components and Engineering Products Business*" on page 173. Our ability to continuously win new product development programs as well as expand our share of an existing product with our customers and distributors enhances our competitiveness and market share. Future sales are also estimated from new product development programs awarded to us using the projected volume under these programs. However, the launch of new business is a complex process, the success of which depends on a wide range of factors, including the production readiness of our manufacturing facilities and manufacturing processes and those of our suppliers, as well as factors related to tooling, equipment, employees, initial product quality and other factors.

Our ability to manage and sustain distributor and customer relationships is critical to our business. Increased sales by our distributors and customers tend to increase our revenue from sale of products and results of operations, while a slow-down in demand from our distributors and customers' end-consumers tends to have an adverse effect on our revenue from sale of products and results of operations. Typically, our distributors and customers provide guidance on the demand, however, they do not provide a firm commitment for any specific product quantity in advance. In certain product categories, our contracts with our customers include specific open purchase orders which do not have any validity in respect of time period and these purchase orders only specify the price at which the products are to be supplied with no mention of any specific quantity. The quantities supplied are based on delivery schedules provided by the customers based on their own demand and supply situation.

Availability and Cost of Raw Materials

<u>*Tools and Hardware Business*</u>. Our major raw material includes high carbon steel, alloy steel and high-speed steel as well as imported outsourced semi-finished files and drills. We also require wooden box for packing of our products. We source our raw materials primarily from domestic steel companies, with whom we have developed long-term relationships, such as Bhushan Power and Steel Limited.

<u>*Auto Components and Engineering Products Business*</u>. We use various grades of steel (including carbon steel for ring gears, hot rolled/ cold rolled sheets for flexplates and alloy steel for water pump bearings) in our production process. Majority of our raw materials are sourced from a number of vendors based on our engineering designs. We also import raw material such as steel tubes for water pump bearings.

Our profitability is dependent upon, among other things, our ability to anticipate and react to any interruptions in the supply of raw materials and any fluctuations in the costs of our raw materials as well as on our ability to pass on the price increase to customers. In Fiscals 2021 and the three months ended June 30, 2021, our proforma materials and related costs (consisting of cost of materials consumed, purchase of stock-in-trade and changes in inventories of finished goods, stock-in-trade and work-in-progress) was ₹1,747.54 million and ₹661.85 million, respectively, which represented 32.27% and 36.67%, respectively, of our proforma total revenue from operations in the same periods. Raw material prices are influenced by changes in global economic conditions, industry cycles, demand-supply dynamics, attempts by individual producers to capture market share and also by speculation in the market.

While we enter into purchase order with our suppliers, we do not enter into any long-term contracts, which we believe provides flexibility in ordering volumes and sourcing at competitive rates. We typically agree a fixed per-unit price for raw materials for each purchase order; for that purchase order, we bear the raw material price risk. Depending on how raw material prices fluctuate, we may then be able to adjust the raw material prices for future purchase orders.

We have been able to pass the increase in the cost of raw materials on to our customers historically, however, our cash flows may still be adversely affected due to any gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials. In addition, we may not be able to pass all of our raw material price increases on to our customers. Our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors such as raw material content and whether medium-term price fluctuations have been factored into our component prices at the time of price finalisation. As a result, for some of our export customers, we may in some instances bear the risk of increase in raw material cost that occur.

Global operations and foreign exchange

We derive majority of our revenue from the sale of products for both our businesses across countries located in Europe, Latin America, Africa, North America and Asia-Pacific. As a result of our international operations, certain portions of our revenues and expenditure are influenced by the currencies of those countries where we sell our products. Our proforma revenue from the sale of products from exports was ₹2,730.33 million and ₹1,116.44 million in Fiscal 2021 and the three months ended June 30, 2021, respectively, accounting for 52.99% and 65.58%, respectively, of our proforma total sale of products in the same periods.

Since our reporting currency is Indian rupee, all foreign currency transactions including sales, purchases and expenses are translated into Indian rupees. We are exposed to foreign currency risks that arise from our business transactions that are denominated in foreign currencies. We source majority of our raw materials from domestic suppliers with only a limited number of imports for certain traded goods, our exposure to import duty charges are limited.

We are exposed to foreign currency risks that arise from our business transactions that are denominated in foreign currencies. The depreciation of the Indian Rupee against foreign currency (primarily USD and Euro), will generally have a positive effect on our reported revenues and operating income, while the appreciation of Indian Rupee against foreign currency will generally have a negative effect on our reported revenues and operating income. We employ financial instruments, primarily forward contracts to hedge certain of our foreign currency exchange risks relating to our business. Since our reporting currency is Indian rupee, all foreign currency transactions including sales, purchases and expenses are translated into Indian rupees. The value of the Indian Rupee against foreign currencies is affected by, among other things, the demand and supply of the Indian Rupee and changes in India's political and economic conditions. As of June 30, 2021, our total unhedged foreign currency exposure amounted to ₹189.63 million, while the proforma total unhedged foreign currency exposure amounted to ₹206.50 million. For more information on foreign currency exposures, see "*Financial Statements - Restated Consolidated Financial Information – Note: 39: Derivative Instruments and unhedged foreign currency exposure*" and "*Financial Statements - Restated Consolidated Financial Information – Note: 38: Financial Risk Management*" on pages 293 and 289, respectively. These factors may expose us to exchange rate movements, which may have a material effect on our operating results in a given period.

In addition, our international business and growth initiatives are also exposed to changes in international tariffs, trade relations and policies, including renegotiated trade agreements and imposition of tariffs. Our sales may also be impacted by changes in tariffs applicable on our products or on our customers' products containing content sourced from us.

Operating Costs and Efficiencies

Given the nature of our business, our ability to manage our operating costs and efficiencies is critical to maintaining our competitiveness and profitability. In Fiscals 2021 and the three months ended June 30, 2021, our proforma manufacturing and operating expenses within other expenses was ₹1,530.15 million and ₹473.54 million, respectively, which represented 28.26% and 26.24%, respectively, of our proforma total revenue from operations in the same periods. Customers typically seek to reduce costs based on negotiations and accordingly, suppliers must be able to reduce their operating costs in order to maintain profitability. Our profitability is dependent, in part, on our ability to spread fixed production costs over higher production volume. If we are unable to generate sufficient production cost savings in the future to offset price reductions, our gross margin and profitability would be adversely affected.

Our operations are integrated across the product cycle, and almost all of our manufacturing processes are carried out in-house. This allows us to respond quickly and efficiently to any customer requirements or changes in product specifications without needing to depend on any external vendors. This helps us closely monitor product quality, production costs and delivery schedules. We also continually undertake efforts to reduce our costs, such as negotiating volume discounts, outsourcing non-critical processes, reducing energy usage and enhancing productivity. We are constantly looking to improve capacity utilisation through methods such as lean manufacturing, theory of constraints, kaizen and optimum utilisation of existing capacities to realise cost efficiencies.

Our ability to reduce our operating costs in line with customer demand is subject to risks and uncertainties, as our costs depend, in part, on external factors beyond our control. We also incur certain costs in order to ensure that the products that we supply to our customers are of high quality and free of defects. Such costs relate to matters such as capital expenditure, testing and validation, systems deployment and rejection and re-working of products. Quality control is critical to our operations and we have put in place processes which aim to ensure the supply of defect-free products to our customers.

In addition, employee benefits expense constitute a significant portion of our operating expenses. In Fiscals 2021 and the three months ended June 30, 2021, proforma employee benefit expense was ₹858.25 million and ₹243.05 million, respectively, which represented 15.85% and 13.47%, respectively, of our proforma total revenue from operations in the same periods. These costs are subject to certain factors that are out of our control, including amendments to the minimum wage laws and other employee benefit laws in India. Rising wages in India may have a material impact on our results of operations and financial condition, if we are unable to efficiently manage our personnel costs.

Impact of the COVID-19 pandemic

The COVID-19 pandemic has resulted in a significant economic downturn in India and globally, and has also led to significant disruptions and volatility in capital and financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity and growth.

In compliance with the lockdown orders/ operating restrictions imposed on account of the first wave of the COVID-19 the Governments of the states where our manufacturing facilities are located, we temporarily closed our manufacturing facilities. We gradually re-opened our manufacturing facilities in compliance with state level directives over the months of April and May 2020. By May 2020, all our manufacturing facilities were operational, subject to certain adjustments in working patterns, social distancing measures and additional safety measures, such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization. However, there have been instances of resurgence of the COVID-19 pandemic around the world, which has brought about fresh lockdowns and caused further disruptions to economies. Since April 2021, there was a substantial increase in the number of COVID-19 cases in India, leading to reintroduction of movement restrictions to limit the spread and impact of the COVID-19 pandemic by the governments in various states of India, including those by the states of Maharashtra, Madhya Pradesh and Gujarat where our manufacturing facilities operate.

As a result, our business and operations, as well as the business of our distributors, customers and suppliers, were temporarily affected, particularly in the fourth quarter of Fiscal 2020 and first quarter of Fiscal 2021. We experienced overall low demand during these periods, which resulted in fewer orders for our products. However, with the gradual relaxation of the lockdown measures during the first wave of the COVID-19, we experienced a recovery in the demand for our products in both the domestic and international markets and during the second wave of the COVID-19, we experienced a recovery in the demand of our products from export markets during this period. We also faced severe disruption in transportation, supply chains, travel restrictions, quarantines, social distancing and other emergency measures, which adversely affected our sales volumes and revenue. Further, even during the period our facilities were not operating due to the lockdown restrictions, we continued to incur fixed and semi-variable costs, including paying salaries to our employees and contract labour as well as incurring costs towards equipment hire and rentals, which adversely affected our profitability and margins.

In response to the COVID-19 pandemic, our Company undertook certain processes for cost rationalization and various cost control measures related to manufacturing expenses, sales and marketing, employee benefit expenses, travel expenses (by attending virtual conferences instead of physical conferences), contract negotiation with consultants to reduce cost and others to minimize the impact on its business. Our Company focused on working capital optimization along with timely collection from debtors, stringent credit controls to manage receivables and inventory management, which resulted in reduction in working capital and lower interest cost on low utilization of working capital limits.

The extent to which the COVID-19 and any other subsequent waves impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus, new variants of COVID-19 and the actions taken globally to contain the coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our distributors, customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether. For further information, see "*Financial Statements - Restated Consolidated Financial*

Information - Note 50 COVID-19 Assessment” on page 304.

Ability to integrate and achieve synergies from the SEPL and RPAL Transfer

We believe the consolidation of the two businesses would help us achieve synergy benefits in procurement of steel, rationalization of logistics expenses, integration of skilled workforce and cross-selling as well as enable us to be flexible, responsive to markets, innovative and faster in introducing our products leading to sustained growth, cost-efficiencies and operational excellence. Our Promoter, Raymond Limited, transferred by way of delivery, its entire shareholding in SEPL to our Company at nil consideration with effect from October 31, 2021 and subsequently, SEPL transferred by way of delivery, its shareholding in RPAL to our Company at nil consideration with effect from November 11, 2021. As a result, SEPL has become a wholly owned subsidiary of our Company and RPAL has become a subsidiary of our Company with effect from October 31, 2021 and November 11, 2021, respectively, and the auto components and engineering products business was consolidated with the tools and hardware business.

Our future financial condition and results of operations will be materially impacted by the SEPL and RPAL Transfer and the subsequent consolidation of the auto components and engineering products business. Our ability to succeed will depend on the synergies we are able to achieve through the integration of the two businesses. See “*Financial Information – Pro Forma Consolidated Financial Information*” on page 311.

Critical Accounting Policies based on our Restated Consolidated Financial Information

The following critical accounting policies relate to our Company prior to the SEPL and RPAL Transfer.

Basis of Consolidation

The Restated Consolidated Financial Information comprise the financial statements of our Company and the following subsidiary:

Name of entity	Country of Incorporation/ Principal activities	Ownership in %			
		As of June 30, 2021	As of March 31, 2021	As of March 31, 2020	As of March 31, 2019
Subsidiary					
JK Talabot Limited	India/ Engineering, tools and related component				
- Ownership interest held by the Group		90.00%	90.00%	90.00%	90.00%
- Ownership interest held by non-controlling interests		10.00%	10.00%	10.00%	10.00%

Critical Estimates and Judgments

The preparation of Restated Consolidated Financial Information requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Restated Consolidated Financial Information.

The areas involving critical estimates are:

- Estimation of defined benefit obligation - Measurement of defined benefit obligation and related plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

- Inventory write down - Inventory write downs are assessed based on slow-moving, non-moving and defective inventories considering various factors such as likely usage, obsolescence etc.

- Impairment of trade receivable - The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. We use judgement in making these assumptions and selecting the inputs to the impairment calculation.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on us and that are believed to be reasonable under the circumstances.

Summary of Significant Accounting Policies

Revenue from contracts with customers

Sale of Goods

Sales are recognised when the control of the goods has been transferred to customer which is generally on delivery of goods and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or we have objective evidence that all criteria for the acceptance have been satisfied.

The goods are sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a normal credit period, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sales of Services

Revenue from sale of services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Cash received before the goods and services are delivered is recognised as a contract liability. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Financing Components

We do not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, we do not adjust any of the transaction prices for the time value of money.

Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividends

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ other expenses.

Depreciation methods, estimated useful lives and residual value

Depreciation on factory buildings and plant and equipment is provided on a straight line method and in case of other assets on written down value method, net of their residual values, over the estimated useful lives of assets. Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

We depreciate our property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and we believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for plant and machinery, useful life for which is based on an independent technical evaluation has been estimated as 24 years from the date of acquisition (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

The estimated useful lives of the property, plant and equipment are:

Class of Asset	Useful life
Buildings	60 years
Plant and machinery	24 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers	3 years

The residual values are not more than 5% of the original cost of the asset. The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Leases

As a lessee

Leases are recognised as a right-of-use asset (“ROU”) and a corresponding lease liability at the date at which leased asset is available for use by us for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term leases and leases of low value assets, we recognize the lease payments as an expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs and restoration costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments which includes principal and finance cost component. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

To determine the incremental borrowing rate, we, where possible, use recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Inventories

Inventories of raw materials, stock in trade, stores and spares, work-in-progress, and finished goods are stated at cost or net realisable value, whichever is lower'. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Cost formula used is 'Weighted Average cost'. Slow-moving, non-moving and defective inventories are identified and wherever necessary, provision is made for such inventories considering various factors such as likely usage, obsolescence etc. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. We hold the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Trade and other payables

These amounts represent liabilities for goods and services provided to us prior to the end of the reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Investments and other financial assets

Classification

We classify our financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss, and

- those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. We reclassify debt investments when and only when our business model for managing those assets changes.

Recognition

Financial assets are initially recognised when we become party to the contractual provisions of the instrument.

Measurement

At initial recognition, we measure a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the profit or loss are expensed in profit or loss.

Debt instruments:

Subsequent measurement of debt instruments depends on our business model for managing the asset and the cash flow characteristics of the asset. We measure our debt instruments in following categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included within other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / other expenses. Impairment losses are presented as separate line item in the statement of profit and loss.

- Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net with other income / other expenses in the period in which it arises.

Impairment of financial assets

We assess on a forward looking basis the expected credit losses associated with our assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, we apply the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

A financial asset is derecognised only when:

- we have transferred the rights to receive cash flows from the financial asset or

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

Where the entity has transferred an asset, we evaluate whether we have transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

Contributed Equity

Equity shares are classified as equity. Compulsory convertible instruments such as preference shares that will be or are expected to be settled in our Company's own equity instruments are classified as equity if they are expected to be settled into a fixed number of equity shares.

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

Derivative financial instruments

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Offsetting financial instruments

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

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing costs

Interest and other borrowing costs attributable to the acquisition, construction or production of a qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other interest and borrowing costs are charged to profit or loss.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when we have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in profit or loss.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Material contingent liabilities are disclosed in the Restated Consolidated Financial Information unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the Restated Consolidated Financial Information unless it is virtually certain that the future event will confirm the asset's existence and the asset will be realised.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of our entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated Consolidated Financial Information are presented in Indian rupee (INR), which is JK Files (India) Limited's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the respective transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in profit or loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in profit or loss.

Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Non- current assets (or disposal groups) held for sale:

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (or disposal groups) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held

for sale are presented separately from other liabilities in the balance sheet.

Use of estimates and judgments

The estimates and judgments used in the preparation of the Restated Consolidated Financial Information are continuously evaluated by us and are based on historical experience and various other assumptions and factors (including expectations of future events) that we believe to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

New and amended standards adopted by us

We have applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

We have applied the following amendments to the Schedule III Division II of the Companies Act, 2013 while preparing the Restated Consolidated Financial Information:

- Additional disclosures related to ageing of trade receivables, trade payables, unbilled revenue, capital work in progress, intangibles under developments etc.
- Additional disclosures related to title deeds of immovable properties, ratios, corporate social responsibility, loans given, utilisation borrowed funds and securities premium, reconciliation of returns submitted to banks with books of accounts, delay in registration of charges outstanding, promoters shareholding, relationship with struck off companies, surrendered income, revaluation of Property, plant and equipment and valuation of investment properties, surrendered income etc.
- Presentation of security deposits and current maturities of long term debt in the Restated Consolidated Financial Information.

We have applied the above amendments to the extent applicable to this Restated Consolidated Financial Information.

For further information, see "*Financial Statements - Restated Consolidated Financial Information – Note 1 B: Summary of significant accounting policies*" on page 258.

Changes in Accounting Policies in the last three Fiscals

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

Non-GAAP Measures

EBITDA, EBITDA Margin, Return on Net Worth, Return on Net Asset per Equity Share, RoCE, Operating RoCE and other non-GAAP measures, (together, "**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, such Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Based on our Restated Consolidated Financial Information

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus are set out below based on our Restated Consolidated Financial Information for the periods indicated:

Reconciliation for EBITDA

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)			
Restated profit for the period/ year (A)	167.87	143.02	255.69	96.08
Tax expense (B)	80.72	71.29	87.75	32.40
Finance costs (C)	105.11	72.43	37.02	7.47
Depreciation and amortization expense (D)	116.35	103.45	97.16	24.51
Exceptional items (E)	2.91	-	-	-
EBITDA (F=A+B+C+D+E)	**472.96**	**390.19**	**477.62**	**160.46**

Reconciliation for EBITDA Margin

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)			
EBITDA (A)	**472.96**	**390.19**	**477.62**	**160.46**
Total Income (B)	4038.05	3820.47	3496.63	1118.80
EBITDA Margin (A/B)	**11.71%**	**10.21%**	**13.66%**	**14.34%**

Reconciliation for Return on Net Worth

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)			
Equity share capital (A)	87.41	87.41	87.41	87.41
Instruments entirely in nature of Equity (B)	220.00	220.00	220.00	220.00

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
Other equity (C)	337.04	480.93	718.89	814.32
Net worth (D= A+B+C)**	**644.45**	**788.34**	**1,026.30**	**1,121.73**
Restated profit attributable to owners of the parent (E)	165.76	140.72	254.60	95.86
Return on net worth (%) (F=E/D)	**25.72%**	**17.85%**	**24.81%**	**34.18%***

**Annualised*

*** Net worth means Equity attributable to owners of the Company as per Restated Consolidated Financial Information*.

Reconciliation of Net Asset value per Equity Share

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)			
Equity share capital (A)	87.41	87.41	87.41	87.41
Other equity (B)	337.04	480.93	718.89	814.32
Net worth attributable to Equity Shareholder (C=A+B)	**424.45**	**568.34**	**806.30**	**901.73**
Weighted average number of equity shares outstanding during the period/ year in million (D)	52.44	52.44	52.44	52.44
Restated net asset value per Equity Share (₹) (E=C/D)	**8.09**	**10.84**	**15.37**	**17.19**

Reconciliation for Capital Employed

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)			
Total Equity (A)	668.46	814.62	1053.29	1148.99
Non-Current Borrowings (B)	342.78	-	-	-
Current Borrowings (C)	240.98	385.67	148.13	120.38
Capital employed (D=A+B+C)	**1,252.22**	**1,200.29**	**1,201.42**	**1,269.37**

*Reconciliation for Return on Capital Employed ("**RoCE**")*

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)			
EBITDA (A)	472.96	390.19	477.62	160.46
Depreciation and amortization expense (B)	116.35	103.45	97.16	24.51
EBIT (C=A-B)	356.61	286.74	380.46	135.95
Capital employed (D)	1,252.22	1,200.29	1,201.42	1,269.37
RoCE (E=C/D)	**28.48%**	**23.89%**	**31.67%**	**42.84%***

**Annualised*

*Reconciliation for Operating Return on Capital Employed ("**Operating RoCE**")*

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)			
EBITDA (A)	472.96	390.19	477.62	160.46
Depreciation and amortization expense (B)	116.35	103.45	97.16	24.51
Interest Income (C)	13.70	15.69	28.09	9.28
Operating EBIT (D=A-B-C)	342.91	271.05	352.37	126.67
Capital Employed (E)	1,252.22	1,200.29	1,201.42	1,269.37
Cash and cash Equivalent (F)	0.42	0.76	43.47	6.80
Bank Balances (G)	-	0.89	-	4.95
Current Investment (H)	27.67	13.45	14.32	14.47
Loans (I)	100.00	130.00	421.00	331.00
Operating Capital employed (J=E-F-G-H-I)	1,124.13	1,055.19	722.63	912.15
Operating RoCE (K=D/J)	**30.50%**	**25.69%**	**48.76%**	**55.55%***

**Annualised*

*Reconciliation for Return on Equity ("**RoE**")*

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)			
Equity share capital (A)	87.41	87.41	87.41	87.41
Instruments entirely equity in nature (B)	220.00	220.00	220.00	220.00
Other equity (C)	337.04	480.93	718.89	814.32
Equity (D= A+B+C)	**644.45**	**788.34**	**1,026.30**	**1,121.73**
Restated profit attributable to owner of the parent (E)	165.76	140.72	254.60	95.86
Return on Equity (%) (F=E/D)	**25.72%**	**17.85%**	**24.81%**	**34.18% ***

***** *Annualised*

Reconciliation for PAT Margin

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)			
Restated profit for the period/ year (A)	167.87	143.02	255.69	96.08
Total Income (B)	4,038.05	3,820.47	3,496.63	1,118.80
PAT Margin (C=A/B)	**4.16%**	**3.74%**	**7.31%**	**8.59%**

Reconciliation for Net Debt to Equity and Net Debt to EBITDA

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)			
Non-Current Borrowings (A)	342.78	-	-	-
Current Borrowings (B)	240.98	385.67	148.13	120.38
Cash and cash Equivalent (C)	0.42	0.76	43.47	6.80
Bank Balances (D)	-	0.89	-	4.95
Current Investment (E)	27.67	13.45	14.32	14.47
Net Debt (F=A+B-C-D-E)	**555.67**	**370.57**	**90.34**	**94.16**
Equity share capital (G)	87.41	87.41	87.41	87.41

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
Instruments entirely equity in nature (H)	220.00	220.00	220.00	220.00
Other equity (I)	337.04	480.93	718.89	814.32
Equity (J= G+H+I)	**644.45**	**788.34**	**1,026.30**	**1,121.73**
Net Debt to Equity (K=F/J)	**0.86**	**0.47**	**0.09**	**0.08**
EBITDA (L)	472.96	390.19	477.62	160.46
Net Debt to EBITDA (M=F/L)	**1.17**	**0.95**	**0.19**	**0.15***

***** *Annualised*

Based on our Pro Forma Consolidated Financial Information reflecting the SEPL and RPAL Transfer

The following table sets forth the pro forma Non-GAAP financial measures of our Company, on a consolidated basis, as if the SEPL and RPAL Transfer had occurred on April 1, 2020.

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus are set out below based on our Pro Forma Consolidated Financial Information for the periods indicated:

Reconciliation for EBITDA

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Profit for the period/ year (A)	480.69	174.12
Tax expense (B)	148.34	59.38
Finance costs (C)	45.78	8.76
Depreciation and amortization expense (D)	205.77	51.17
EBITDA (E=A+B+C+D)	**880.58**	**293.43**

Reconciliation for EBITDA Margin

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
EBITDA (A)	880.58	293.43
Total Income (B)	5,532.97	1,842.64
EBITDA Margin (A/B)	**15.92%**	**15.92%**

Reconciliation for Return on Net Worth

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Equity share capital (A)	87.41	87.41
Instruments entirely equity in nature (B)	220.00	220.00
Other equity (C)	2,099.75	2,264.38
Net worth (D= A+B+C)**	**2,407.16**	**2,571.79**
Profit attributable to owners of the parent (E)	454.99	165.37
Return on net worth (%) (F=E/D)	**18.91%**	**25.72%***

** Annualised*

*** Net worth means equity attributable to owners as per Pro Forma Consolidated Financial Information.*

Reconciliation of Net Asset value per share

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Equity share capital (A)	87.41	87.41
Other equity (B)	2,099.75	2,264.38

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Net worth (C=A+B)	2,187.16	2,351.79
Weighted average number of equity shares outstanding during the period/ year (D)	52.44	52.44
Net asset value per Equity Share (₹) (C/D)	**41.71**	**44.85**

Reconciliation for Capital Employed

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Total Equity (A)	2603.55	2776.95
Non-Current Borrowings (B)	0.97	-
Current Borrowings (C)	255.73	221.52
Capital employed (D=A+B+C)	**2,860.25**	**2,998.47**

*Reconciliation for Return on Capital Employed (“**RoCE**”)*

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
EBITDA (A)	880.58	293.43
Depreciation and amortization expense (B)	205.77	51.17
EBIT (C=A-B)	674.81	242.26
Capital employed (D)	2,860.25	2,998.47
RoCE (E=C/D)	**23.59%**	**32.32%***

*****_Annualised_

*Reconciliation for Operating Return on Capital Employed (“**Operating RoCE**”)*

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
EBITDA (A)	880.58	293.43
Depreciation and amortization expense (B)	205.77	51.17
Interest Income (C)	37.63	19.88
EBIT (D=A-B-C)	637.18	222.38
Capital Employed (E)	2,860.25	2,998.47
Cash and cash Equivalent (F)	65.93	36.01
Bank Balances (G)	-	4.95
Current Investment (H)	144.38	218.31
Loans (I)	921.00	831.00
Operating Capital employed (J=E-F-G-H-I)	1,728.94	1,908.20
Operating RoCE (K=D/J)	**36.85%**	**46.62%***

**Annualised*

*Reconciliation for Return on Equity (“**RoE**”)*

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Equity share capital (A)	87.41	87.41
Instruments entirely equity in nature (B)	220.00	220.00
Other equity (C)	2,099.75	2,264.38
Equity (D= A+B+C)	**2,407.16**	**2,571.79**
Profit attributable to owners of the parent (E)	454.99	165.37
Return on Equity (%) (F=E/D)	**18.90%**	**25.72%***

**Annualised*

Reconciliation for PAT Margin

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Profit for the period/ year (A)	480.69	174.12
Total Income (B)	5,532.97	1,842.64
PAT Margin (A/B)	**8.69%**	**9.45%**

Reconciliation for Net Debt to Equity and Net Debt to EBITDA

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Non-Current Borrowings (A)	0.97	-
Current Borrowings (B)	255.73	221.52
Cash and cash Equivalent (C)	65.93	36.01
Bank Balances (D)	-	4.95
Current Investment (E)	144.38	218.31
Net Debt (F=A+B-C-D-E)	**46.39**	**(37.75)**
Equity share capital (G)	87.41	87.41
Instruments entirely equity in nature (H)	220.00	220.00
Other equity (I)	2,099.75	2,264.38
Equity (J= G+H+I)	**2,407.16**	**2,571.79**
Net Debt to Equity (K=F/J)	**0.02**	**(0.01)**
EBITDA (L)	880.58	293.43
Net Debt to EBITDA (M=F/L)	**0.05**	**(0.03)***

**Annualised*

Based on our RPAL's audited financial statements for our Subsidiary, RPAL

The following table sets forth the Non-GAAP financial measures of our Subsidiary, RPAL, based on the audited standalone financial statements of RPAL.

Reconciliation for the following non-GAAP financial measures of our Subsidiary, RPAL included in this Draft Red Herring Prospectus are set out below for the periods indicated:

Reconciliation for EBITDA

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Profit for the period/ year (A)	225.17	78.05
Tax expense (B)	60.59	26.98
Finance costs (C)	8.76	1.29
Depreciation and amortization expense (D)	108.61	26.66
EBITDA (E=A+B+C+D)	**403.13**	**132.98**

Reconciliation for EBITDA Margin

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
EBITDA (A)	403.13	132.98
Total Income (B)	2,036.94	723.93
EBITDA Margin (A/B)	**19.79%**	**18.37%**

Reconciliation of Net Asset value per share

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Equity share capital (A)	77.57	77.57
Other equity (B)	1,472.32	1,550.02
Net worth (C=A+B)	1,549.89	1,627.59
Weighted average number of equity shares outstanding during the period/ year (D)	7.87	7.87
Net asset value per Equity Share (₹) (C/D)	**196.94**	**206.81**

Reconciliation for Capital Employed

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Total Equity (A)	1,549.89	1,627.59
Non-Current Borrowings (B)	0.97	-
Current Borrowings (C)	105.02	101.14
Capital employed (D=A+B+C)	**1,655.88**	**1,728.73**

*Reconciliation for Return on Capital Employed (“**RoCE**”)*

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
EBITDA (A)	403.13	132.98
Depreciation and amortization expense (B)	108.61	26.66
EBIT (C=A-B)	294.52	106.32
Capital employed(D)	1,655.88	1,728.73
RoCE (E=C/D)	**17.79%**	**24.60%***

***** *Annualised*

*Reconciliation for Operating Return on Capital Employed (“**Operating RoCE**”)*

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
EBITDA (A)	403.13	132.98
Depreciation and amortization expense (B)	108.61	26.66
Interest Income (C)	9.54	10.60
EBIT (D=A-B-C)	284.98	95.72
Capital Employed (E)	1,655.88	1,728.73
Cash and cash Equivalent (F)	22.14	28.89
Current Investment (G)	130.06	203.84
Loans (H)	500.00	500.00
Operating Capital employed (I=E-F-G-H-I)	1,003.68	996.00
Operating RoCE (J=D/I)	**28.39%**	**38.44%***

******Annualised*

*Reconciliation for Return on Equity (“**RoE**”)*

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Equity share capital (A)	77.57	77.57
Other equity (B)	1,472.32	1,550.02
Equity (C= A+B)	**1,549.89**	**1,627.59**

Particulars	Fiscal 2021	Three Months ended June 30, 2021
Profit for the year (D)	225.17	78.05
Return on Equity (%) (E=D/C)	**14.53%**	**19.18%***

*Annualised

Reconciliation for PAT Margin

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Profit for the period/ year (A)	225.17	78.05
Total Income (B)	2,036.94	723.93
PAT Margin (A/B)	**11.05%**	**10.78%**

Reconciliation for Net Debt to Equity and Net Debt to EBITDA

Particulars	Fiscal 2021	Three Months ended June 30, 2021
	(₹ million)	
Non-Current Borrowings (A)	0.97	-
Current Borrowings (B)	105.02	101.14
Cash and cash Equivalent (C)	22.14	28.89
Current Investment (D)	130.06	203.84
Net Debt (E=A+B-C-D)	**(46.21)**	**(131.59)**
Equity share capital (F)	77.57	77.57
Other equity (G)	1,472.32	1,550.02
Equity (H= F+G)	**1,549.89**	**1,627.59**
Net Debt to Equity (I=E/H)	**(0.03)**	**(0.08)**
EBITDA (J)	403.13	132.98
Net Debt to EBITDA (K=E/J)	**(0.11)**	**(0.25)***

*Annualised

Principal Components of Statement of Profit and Loss from our Restated Consolidated Financial Information

The following descriptions set forth information with respect to the key components of our statement of profit and loss included in our Restated Consolidated Financial Information. Our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus relate to period prior to the SEPL and RPAL Transfer and therefore only include the financial results of our tools and hardware business. Please see the "*Financial Statements - Pro Forma Consolidated Financial Information*" on page 311, which shows the impact of the consolidation of the auto components and engineering products business with our tools and hardware business.

Income

Total income consists of revenue from operations and other income.

Revenue from Operations

Revenue from operations primarily accounts for the sale of products of manufactured goods in the domestic and export markets as well as stock-in-trade in the domestic and export market. Manufactured goods include files and drills, while stock-in-trade include hand tools, power tool accessories and power tool machines.

In addition, revenue from operations also included (i) other operating revenue which consisted of (a) export related incentives such as "Duty Draw back Scheme", "Merchandise Export from India Scheme" and "Refund of Duties and Taxes on Exported Products"; and (b) process waste sale which includes, amongst others, files and drills steel scrap; and (ii) sale of services such as export freight and export insurance.

Other income

Other income primarily includes interest income, liabilities/ provisions no longer required written back, net gain/ loss on foreign exchange fluctuations, net gain/ loss on disposal/ discard of property, plant and equipment and miscellaneous income.

Total Expenses

Total expenses includes cost of raw materials consumed, purchases of stock-in-trade, changes in inventories of work-in-progress, finished goods and stock-in-trade, employee benefits expense, finance costs, depreciation and amortization expense and other expenses (manufacturing and operating expenses, and other expenses).

Materials and related costs

Materials and related costs consisting of cost of raw materials consumed, purchases of stock-in-trade and changes in inventories of work-in-progress, finished goods and stock-in-trade.

Cost of raw materials consumed

Cost of raw materials consumed primarily includes cost of raw materials such as high carbon steel, alloy steel and high-speed steel and outsourced semi-finished files and drills.

Purchases of Stock-in-Trade

Purchases of stock-in-trade primarily consist of cost of acquiring third party products such as hand tools, power tool accessories and power tool machines marketed, sold and distributed by us.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Changes in inventories of finished goods, work-in-progress and stock-in-trade reflects the difference between our inventories at the start of the year and the end of the year.

Employee benefits expense

Employee benefits expense primarily consists of salaries, wages and bonuses, defined benefit plan expense, contribution to provident and other funds, and workmen and staff welfare expenses.

Finance costs

Finance costs primarily consist of interest expenses on term loan, interest on lease obligation and interest expense - others.

Depreciation and amortization expense

Depreciation and amortization expense primarily relates to depreciation of our property, plant and equipment, depreciation on right to use asset and amortization of intangible assets.

Other expenses

Other expenses comprises manufacturing and operating expenses, and other expenses. Manufacturing and operating expenses primarily consists of consumption of stores and spare parts, power and fuel, job work charges, payment to labour contractor and repairs to machinery. Other expenses primarily consists of legal and professional expenses, freight, octroi, commission to selling agents, facility charges, IT outsourced support services, rent, insurance, security charges and miscellaneous expenses.

Tax expense

Tax expense includes current tax and deferred tax.

Results of Operations based on our Restated Consolidated Financial Information

This description relates to the key financial information from the statement of profit and loss included in our Restated Consolidated Financial Information. Our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus relate to the period prior to the SEPL and RPAL Transfer and therefore only include the financial results of our tools and hardware business. Please see the "*Financial Statements - Pro Forma Consolidated Financial Information*" on page 311, which shows the impact of the consolidation of the auto components and engineering products business with our tools and hardware business.

The following table sets forth certain information with respect to our results of operations from our Restated Consolidated Financial Information for the periods indicated:

	Fiscal						**Three months ended June 30, 2021**	
	2019		**2020**		**2021**			
	(₹ million)	**% of total income**	**(₹ million)**	**% of total income**	**(₹ million)**	**% of total income**	**(₹ million)**	**% of total income**
Income								
Revenue from Operations	4,013.33	99.39%	3,759.86	98.41%	3,442.55	98.45%	1,104.79	98.73%
Other income	24.72	0.61%	60.61	1.59%	54.08	1.55%	14.01	1.25%
Total income	**4,038.05**	**100.00%**	**3,820.47**	**100.00%**	**3,496.63**	**100.00%**	**1,118.80**	**100.00%**
Expenses								
Cost of raw materials consumed	927.96	22.98%	863.58	22.60%	894.24	25.57%	299.13	26.74%
Purchases of Stock-in-Trade	449.82	11.14%	411.23	10.76%	425.39	12.17%	141.24	12.62%
Changes in inventories of work-in progress, finished goods and Stock-in-Trade	0.95	0.02%	(23.65)	(0.62)%	(230.48)	(6.59)%	(61.27)	(5.48)%
Employee benefits expense	690.94	17.11%	710.39	18.59%	602.41	17.23%	177.12	15.83%
Finance costs	105.11	2.60%	72.43	1.90%	37.02	1.06%	7.47	0.67%
Depreciation and amortization expense	116.35	2.88%	103.45	2.71%	97.16	2.78%	24.51	2.19%
Net impairment losses (including reversals) on financial assets	36.81	0.91%	(1.70)	(0.04)%	(15.98)	(0.46)%	(2.02)	(0.18)%
Other expenses	1,458.61	36.12%	1,470.43	38.49%	1,343.43	38.42%	404.14	36.12%
Total expenses	**3,786.55**	**93.77%**	**3,606.16**	**94.39%**	**3,153.19**	**90.18%**	**990.32**	**88.52%**
Restated Profit before exceptional items and tax	**251.50**	**6.23%**	**214.31**	**5.61%**	**343.44**	**9.82%**	**128.48**	**11.48%**
Exceptional items	2.91	0.07%	-	-	-	-	-	-
Restated Profit before tax	**248.59**	**6.16%**	**214.31**	**5.61%**	**343.44**	**9.82%**	**128.48**	**11.48%**
Tax expense								
Current tax	78.63	1.95%	54.53	1.43%	78.72	2.25%	30.13	2.69%
Deferred tax	2.09	0.05%	16.76	0.44%	9.03	0.26%	2.27	0.20%

	Fiscal						Three months ended June 30, 2021	
	2019		2020		2021			
	(₹ million)	% of total income	(₹ million)	% of total income	(₹ million)	% of total income	(₹ million)	% of total income
Total tax expense	**80.72**	**2.00%**	**71.29**	**1.87%**	**87.75**	**2.51%**	**32.40**	**2.90%**
Restated Profit for the year	**167.87**	**4.16%**	**143.02**	**3.74%**	**255.69**	**7.31%**	**96.08**	**8.59%**
Restated Other comprehensive income								
(i) Items that will not be reclassified to profit or loss								
Re-measurement of defined benefit plans	8.60	0.21%	4.21	0.11%	(22.11)	(0.63)%	(0.49)	(0.04)%
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.99)	(0.07)%	(1.07)	(0.03)%	5.09	0.15%	0.11	0.01%
Restated Other Comprehensive Income/(Loss) for the period/ year, net of tax	**5.61**	**0.14%**	**3.14**	**0.08%**	**(17.02)**	**(0.49)%**	**(0.38)**	**(0.03)%**
Restated Total Comprehensive Income for the period/ year	**173.48**	**4.30%**	**146.16**	**3.83%**	**238.67**	**6.83%**	**95.70**	**8.55%**

Three Months Ended June 30, 2021

Our results of operations for the three months ended June 30, 2021 were affected by the following key factors:

- India experienced a severe second wave of COVID-19 between March 2021 and June 2021, which impacted the domestic demand for our products and as a result, our business, results of operations and financial condition were adversely impacted. However, we experienced a recovery in the demand of our products from export markets during this period. See "*Risk Factors - The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance*." on page 30.

Total Income. Our total income amounted to ₹1,118.80 million in the three months ended June 30, 2021.

Revenue from operations. Our revenue from operations amounted to ₹1,104.79 million in the three months ended June 30, 2021 primarily comprising (i) sale of products, which primarily consists of manufactured goods – exports of ₹663.87 million and manufactured goods-domestic of ₹301.87 million; and (ii) other operating revenue, which consists of process waste sale of ₹18.24 million and export incentives of ₹17.93 million.

The following table sets out the revenue from sale of products by geographical spread of our tools and hardware business in the three months ended June 30, 2021:

Geography	Three months ended June 30, 2021	
	Revenue from sale of products (₹ million)	% of total sale of products (%)
India	375.87	35.56%
Africa	246.45	23.32%
Asia (excluding India)	123.86	11.72%
Europe	43.52	4.12%

Geography	Three months ended June 30, 2021	
	Revenue from sale of products (₹ million)	% of total sale of products (%)
Latin America	243.47	23.04%
North America	23.70	2.24%
Total	**1,056.87**	**100.00%**

The following table sets forth the revenue generated from sale of each of our products in our tools and hardware business for the periods indicated:

Products	Three months ended June 30, 2021	
	Revenue from sale of products (₹ million)	% of total sale of products (%)
Files	749.37	70.90%
Drills	181.95	17.22%
Hand Tools and Power Tool Accessories	90.64	8.58%
Power Tool Machines	0.35	0.03%
Others	34.56	3.27%
Total Sales of Products	**1,056.87**	**100.00%**

Other income. Other income amounted to ₹14.01 million in the three months ended June 30, 2021 primarily comprising interest income of ₹9.28 million.

Expenses. Total expenses amounted to ₹990.32 million in the three months ended June 30, 2021.

Materials and related costs. Materials and related costs consisting of cost of raw materials consumed, purchases of stock-in-trade and changes in inventories of work-in-progress, finished goods and stock-in-trade amounted to ₹379.10 million.

Employee benefits expenses. Employee benefits expenses amounted to ₹177.12 million in the three months ended June 30, 2021 primarily comprising salaries, wages, bonus etc. of ₹156.36 million.

Finance costs. Finance costs amounted to ₹7.47 million in the three months ended June 30, 2021 primarily comprising interest on lease obligation of ₹3.85 million and interest expense - others of ₹3.62 million.

Depreciation and amortization expense. Depreciation and amortization amounted to ₹24.51 million in the three months ended June 30, 2021 primarily comprising depreciation on property, plant and equipment of ₹20.85 million.

Other expenses. Other expenses amounted to ₹404.14 million in the three months ended June 30, 2021.

- Manufacturing and operating expenses within other expenses amounted to ₹304.53 million in the three months ended June 30, 2021 primarily consisting of consumption of stores and spare parts of ₹98.12 million, job work charges of ₹83.13 million, payment to labour contractor of ₹53.68 million and power and fuel expenses of ₹53.58 million.

- Other expenses (other than manufacturing and operating expenses as indicated above) amounted to ₹99.61 million in the three months ended June 30, 2021 primarily consisting of freight, octroi, etc. of ₹27.09 million, commission to selling agents of ₹19.70 million and facility charges of ₹12.00 million.

Restated Profit before tax. Restated profit before tax amounted to ₹128.48 million in the three months ended June 30, 2021.

Total tax expenses. Total tax expenses amounted to ₹32.40 million in the three months ended June 30, 2021 comprising current tax of ₹30.13 million and deferred tax of ₹2.27 million.

Restated Profit for the period. Restated profit for the period was ₹96.08 million in the three months ended June 30, 2021.

Restated other comprehensive income for the period. Restated other comprehensive loss for the period was ₹0.38 million in the three months ended June 30, 2021.

Restated total comprehensive income for the period. As a result of the factors explained above, our total restated comprehensive income for the period was ₹95.70 million in the three months ended June 30, 2021.

Fiscal 2021 compared to Fiscal 2020

Our results of operations for Fiscal 2021 were affected by the following key factors:

- In compliance with the lockdown orders/ operating restrictions imposed on account of the first wave of COVID-19 the Governments of the states where our manufacturing facilities are located, we temporarily closed our manufacturing facilities. By May 2020, all our manufacturing facilities were operational. During the period that our facilities were closed, our manufacturing operations were impeded, and we also faced severe disruption in transportation, supply chains, travel restrictions, quarantines, social distancing and other emergency measures, particularly in the first quarter of Fiscal 2021, which adversely affected our sales volumes and revenues. However, with the gradual relaxation of the lockdown measures, we experienced a recovery in the demand for our products in both the domestic and international markets. See "*Risk Factors - The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.*" on page 30.

Total Income. Our total income decreased by 8.48 % from ₹3,820.47 million in Fiscal 2020 to ₹3,496.63 million in Fiscal 2021 primarily due to a decrease in revenue from operations on account of the COVID-19 pandemic.

Revenue from operations. Our revenue from operations decreased by 8.44% from ₹3,759.86 million in Fiscal 2020 to ₹3,442.55 million in Fiscal 2021, primarily due to a decrease in sale of products, which decreased by 7.36% from ₹3,599.11 million in Fiscal 2020 to ₹3,334.30 million in Fiscal 2021 primarily on account of the impact of the COVID-19 pandemic particularly in the first quarter of Fiscal 2021, the temporary closure of our manufacturing facilities and reduction in demand for our products in both the domestic and export markets. Manufactured goods - Exports decreased by 11.01% from ₹1,689.63 million in Fiscal 2020 to ₹1,503.55 million in Fiscal 2021. Manufactured goods - Domestic decreased by 3.59% from ₹1,345.93 million in Fiscal 2020 to ₹1,297.62 million in Fiscal 2021. Stock-in-trade – Domestic also decreased by 8.26% from ₹504.78 million in Fiscal 2020 to ₹463.06 million in Fiscal 2021.

This decrease was offset as there was progressive recovery experienced in the demand for our products from the second quarter of Fiscal 2021 in both the domestic and export markets, which led to a significant growth in the volumes for our files and drills products particularly in the fourth quarter of Fiscal 2021. In the domestic markets, with the gradual opening up of the economy and relaxation of the lockdown measures particularly, in the rural markets, there was an increase in the volumes of files and drills in the fourth quarter of Fiscal 2021. The volume growth in the domestic markets was higher than the pre-COVID levels which was experienced in the fourth quarter of Fiscal 2019. In addition, in the export markets, there was an increase in the volumes of files and drills in the fourth quarter of Fiscal 2021 driven primarily by the gradual recovery of economies from COVID-19 in key markets in Latin America and the increase in end-to-end manufacturing solutions through strategic alliances with global files and drills companies particularly for their customer base in the export markets such as Latin America, Africa and Europe. The volume growth in the export markets in the fourth quarter of Fiscal 2021 was higher than the pre-COVID levels which was experienced in the fourth quarter of Fiscal 2019. The following table sets forth information for the domestic and export sale of files and drills by volume for the periods indicated:

Sales	**Volume (Unit)**	**Fourth Quarter of**		
		Fiscal 2019	**Fiscal 2020**	**Fiscal 2021**
Domestic				
Files	million dozens	0.33	0.29	0.35
Drills	million units	5.79	4.57	7.12
Export				
Files	million dozens	0.95	0.60	1.10
Drills	million units	0.48	0.48	2.24
Total				

Sales	Volume (Unit)	Fourth Quarter of		
		Fiscal 2019	Fiscal 2020	Fiscal 2021
Files	**million dozens**	**1.28**	**0.89**	**1.45**
Drills	**million units**	**6.27**	**5.05**	**9.36**

The following table sets forth information for the domestic and export sale of files and drills by volume for the periods indicated:

Sales	Volume (Unit)	Fiscal	
		2020	2021
Domestic			
Files	million dozens	1.13	1.18
Drills	million units	20.10	18.30
Export			
Files	million dozens	3.74	2.99
Drills	million units	3.03	4.42
Total			
Files	**million dozens**	**4.87**	**4.17**
Drills	**million units**	**23.13**	**22.72**

The following table sets out the revenue from sale of products by geographical spread of our tools and hardware business for the periods indicated:

Geography	Fiscal 2020		Fiscal 2021	
	Revenue from sale of products (₹ million)	% of total sale of products (%)	Revenue from sale of products (₹ million)	% of total sale of products (%)
India	1,850.71	51.42%	1,760.68	52.81%
Africa	625.49	17.38%	441.31	13.24%
Asia (excluding India)	436.55	12.13%	211.96	6.36%
Europe	152.14	4.23%	118.71	3.56%
Latin America	473.53	13.16%	723.91	21.71%
North America	60.69	1.68%	77.73	2.32 %
Total	**3,599.11**	**100.00%**	**3,334.30**	**100.00%**

The following table sets forth certain information relating to the sale of products from each of our products in the tools and hardware business for the periods indicated:

Product	Fiscal 2020		Fiscal 2021	
	Revenue from sale of products (₹ million)	% of total sale of products (%)	Revenue from sale of products (₹ million)	% of total sale of products (%)
Files	2,260.10	62.80%	1,992.83	59.77%
Drills	734.12	20.40%	705.10	21.15%
Hand and power tool accessories	560.83	15.58%	530.25	15.90%
Power Tool Machine	3.82	0.11%	3.14	0.09%
Others	40.24	1.11 %	102.98	3.09%
Total	**3,599.11**	**100.00%**	**3,334.30**	**100.00%**

In addition, other operating revenue decreased by 33.29% from ₹150.49 million in Fiscal 2020 to ₹100.39 million in Fiscal 2021 due to a decrease in export incentives by 54.08% from ₹108.03 million in Fiscal 2020 to ₹49.61 million in Fiscal 2021 on account of decrease in revenue from exports and reduction in export incentives from Merchandise Export from India Scheme.

Other income. Other income decreased by 10.77% from ₹60.61 million in Fiscal 2020 to ₹54.08 million in Fiscal 2021, primarily due to a decrease in net gain/ (loss) on foreign exchange fluctuations by 98.69% from ₹36.75 million in Fiscal 2020 to ₹0.48 million in Fiscal 2021 primarily on account of fluctuation in the USD exchange rate. This decrease was significantly offset by an increase in interest income by 70.82% from ₹17.65 million in Fiscal 2020 to ₹30.15 million in Fiscal 2021 primarily on account of interest on inter-corporate deposits placed with group companies.

Expenses. Total expenses decreased by 12.56% from ₹3,606.16 million in Fiscal 2020 to ₹3,153.19 million in Fiscal 2021, while revenue from operations decreased by 8.44% during the same period primarily on account the various cost rationalization and cost control measures in response to the prevailing market conditions and unprecedented challenges due to the impact of the COVID-19 pandemic

Materials and related costs. Materials and related costs consisting of cost of raw materials consumed, purchases of stock-in-trade and changes in inventories of work-in-progress, finished goods and stock-in-trade decreased by 12.95% from ₹1,251.16 million in Fiscal 2020 to ₹1,089.15 million in Fiscal 2021 in line with the decrease in sale of products primarily due to impact COVID-19 on the demand for our products and the global economy in general. As a percentage of total income, materials and related costs decreased from 32.75% in Fiscal 2020 to 31.15% in Fiscal 2021.

Employee benefits expenses. Employee benefits expenses decreased by 15.20% from ₹710.39 million in Fiscal 2020 to ₹602.41 million in Fiscal 2021 primarily on account of decrease in salaries, wages and bonus by 14.66% from ₹620.65 million in Fiscal 2020 to ₹529.66 million in Fiscal 2021. This decrease was mainly due to cost control measures implemented in Fiscal 2021 to mitigate the adverse impact on demand and sale of products owing to the COVID-19 pandemic. As a percentage of total income, employee benefits expense decreased from 18.59% in Fiscal 2020 to 17.23% in Fiscal 2021.

Finance costs. Finance costs decreased by 48.89% from ₹72.43 million in Fiscal 2020 to ₹37.02 million in Fiscal 2021 primarily due to significant decrease in interest expense on term loan by 95.94% from ₹23.64 million in Fiscal 2020 to ₹0.96 million in Fiscal 2021 and interest expense – Others by 6.90% from ₹3.77 million in Fiscal 2020 to ₹3.51 million in Fiscal 2021. This decrease was on account of loan repayment, lower utilization of working capital limits and reduction in the rate of interest. Our Company focused on working capital optimization along with timely collection from debtors, stringent credit controls to manage receivables and inventory management, which resulted in reduction in working capital and lower interest cost on low utilization of working capital limits. As a percentage of total income, finance costs decreased from 1.90% in Fiscal 2020 to 1.06% in Fiscal 2021.

Depreciation and amortization expense. Depreciation and amortization expenses marginally decreased by 6.08% from ₹103.45 million for Fiscal 2020 to ₹97.16 million for Fiscal 2021 primarily on account of decrease in amortization of intangible assets from ₹12.70 million for Fiscal 2020 to ₹0.37 million for Fiscal 2021 due to completion of amortization life of intangible assets. However, as a percentage of total income, depreciation and amortization expenses marginally increased from 2.71% in Fiscal 2020 to 2.78% in Fiscal 2021.

Other expenses. Other expenses decreased by 8.64% from ₹1,470.43 million in Fiscal 2020 to ₹1,343.43 million in Fiscal 2021. We undertook various cost control measures related to manufacturing expenses, sales and marketing, employee benefit expenses, travel expenses (by attending virtual conferences instead of physical conferences), contract negotiation with consultants to reduce cost and others to minimize the impact on its business.

- Manufacturing and operating expenses within other expenses marginally increased by 0.82% from ₹994.86 million in Fiscal 2020 to ₹1,002.99 million in Fiscal 2021 primarily due to increase in job work charges by 15.87% from ₹243.95 million for Fiscal 2020 to ₹282.66 million for Fiscal 2021 primarily on account of increase in the amount of work outsourced at our manufacturing facility on account of COVID-19 restrictions. This increase was offset by a decrease in power and fuel expenses and repairs to machinery. Power and fuel expenses decreased by 8.69% from ₹196.95 million for Fiscal 2020 to ₹179.83 million for Fiscal 2021 and repairs to machinery decreased by 17.52% from ₹42.24 million for Fiscal 2020 to ₹34.84 million for Fiscal 2021 primarily due to lower production, particularly in the first quarter of Fiscal 2021, as a result of the lockdown imposed on account of the COVID-19 pandemic. As a percentage of total income, manufacturing and operating expenses within other expenses increased from 26.04% in Fiscal 2020 to 28.68% in Fiscal 2021.

- Other expenses (other than manufacturing and operating expenses as indicated above) decreased by 28.41% from ₹475.57 million in Fiscal 2020 to ₹340.44 million in Fiscal 2021 primarily due to decrease in travelling and conveyance, commission to selling agents and facility charges. Travelling and conveyance expenses decreased by 76.43% from ₹39.42 million for Fiscal 2020 to ₹9.29 million for Fiscal 2021 primarily on account of travel restrictions imposed on account of the COVID-19 pandemic and commission to selling agents decreased by 36.54 % from ₹89.18 million for Fiscal 2020 to ₹56.59 million for Fiscal 2021 primarily on account of decline in sale of products. Facility charges also decreased by 27.83% from ₹48.00 million for Fiscal 2020 to ₹34.64 million for Fiscal 2021. As a percentage of total income, other expenses (other than manufacturing and operating expenses as indicated above) decreased from 12.45% in Fiscal 2020 to 9.74% in Fiscal 2021.

Restated Profit before tax. Profit before tax increased by 60.26 % from ₹214.31 million in Fiscal 2020 to ₹343.44 million in Fiscal 2021 primarily due to various cost rationalization and cost control measures undertaken which led to decrease in total expenses.

Total tax expenses. Total tax expenses increased by 23.09% from ₹71.29 million in Fiscal 2020 to ₹87.75 million in Fiscal 2021 primarily on account of increase in restated profit before tax and adoption of lower corporate tax rate. With effect from April 1, 2019, the new Section 115BAA was inserted in the Income Tax Act, 1961, which prescribed the concessional tax rates of 22% (with 10% of surcharge and 4% of cess) as against the erstwhile rates of 30% (with 12% of surcharge and 4% of cess). The effective tax was reduced from 33.27% in Fiscal 2020 to 25.55% in Fiscal 2021.

Restated Profit for the year. As a result of foregoing factors, restated profit for the year was ₹255.69 million in Fiscal 2021 compared to ₹143.02 million in Fiscal 2020. As a percentage of total income, restated profit for the year increased from 3.74% in Fiscal 2020 to 7.31% in Fiscal 2021.

Restated other comprehensive income for the year. Restated other comprehensive loss for the year was ₹17.02 million in Fiscal 2021 while our restated other comprehensive income for the year was ₹3.14 million in Fiscal 2020.

Restated total comprehensive income for the year. Restated total comprehensive income for the year was ₹238.67 million in Fiscal 2021 compared to ₹146.16 million in Fiscal 2020.

Fiscal 2020 compared to Fiscal 2019

Our results of operations for Fiscal 2020 were affected by the following key factors:

- Our operations and the demand for our products in Fiscal 2020 were impacted by the COVID-19 pandemic in the fourth quarter of Fiscal 2020 and consequent lockdowns and restrictions imposed in India, beginning March 2020. Operations at our manufacturing facilities were suspended or restricted, which resulted in a decrease in sale of our products in March 2020. For further information, see "*Risk Factors - The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance*." on page 30.

Total Income. Our total income marginally decreased by 5.39% from ₹4,038.05 million in Fiscal 2019 to ₹3,820.47 million in Fiscal 2020 primarily due to a decrease in revenue from operations.

Revenue from operations. Our revenue from operations decreased by 6.32% from ₹4,013.33 million in Fiscal 2019 to ₹3,759.86 million in Fiscal 2020, primarily due to a decrease in sale of products, which decreased by 6.22% from ₹3,837.74 million in Fiscal 2019 to ₹3,599.11 million in Fiscal 2020 primarily on account of the impact of the COVID-19 pandemic particularly in the fourth quarter of Fiscal 2020, the temporary closure of our manufacturing facilities and reduction in demand for our products in both the domestic and export markets. Manufactured goods - exports decreased by 3.34% from ₹1,747.95 million in Fiscal 2019 to ₹1,689.63 million in Fiscal 2020. Manufactured goods - domestic decreased by 15.51% from ₹1,593.09 million in Fiscal 2019 to ₹1,345.93 million in Fiscal 2020.

This decrease was offset by growth experienced (pre-COVID-19) in the sales volumes of files and drills in the export markets in the nine months ended December 31, 2019 in comparison with the nine months ended December 31, 2018 primarily driven by new strategic alliances in the end-to-end manufacturing solutions with global files and drills companies and the demand growth in the Latin America market. The following table sets forth information for the domestic and export sale of files and drills by volume for the periods indicated:

Sales	Volume (Unit)	Nine months ended December 31,		
		2018	2019	2020
Domestic				
Files	million dozens	1.12	0.84	0.83
Drills	million units	18.51	15.53	11.18
Export				
Files	million dozens	2.64	3.14	1.89
Drills	million units	1.47	2.55	2.18
Total				
Files	**million dozens**	**3.76**	**3.98**	**2.72**
Drills	**million units**	**19.98**	**18.08**	**13.36**

The following table sets forth information for the domestic and export sale of files and drills by volume for the periods indicated:

Sales	Volume (Unit)	Fiscal	
		2019	2020
Domestic			
Files	million dozens	1.45	1.13
Drills	million units	24.30	20.10
Export			
Files	million dozens	3.59	3.74
Drills	million units	1.95	3.03
Total			
Files	**million dozens**	**5.04**	**4.87**
Drills	**million units**	**26.25**	**23.13**

The following table sets out the revenue from sale of products by geographical spread of our tools and hardware business for the periods indicated:

Geography	Fiscal 2019		Fiscal 2020	
	Revenue from sale of products	% of total sale of products	Revenue from sale of products	% of total sale of products
	(₹ million)	(%)	(₹ million)	(%)
India	2,042.11	53.21%	1,850.71	51.42%
Africa	635.95	16.57%	625.49	17.38%
Asia (excluding India)	476.56	12.42%	436.55	12.13%
Europe	196.05	5.11%	152.14	4.23%
Latin America	420.96	10.97%	473.53	13.16%
North America	66.11	1.72%	60.69	1.68%
Total	**3,837.74**	**100.00%**	**3,599.11**	**100.00%**

The following table sets forth certain information relating to the sale of products from each of our products in the tools and hardware business for the periods indicated:

Product	Fiscal 2019		Fiscal 2020	
	Revenue from sale of products	% of total sale of products	Revenue from sale of products	% of total sale of products
	(₹ million)	(%)	(₹ million)	(%)
Files	2,518.85	65.63%	2,260.10	62.80%
Drills	773.11	20.14%	734.12	20.40%
Hand and power tool accessories	494.83	12.89%	560.83	15.58%
Power Tool Machine	3.72	0.10%	3.82	0.11%
Others	47.23	1.24%	40.24	1.11%
Total	**3,837.74**	**100.00%**	**3,599.11**	**100.00%**

In addition, other operating revenue decreased by 14.29% from ₹175.59 million in Fiscal 2019 to ₹150.49 million in Fiscal 2020 due to a decrease in export incentives by 8.82% from ₹118.48 million in Fiscal 2019 to ₹108.03 million in Fiscal 2020 primarily on account of decrease in revenue from exports and process waste sale by 25.65% from ₹57.11 million in Fiscal 2019 to ₹42.46 million in Fiscal 2020 primarily on account of decline in production volumes, lower scrap realization rates and a one-time bulk scrap sale in Fiscal 2019.

This decrease in revenue from operations was partially offset by an increase in stock-in-trade – domestic by 12.42% from ₹449.02 million in Fiscal 2019 to ₹504.78 million in Fiscal 2020 and stock-in-trade – export by 23.26% from ₹47.68 million in Fiscal 2019 to ₹58.77 million in Fiscal 2020 primarily on account of introduction of new products in the power tools machine category.

Other income. Other income significantly increased by 145.19% from ₹24.72 million in Fiscal 2019 to ₹60.61 million in Fiscal 2020 primarily due to an increase in net gain/ (loss) on foreign exchange fluctuations from nil in Fiscal 2019 to ₹36.75 million in Fiscal 2020 primarily on account of fluctuations in the foreign currency exchange rate for USD.

Expenses. Total expenses decreased by 4.76% from ₹3,786.55 million in Fiscal 2019 to ₹3,606.16 million in Fiscal 2020 in line with 6.32% decrease in our revenue from operations.

Materials and related costs. Materials and related costs consisting of cost of raw materials consumed, purchases of stock-in-trade and changes in inventories of work-in-progress, finished goods and stock-in-trade decreased by 9.25% from ₹1,378.73 million in Fiscal 2019 to ₹1,251.16 million in Fiscal 2020 primarily on account of change in product mix and in line with the decrease in sale of products. As a percentage of total income, materials and related costs decreased from 34.14% in Fiscal 2019 to 32.75% in Fiscal 2020.

Employee benefits expenses. Employee benefits expenses increased by 2.82% from ₹690.94 million in Fiscal 2019 to ₹710.39 million in Fiscal 2020 primarily on account of an increase in in salaries, wages and bonus by 5.19 % from ₹590.03 million in Fiscal 2019 to ₹620.65 million in Fiscal 2020. This increase resulted from a combination of factors such as annual increments, and increase in salaries and employees. This increase was offset by a decrease in workmen and staff welfare expense by 27.51% from ₹55.22 million in Fiscal 2019 to ₹40.03 million in Fiscal 2020 primarily on account of reduction in staff training and other welfare. As a percentage of total income, employee benefits expenses increased from 17.11% in Fiscal 2019 to 18.59% in Fiscal 2020.

Finance costs. Finance costs decreased by 31.09% from ₹105.11 million in Fiscal 2019 to ₹72.43 million in Fiscal 2020 primarily due to a decrease in interest expense on term loan by 54.00% from ₹51.39 million in Fiscal 2019 to ₹23.64 million in Fiscal 2020 on account of repayment of loan and decline on interest of inter-corporate deposits. As a percentage of total income, finance costs decreased from 2.60% in Fiscal 2019 to 1.90% in Fiscal 2020.

Depreciation and amortization expense. Depreciation and amortization expenses decreased by 11.09% from ₹116.35 million for Fiscal 2019 to ₹103.45 million for Fiscal 2020 primarily on account of decrease in amortization of intangible assets from ₹25.08 million for Fiscal 2019 to ₹12.70 million for Fiscal 2020 due to completion of amortization of intangible asset in Fiscal 2020. As a percentage of total income, depreciation and amortization expenses decreased from 2.88% in Fiscal 2019 to 2.71% in Fiscal 2020.

Other expenses. Other expenses marginally increased by 0.81% from ₹1,458.61 million in Fiscal 2019 to ₹1,470.43 million in Fiscal 2020.

- Manufacturing and operating expenses within other expenses marginally increased by 0.65% from ₹988.43 million in Fiscal 2019 to ₹994.86 million in Fiscal 2020 primarily due to increase in job work charges by 17.36% from ₹207.86 million for Fiscal 2019 to ₹243.95 million for Fiscal 2020 primarily on account of increase in the amount of work outsourced at our manufacturing facility. This increase was significantly offset by a decrease in consumption of stores and spare parts, and power and fuel. Consumption of stores and spare parts decreased by 5.84% from ₹338.30 million for Fiscal 2019 to ₹318.54 million for Fiscal 2020 and power and fuel expenses decreased by 4.45% from ₹206.12 million for Fiscal 2019 to ₹196.95 million for Fiscal 2020 primarily on account of decrease in production volumes. As a percentage of total income, manufacturing and operating expenses within other expenses increased from 24.48% in Fiscal 2019 to 26.04 % in Fiscal 2020.

- Other expenses (other than manufacturing and operating expenses as indicated above) increased by 1.15% from ₹ 470.18 million in Fiscal 2019 to ₹475.57 million in Fiscal 2020 primarily due to an increase in rates and taxes and miscellaneous expenses. Rates and taxes increased from ₹3.12 million for Fiscal 2019 to ₹18.21 million for Fiscal 2020 and miscellaneous expenses increased by 13.80% from ₹34.48 million for Fiscal 2019 to ₹39.24 million for Fiscal 2020. This increase was offset by a decrease in legal and professional expenses decreased by 31.37% from ₹52.03 million for Fiscal 2019 to ₹35.71 million for Fiscal 2020 primarily on account of legal charges paid in relation to the sale of the land and building at which our erstwhile Kolkata plant was located.

Restated Profit before tax. For the various reasons discussed above, Restated profit before tax decreased by 13.79% from ₹248.59 million in Fiscal 2019 to ₹214.31 million in Fiscal 2020. In Fiscal 2019, our Company offered voluntary retirement benefits and other termination benefits to its eligible employees at Ratnagiri unit, amounting to ₹2.91 million, which has been disclosed as "exceptional item" in the statement of profit and loss. For further information, see "*Financial Statements - Restated Consolidated Financial Information – Note 45: Exceptional Item*" on page 304.

Total tax expenses. Total tax expenses decreased by 11.68% from ₹80.72 million in Fiscal 2019 to ₹71.29 million in Fiscal 2020 primarily due to a decrease in restated profit before tax. The effective tax was decreased from 33.36% in Fiscal 2019 to 31.74% in Fiscal 2020.

Restated Profit for the year. As a result of foregoing factors, restated profit for the year was ₹143.02 million in Fiscal 2020 compared to ₹167.87 million in Fiscal 2019.

Restated other comprehensive income for the year. Restated other comprehensive income for the year was ₹3.14 million in Fiscal 2020 compared to ₹5.61 million in Fiscal 2019.

Restated total comprehensive income for the year. Restated total comprehensive income for the year was ₹146.16 million in Fiscal 2020 compared to ₹173.48 million in Fiscal 2019.

Results of Operations based on our Pro Forma Consolidated Financial Information

Three Months ended June 30, 2021

The following table sets forth select financial information from our Pro Forma Consolidated Financial Information for the three months ended June 30, 2021:

(₹ million)

	Three months ended June 30, 2021					
		Acquisitions		**Adjustments**		
	JKFL Group	**SEPL**	**RPAL**	**Pro-forma Adjustments**	**Intra-company elimination**	**JKFL Proforma Consolidated**
Particulars	**(A)**	**(B)**	**(C)**	**(D)**	**(E)**	**F=(A+B+C+D+E)**
Revenue from operations	1,104.79	-	700.14	-	(0.09)	1,804.84
Other income	14.01	-	23.79	-	-	37.80
Total income	**1,118.80**	**-**	**723.93**	**-**	**(0.09)**	**1,842.64**
Expenses						
Cost of raw materials consumed	299.13		277.67	-	-	576.80
Purchases of stock-in-trade	141.24	-	-	-	-	141.24
Changes in inventories of work-in progress, finished goods and stock-in-trade	(61.27)	-	5.17	-	(0.09)	(56.19)
Employee benefits expense	177.12	-	65.72	-	0.21	243.05

	Three months ended June 30, 2021					
		Acquisitions		Adjustments		
	JKFL Group	SEPL	RPAL	Pro-forma Adjustments	Intra-company elimination	JKFL Proforma Consolidated
Particulars	**(A)**	**(B)**	**(C)**	**(D)**	**(E)**	**F=(A+B+C+D+E)**
Finance costs	7.47	-	1.29	-	-	8.76
Depreciation and amortization expense	24.51	-	26.66	-	-	51.17
Net impairment losses (including reversals) on financial assets	(2.02)	-	-			(2.02)
Other expenses	404.14	0.01	242.39	-	(0.21)	646.33
Total expenses	**990.32**	**0.01**	**618.90**	-	**(0.09)**	**1,609.14**
Profit before tax	**128.48**	**(0.01)**	**105.03**	-	-	**233.51**
Tax expense						
Current tax	30.13	-	21.88	-	-	52.01
Deferred tax	2.27	-	5.10	-	-	7.37
Total tax expenses	**32.40**	-	**26.98**	-	-	**59.38**
Profit for the period	**96.08**	**(0.01)**	**78.05**	-	-	**174.13**
Other Comprehensive Income for the period						
Items that will not be reclassified to profit or loss						
- Remeasurements of net defined benefit plans	(0.49)		(2.37)			(2.86)
- Income tax relating to above	0.11		0.60			0.71
Other comprehensive income/ (loss) for the period, net of tax	**(0.38)**		**(1.77)**			**(2.15)**
Total Comprehensive Income for the period	**95.70**	**(0.01)**	**76.28**	-	-	**171.98**

Total Income. Proforma total income amounted to ₹1,842.64 million in the three months ended June 30, 2021 comprising total income of (i) JKFL Group of ₹1,118.80 million; and (ii) RPAL of ₹723.93 million.

Revenue from operations. Proforma revenue from operations amounted to ₹1,804.84 million in the three months ended June 30, 2021 comprising revenue from operations of (i) JKFL Group of ₹1,104.79 million primarily from the sale of manufactured goods include files and drills, while stock-in-trade include hand and power tool accessories, and power tool machines; and (ii) RPAL of ₹700.14 million primarily from the sale of manufactured goods include ring gears, flexplates and water pump bearings.

The following table sets forth the revenue generated from sale of each of our products in both of our businesses for the periods indicated:

Products	Three Months Ended June 30, 2021	
	Revenue from sale of products (₹ million)	% of total sale of products (%)
Files	749.37	44.02%
Drills	181.95	10.69%

Products	Three Months Ended June 30, 2021	
	Revenue from sale of products (₹ million)	% of total sale of products (%)
Hand and power tool accessories	90.64	5.32%
Power tool machines	0.35	0.02%
Ring Gears	476.53	27.99%
Flexplates	49.81	2.93%
Water pump bearings	115.71	6.80%
Others	38.17	2.23%
Total	**1,702.53**	**100.00%**

Other income. Proforma other income amounted to ₹37.80 million in the three months ended June 30, 2021 comprising other income of JKFL Group of ₹14.01 million primarily comprising interest income and RPAL of ₹23.79 million primarily consisting of interest income and gain on foreign exchange fluctuations.

Expenses. Proforma total expenses amounted to ₹1,609.14 million in the three months ended June 30, 2021 comprising total expenses of (i) JKFL Group of ₹990.32 million; (ii) RPAL of ₹618.90 million; and (iii) SEPL of 0.01 million.

Materials and related costs. Proforma materials and related costs consisting of cost of raw materials consumed, purchases of stock-in-trade and changes in inventories of work-in-progress, finished goods and stock-in-trade amounted to ₹661.85 million in the three months ended June 30, 2021 comprising materials and related costs of JKFL Group of ₹379.10 million and RPAL of ₹282.84 million. Cost of raw material consumed for RPAL primarily consists of various grades of steel including carbon steel for ring gears, hot rolled/ cold rolled sheets for flexplates and alloy steel for water pump bearings.

Employee benefits expenses. Proforma employee benefits expenses amounted to ₹243.05 million in the three months ended June 30, 2021 comprising employee benefits expenses of JKFL Group of ₹177.12 million and RPAL of ₹65.72 million.

Finance costs. Proforma finance costs amounted to ₹8.76 million in the three months ended June 30, 2021 comprising finance costs of JKFL Group of ₹7.47 million and RPAL of ₹1.29 million.

Depreciation and amortization expense. Proforma depreciation and amortization expenses amounted to ₹51.17 million in the three months ended June 30, 2021 comprising depreciation and amortization expenses of JKFL Group of ₹24.51 million and RPAL of ₹26.66 million.

Other expenses. Proforma other expenses amounted to ₹646.33 million in the three months ended June 30, 2021 primarily comprising other expenses of JKFL Group of ₹404.14 million, RPAL of ₹242.39 million and SEPL of 0.01 million.

Profit before tax. Proforma profit before tax amounted to ₹233.50 million in the three months ended June 30, 2021 comprising profit before tax of JKFL Group of ₹128.48 million, RPAL of ₹105.03 million and and SEPL of 0.01 million.

Total tax expenses. Proforma total tax expenses amounted to ₹59.38 million in the three months ended June 30, 2021 comprising total tax expense of JKFL Group of ₹32.40 million and RPAL of ₹26.98 million.

Profit for the period. Proforma profit for the period was ₹174.12 million in the three months ended June 30, 2021 comprising profit for the period of JKFL Group of ₹96.08 million, RPAL of ₹78.05 million and SEPL of (0.01) million.

Other comprehensive income for the period. Proforma other comprehensive loss for the period was ₹(2.15) million in the three months ended June 30, 2021 comprising other comprehensive loss of JKFL Group of ₹(0.38) million and RPAL of ₹(1.77) million.

Total comprehensive income for the period. Proforma total comprehensive income for the period was ₹171.97 million in the three months ended June 30, 2021 comprising total comprehensive income of JKFL Group of ₹95.70 million, RPAL of ₹76.28 million and SEPL of (0.01) million.

Fiscal 2021

The following table sets forth select financial information from our Pro Forma Consolidated Financial Information for Fiscal 2021:

(₹ million)

	Fiscal 2021					
		Acquisitions		Adjustments		
	JKFL Group	**SEPL**	**RPAL**	**Pro-forma Adjustments**	**Intra-company elimination**	**JKFL Proforma Consolidated**
Particulars	**(A)**	**(B)**	**(C)**	**(D)**	**(E)**	**F=(A+B+C+D+E)**
Revenue from operations	3,442.55	-	1,973.16	-	(0.60)	5,415.11
Other income	54.08	-	63.78	-	-	117.86
Total income	**3,496.63**	-	**2,036.94**	-	**(0.60)**	**5,532.97**
Expenses						
Cost of raw materials consumed	894.24	-	756.56	-	-	1,650.80
Purchases of stock-in-trade	425.39	-	-	-	-	425.39
Changes in inventories of work-in progress, finished goods and stock-in-trade	(230.48)	-	(97.57)	-	(0.60)	(328.65)
Employee benefits expense	602.41	-	255.84	-	-	858.25
Finance costs	37.02	-	8.76	-	-	45.78
Depreciation and amortization expense	97.16	-	108.61	-	-	205.77
Net impairment losses (including reversals) on financial assets	(15.98)	-	-	-	-	(15.98)
Other expenses	1,343.43	0.17	718.98	-	-	2,062.58
Total expenses	**3,153.19**	**0.17**	**1,751.18**	-	**(0.60)**	**4,903.94**
Profit before tax	**343.44**	**(0.17)**	**285.76**	-	-	**629.04**
Tax expense						
Current tax	78.72	-	76.84	-	-	155.56
Deferred tax	9.03	-	(15.85)	-	-	(6.82)
Tax charge in respect of earlier years	-	-	(0.40)	-	-	(0.40)
Total tax expenses	**87.75**	**-**	**60.59**	**-**	**-**	**148.34**
Profit for the year	**255.69**	**(0.17)**	**225.17**	-	-	**480.70**
Other Comprehensive Income for the year						
Items that will not be reclassified to profit or loss						
- Remeasurements of net defined benefit plans	(22.11)	-	(5.62)	-	-	(27.73)
- Income tax relating to above	5.09	-	1.41	-	-	6.50
Other	**(17.02)**	**-**	**(4.21)**	-	-	**(21.23)**

Particulars	Fiscal 2021					
		Acquisitions		Adjustments		
	JKFL Group	SEPL	RPAL	Pro-forma Adjustments	Intra-company elimination	JKFL Proforma Consolidated
	(A)	(B)	(C)	(D)	(E)	F=(A+B+C+D+E)
comprehensive income/ (loss) for the year, net of tax						
Total Comprehensive Income for the year	**238.67**	**(0.17)**	**220.96**	**-**	**-**	**459.47**

Total Income. Proforma total income amounted to ₹5,532.97 million in Fiscal 2021 comprising total income of (i) JKFL Group of ₹3,496.63 million; and (ii) RPAL of ₹2,036.94 million

Revenue from operations. Proforma revenue from operations amounted to ₹5,415.11 million in Fiscal 2021 comprising revenue from operations of (i) JKFL Group of ₹3,442.55 million; and (ii) RPAL of ₹1,973.16 million.

The following table sets forth the revenue generated from sale of each of our products in both of our businesses for the periods indicated:

Products	Fiscal 2021	
	Revenue from sale of products	% of total sale of products
	(₹ million)	(%)
Files	1,992.83	38.68%
Drills	705.10	13.68%
Hand and power tool accessories	530.25	10.29%
Power tool machines	3.14	0.06%
Ring Gears	1,301.88	25.27%
Flexplates	163.66	3.18%
Water pump bearings	344.04	6.68%
Others	111.79	2.16%
Total	**5,152.69**	**100.00%**

Other income. Proforma other income amounted to ₹117.86 million in Fiscal 2021 comprising other income of JKFL Group of ₹54.08 million and RPAL of ₹63.78 million.

Expenses. Proforma total expenses amounted to ₹4,903.94 million in Fiscal 2021 comprising total income of (i) JKFL Group of ₹3,153.19 million; (ii) RPAL of ₹1,751.18 million; and (iii) SEPL of 0.17 million.

Materials and related costs. Proforma materials and related costs consisting of cost of raw materials consumed, purchases of stock-in-trade and changes in inventories of work-in-progress, finished goods and stock-in-trade amounted to ₹1,747.54 million in Fiscal 2021 comprising materials and related costs of JKFL Group of ₹1,089.15 million and RPAL of ₹658.99 million.

Employee benefits expenses. Proforma employee benefits expenses amounted to ₹858.25 million in Fiscal 2021 comprising employee benefits expenses of JKFL Group of ₹602.41 million and RPAL of ₹255.84 million.

Finance costs. Proforma finance costs amounted to ₹45.78 million in Fiscal 2021 comprising finance costs of JKFL Group of ₹37.02 million and RPAL of ₹8.76 million.

Depreciation and amortization expense. Proforma depreciation and amortization expenses amounted to ₹205.77 million in Fiscal 2021 comprising depreciation and amortization expenses of JKFL Group of ₹97.16 million and RPAL of ₹108.61 million.

Other expenses. Proforma other expenses amounted to ₹2,062.58 million in Fiscal 2021 primarily comprising other expenses of JKFL Group of ₹1,343.43 million, RPAL of ₹718.98 million and SEPL of 0.17 million.

Profit before tax. Proforma profit before tax amounted to ₹629.03 million in Fiscal 2021 comprising profit before tax of JKFL Group of ₹343.44 million, RPAL of ₹285.76 million and and SEPL of 0.17 million.

Total tax expenses. Proforma total tax expenses amounted to ₹148.34 million in Fiscal 2021 comprising total tax expense of JKFL Group of ₹87.75 million and RPAL of ₹60.59 million.

Profit for the year. Proforma profit for the year was ₹480.69 million in Fiscal 2021 comprising profit for the period of JKFL Group of ₹255.69 million, RPAL of ₹225.17 million and SEPL of 0.17 million.

Other comprehensive income for the year. Proforma other comprehensive loss for the year was ₹21.23 million in Fiscal 2021 comprising other comprehensive loss of JKFL Group of ₹17.02 million and RPAL of ₹4.21 million.

Total comprehensive income for the year. Proforma total comprehensive income for the year was ₹459.46 million in Fiscal 2021 comprising total comprehensive income of JKFL Group of ₹238.67 million, RPAL of ₹220.96 million and SEPL of 0.17 million.

Liquidity and Capital Resources of our Restated Consolidated Financial Information

Historically, our primary liquidity requirements have been to finance our capital expenditure and working capital needs for our operations We have met these requirements through cash flows from operations and borrowings. As of June 30, 2021, we had ₹6.80 million in cash and cash equivalents and ₹4.95 million in other bank balances other than cash and cash equivalents, short term borrowing of ₹120.38 million. We believe that, after taking into account the expected cash to be generated from operations, our borrowings, we will have sufficient liquidity for our present and anticipated requirements for capital expenditure and working capital for the next 12 months.

Cash Flows based on our Restated Consolidated Financial Information

The following table sets forth our cash flows for the periods indicated:

	Fiscal			Three Months ended June 30, 2021
	2019	2020	2021	
	(₹ million)			
Net cash flows generated from/ (used in) operating activities	275.84	301.09	603.60	(92.71)
Net cash flows generated from/ (used in) investing activities	96.73	(25.88)	(278.22)	93.75
Net cash flows used in financing activities	(374.49)	(274.87)	(282.67)	(37.71)
Add: Cash and cash equivalents at the beginning of the financial period/ year	2.34	0.42	0.76	43.47
Cash and cash equivalents at the end of the period/ year	**0.42**	**0.76**	**43.47**	**6.80**

Operating Activities

Net cash flows used in operating activities in the period three months ended June 30, 2021 was ₹92.71 million, while operating profit before changes in operating assets and liabilities was ₹142.71 million. The changes in operating assets and liabilities was primarily on account of increase in trade receivables of ₹134.26 million and increase in inventory of ₹145.41 million, which was offset by increase in trade payables of ₹95.12 million. Net cash flows used in operating activities also included income taxes paid (net) of ₹20.94 million.

Net cash flows generated from operating activities in Fiscal 2021 was ₹603.60 million, while our operating profit before changes in operating assets and liabilities was ₹426.28 million. The changes in operating assets and liabilities was primarily on account of decrease in trade receivables of ₹485.02 million and increase in trade financial liabilities of ₹84.46 million, which was offset by increase in inventory of ₹254.02 million Net cash flows generated from operating activities also included income taxes paid (net) of ₹66.42 million.

Net cash flows generated from operating activities in Fiscal 2020 was ₹301.09 million, while operating profit before changes in operating assets and liabilities was ₹338.52 million. The changes in operating assets and liabilities was primarily on account of increase in trade payables of ₹158.19 million, which was offset by increase in inventory of ₹112.76 million and increase in trade receivables of ₹18.56 million. Net cash flows generated from operating activities also included income taxes paid (net) of ₹77.23 million.

Net cash flows generated from operating activities in Fiscal 2019 was ₹275.84 million, while operating profit before changes in operating assets and liabilities was ₹496.86 million. The changes in operating assets and liabilities was primarily on account of decrease in other assets of ₹67.54 million, which was significantly offset by increase in inventory of ₹110.08 million and decrease in trade payables of ₹82.85 million. Net cash flows generated from operating activities also included income taxes paid (net) of ₹66.19 million.

Investing Activities

Net cash generated from investing activities was ₹93.75 million in the three months ended June 30, 2021, primarily on account of proceeds from repayment of inter corporate deposit by related parties of ₹90.00 million in relation to short term working capital requirement of group companies and interest received of ₹13.47 million, which was marginally offset by purchase of property, plant and equipment (including capital work-in-progress) of ₹(9.72) million.

Net cash used in investing activities was ₹278.22 million in Fiscal 2021, primarily on account of inter corporate deposit placed with group companies of ₹(291.00) million in relation to short term working capital requirement of group companies and purchase of property, plant and equipment (including capital work-in-progress) of ₹(20.13) million, which was marginally offset primarily by interest received of ₹26.76 million.

Net cash used in investing activities was ₹25.88 million in Fiscal 2020, primarily on account of purchase of property, plant and equipment (including capital work-in-progress) of ₹(56.92) million mainly for capacity addition in files manufacturing and inter corporate deposit placed with group companies of ₹(30.00) million, which was significantly offset by sale of proceeds of property, plant and equipment of ₹32.88 million, interest received of ₹15.66 million and proceeds from sale of current investment of ₹12.50 million.

Net cash generated from investing activities was ₹96.73 million in Fiscal 2019, primarily on account of proceeds from repayment of inter corporate deposit by related parties of ₹200.00 million in relation to short term working capital requirement of group companies, sale of proceeds of property, plant and equipment of ₹101.33 million and proceeds from sale of current investments of ₹100.00 million in relation to redemption of investment in mutual fund, which was significantly offset by inter corporate deposit placed with group companies of ₹(300.00) million in relation to short term working capital requirement of group companies.

Financing Activities

Net cash used in financing activities was ₹37.71 million in the three months ended June 30, 2021 primarily on account of repayment of short term borrowings (net) of ₹(27.75) million.

Net cash used in financing activities was ₹282.67 million in Fiscal 2021 primarily on account of repayment of short term borrowings (net) of ₹(237.54) million.

Net cash used in financing activities was ₹274.87 million in Fiscal 2020 primarily on account of repayment of long term borrowings of ₹(342.78) million and interest paid of ₹(54.05) million, which was offset by proceeds of short term borrowings (net) of ₹144.69 million.

Net cash used in financing activities was ₹374.49 million in Fiscal 2019 primarily on account of repayment of short term borrowings (net) of ₹(264.03) million, and interest paid of ₹(85.69) million.

Capital Expenditures

Our capital expenditures primarily comprised plant and machinery, and building for capacity additions in files manufacturing. In Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, our capital expenditure towards additions to fixed assets (property, plant and equipment's and intangible assets) were ₹27.52 million, ₹58.55

million, ₹15.19 million and ₹10.69 million, respectively. The following table sets forth our fixed assets for the periods indicated:

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Three months ended June 30, 2021
	(₹ million)			
Property, plant and equipment	27.13	58.18	14.85	10.69
Intangible Assets	0.39	0.37	0.34	-
Total	**27.52**	**58.55**	**15.19**	**10.69**

For more information, see "*Financial Statements – Restated Consolidated Financial Information*" on page 249.

Indebtedness

As of June 30, 2021, we had total borrowings (consisting of current and non-current borrowings and excluding lease liabilities) of ₹120.38 million. For further information on our indebtedness, see "*Financial Indebtedness*" on page 325.

The following table sets forth certain information relating to our outstanding indebtedness as of June 30, 2021, and our repayment obligations in the periods indicated:

	As of June 30, 2021 (₹ million)
Non-Current Borrowings	-
Current Borrowings	120.38
Current maturities of long-term debts	-
Total borrowings	**120.38**

Contractual Obligations, Contingent Liabilities and Commitments

Contractual Obligations

We have continuing payment obligations under borrowing and trade payables. The following table sets forth our contractual obligations as of June 30, 2021:

	As at June 30, 2021			
	Less than 1 year	1 to 5 years	More than 5 years	Total
	(₹ million)			
Borrowings	120.38	-	-	120.38
Total	**120.38**	**-**	**-**	**120.38**

	As at June 30, 2021				
	0-3 months	3-6 months	6-12 months	Beyond 12 months	Total
	(₹ million)				
Trade payable	214.42	405.34	-	-	619.76
Capital creditors	1.05	-	-	-	1.05
Employee benefits payable					-
Deposits from dealers, agents etc.	1.00	1.50	55.88	-	58.38
Lease liabilities	6.67	6.89	13.79	169.92	197.27
Other financial liabilities	3.81	-	-	-	3.81
Mark to Market of derivative financial instruments	-	-	-	-	-
Total	**226.95**	**413.73**	**69.67**	**169.92**	**880.27**

Contingent Liabilities

As of June 30, 2021, our contingent liabilities that have not been accounted for in the Restated Consolidated Financial Information, were as follows:

	As at June 30, 2021 (₹ million)
(i) Claims against JKFL Group not acknowledged as debts in respect of:	
Income tax matters	10.27
Sales tax matters	20.90
Excise and service tax matters	2.64
Other matters*	13.01
(ii) The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organization and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. JKFL Group will evaluate its position and act as clarity emerges on impact of the ruling.	-

Note:

** Amount pertains to various labour related matters.*

The amount shown in respect of above items represent the best possible estimates arrived at on basis of available information. The uncertainties are dependent on the outcome of different legal process. The timing of cash flows will be determinable only on receipt of judgement / decisions pending with various forums / authorities.

For further information, see "*Financial Statements - Restated Consolidated Financial Information – Note 35: Contingent liabilities (to the extent not provided for)*" on page 287.

Commitments

The following table sets forth the capital expenditure contracted for as of June 30, 2021 but not recognised as liabilities:

	As at June 30, 2021 (₹ million)
Net capital commitments	**2.82**

For more information, see "*Financial Statements – Restated Consolidated Financial Information -Note 36: Commitments*" on page 287.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that we believe have or are reasonably likely to have a current or future material effect on our financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include sales of product and services, interest income on inter-corporate deposits given to Group Companies and reimbursement of expenses. For further information relating to our related party transactions, see "*Financial Statements – Restated Consolidated Financial Information - Note 41: Related Parties Disclosures as per Ind AS 24*" on page 294.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications in the audit reports that require adjustments in the Restated Consolidated Financial Information.

Quantitative and Qualitative Disclosures about Market Risk

Our financial risk management is an integral part of how to plan and execute our business strategy. Our Board of Directors sets our financial risk management policy.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from an adverse change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables, loans and borrowings.

We manage market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by senior management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize our position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in our total portfolio.

Our exposure to the risk of changes in market interest rates relates to our floating rate borrowings. As of June 30, 2021, all of our total borrowings (non-current and current), which amounts to ₹120.38 million, bear variable rate of interest. We are exposed to variable rate term loans from banks. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure.

The following table sets our exposure to interest rate risk as of the periods indicated:

Particulars	As of June 30, 2021	As of March 31, 2021	As of March 31, 2020	As of March 31, 2019
Total borrowings (non-current and current)	120.38	148.13	385.67	583.76
% of borrowings bearing variable rate of interest	100%	100%	100%	41%

For more information in relation to interest rate sensitivity, see "*Financial Statements – Restated Consolidated Financial Information – Note: 38: Financial Risk Management – A) Market Risk – a) Interest rate risk*" on page 289.

Foreign Currency Risk

Changes in foreign currency exchange rates influence our results of operations. We operate internationally and portion of our business is transacted in several currencies and consequently we are exposed to foreign exchange risk through our sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by forward contracts, purchasing of goods, commodities and services in the respective currencies.

In Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021, 44.74%, 46.50%, 45.71% and 61.64%, respectively, of total revenue from operations were denominated in currencies other than INR. In addition, because we conduct business in currencies other than INR, but report our results of operations in INR, we also face remeasurement exposure to fluctuations in currency exchange rates, which could hinder our ability to predict our future results and earnings and could impact our results of operations.

Particulars	Fiscal 2019 (₹ million)	Fiscal 2020 (₹ million)	Fiscal 2021 (₹ million)	Three months ended 30 June 2021 (₹ million)
Manufactured goods – Export(A)	1,747.95	1,689.63	1,503.55	663.87
Stock-in trade- Export(B)	47.68	58.77	70.07	17.13
Total Exports (C=A+B)	**1795.63**	**1,748.40**	**1,573.62**	**681.00**
Revenue from Operations (D)	**4,013.33**	**3,759.86**	**3,442.55**	**1,104.79**
Total Exports as a % of Revenue from Operations(E=C/D)	**44.74%**	**46.50%**	**45.71%**	**61.64%**

The following table sets particulars of foreign currency exposures as of June 30, 2021:

Particulars	As at June 30, 2021						
	USD (in million)	INR	Euro (in million)	INR	GBP (in million)	INR	Total (INR)
Trade receivable	2.63	195.50	1.26	111.41	-	-	306.91
Offset by Derivatives: Foreign Exchange Forwards Contracts	(1.92)	(143.52)	(0.50)	(44.80	-	-	(188.32)
Net Exposure	0.71	51.98	0.76	66.61	-	-	118.59
Trade Payable	0.89	66.02	-	-	-	-	66.02
Offset by Derivatives: Foreign Exchange Forwards Contracts	-	-	-	-	-	-	-
Net Exposure	0.89	66.02	-	-	-	-	66.02
					-	-	
Packing Credit in Foreign Currency	0.01	5.02	-	-	-	-	5.02
Offset by Derivatives: Foreign Exchange Forwards Contracts	-	-	-	-	-	-	-
Net Exposure	0.01	5.02	-	-	-	-	5.02

For more information, see "*Financial Statements – Restated Consolidated Financial Information – Note: 39: Derivative Instruments and unhedged foreign currency exposure*" and "*Financial Statements – Restated Consolidated Financial Information – Note: 38: Financial Risk Management*" on pages 293 and 289, respectively.

Liquidity Risk

Liquidity risk is defined as the risk that we will not be able to settle or meet our obligation on time, or at a reasonable price. Our treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Our management monitors our net liquidity position through rolling forecasts on the basis of expected cash flows.

The following table sets forth details of the undrawn borrowing facilities as of June 30, 2021:

Particulars	**As at June 30, 2021 (₹ million)**
Variable rate borrowing – cash credit (expires within 1 year)	519.62

For more information, see "*Financial Statements – Restated Consolidated Financial Information – Note: 38: Financial Risk Management – C) Liquidity Risk*" on page 289.

Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, we periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

We consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk we compare the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. We consider reasonable and supportive forwarding-looking information such as:

i. Actual or expected significant adverse changes in business;

ii. Actual or expected significant changes in the operating results of the counterparty;

iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

iv. Significant increase in credit risk on other financial instruments of the same counterparty; and

v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in are payment plan with us. We categorize a loan or receivable for write off when a debtor fails to make contractual payments greater than two years past due. Where loans or receivables have been written off, we continue to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

For more information, see "*Financial Statements – Restated Consolidated Financial Information – Note: 38: Financial Risk Management – B) Credit Risk*" on page 289.

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials, which we use in the manufacture of our products. Our primary raw materials for our operations is steel. In particular, steel prices increased in 2021 on the back of a strong recovery in the global markets, production cuts in China and high infrastructure spending (*Source: CRISIL Report*). While we seek to pass on input cost increases to our customers, we may not be able to fully achieve this in all situations or at all times.

Inflation risk

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on income from our continuing operations. For more information regarding trends and uncertainties, please see "*—Significant Factors Affecting Our Financial Condition and Results of Operations*" on page 337 and "*Risk Factors*" on page 27.

New Products or Business Segments

Except as disclosed in this Draft Red Herring Prospectus, we have not publicly announced any new products or business segments. For more information regarding new products, please see "*Our Business*" on page 162.

Segment Reporting

Our business operations fall within a single primary business segment of "tools and hardware" in accordance with our Restated Consolidated Financial Information. For further information, see "*Financial Statements – Restated Consolidated Financial Information – Note 42: Segment Information*" on page 300.

Future Relationship between Cost and Income

Except as disclosed in this Draft Red Herring Prospectus, there are no known factors that will have a material adverse impact on our operations and finances. For more information, see "*Risk Factors*" and "*Our Business*" on pages 27 and 162, respectively.

Seasonality of Business

Our business is subject to seasonal variations due to the seasonal nature of our sales and production See "*Risk Factors - Our businesses are dependent on the performance of the certain end-segment. Economic cyclicality coupled with reduced demand in these end-segments, in India or globally, could adversely affect our business, results of operations and financial condition*" on page 32.

Significant Dependence on a Single or Few Customers or Suppliers

Considering the nature of our businesses, we deal with various customers located in multiple geographies and suppliers. Consequently, none of the customer contribute materially to our proforma revenue from operations. However, in our auto components and engineering products business, our top 10 customers in Fiscal 2021 and the three months ended June 30, 2021 in terms of revenue contributed 50.81% and 54.92%, respectively, of our total sale of products of our auto components and engineering products business. Further, in Fiscal 2021, none of our customers individually contributed more than 10% of our revenue from operations from the auto components and engineering products business. See "*Risk Factors - We are dependent on the sale of our products to certain key customers. The loss of any of these customers or loss of revenue from sales to these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 28.

Significant Economic Changes

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations. See "*Risk Factors" and "—Significant Factors Affecting Our Financial Condition and Results of Operations*." on pages 27 and 337, respectively.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. See "*Risk Factors -Our failure to compete effectively in the highly competitive auto components and tools and hardware industries could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition and future prospects"* on page 46.

Significant Developments subsequent to June 30, 2021

- Our Promoter, Raymond Limited, transferred by way of delivery its entire shareholding in SEPL to our Company at nil consideration with effect from October 31, 2021 and subsequently, SEPL transferred by way of delivery, its shareholding in RPAL to our Company at nil consideration with effect from November 11, 2021. As a result, SEPL has become a wholly owned subsidiary of our Company and RPAL has become a subsidiary of our Company with effect from October 31, 2021 and November 11, 2021, respectively, and the auto components and engineering products business was consolidated with the tools and hardware business. For further information, see "*- SEPL and RPAL Transfer and Basis of Preparation of the Pro Forma Consolidated Financial Information*" on page 335.

- Our Board of Directors, on October 28, 2009, had allotted 6.5% cumulative convertible preference shares to

Raymond Limited, our holding company. The terms of the said preference shares were revised, pursuant to a resolution passed by our Board of Directors on April 25, 2016 to 9% non-cumulative convertible preference shares ("**NCCPS**"). As per the terms of the issue, our Company could exercise the option to redeem the NCCPS at par for a value of ₹220 million. Our Board of Directors, on September 27, 2021, resolved to redeem the shares at par and our Company exercised its option to redeem the shares on October 6, 2021.

- The Board of Directors of our Company on September 27, 2021 approved the sub-division of existing authorized share capital of our Company from ₹170 million consisting of 17,000,000 equity shares of face value of ₹10 each to 85,000,000 equity shares of face value of ₹2 each and sub-division of existing issued, subscribed and paid-up equity share capital of our Company from ₹87.41 million consisting of 8,740,658 equity shares of face value of ₹10 each to 43,703,290 equity shares of face value of ₹2 each. This has been approved by our shareholders in their extra-ordinary general meeting held on October 28, 2021.

- The Board of Directors of our Company on September 27, 2021 approved issuance of bonus shares in the ratio of 1:5 to existing equity shareholders by capitalizing a sum of ₹17.48 million out of the reserves of our Company, pursuant to which issued, subscribed and paid-up equity share capital of our Company increased from ₹87.41 million consisting of 43,703,290 equity shares of face value of ₹2 each to ₹104.89 million consisting of 52,443,948 equity shares of face value of ₹2 each. This has been approved by our shareholders in their extra-ordinary general meeting held on October 28, 2021.

- On September 28, 2021, the inter-corporate loan provided by our Company to our group company amounting to ₹200.00 million was repaid.

- The Board of Directors of our Company in their meeting dated September 27, 2021 approved the change in the name of our Company from "JK Files (India) Limited" to "JK Files & Engineering Limited".

- On October 25, 2021, the Board of Directors of our Company declared a dividend of ₹4 per share (face value ₹2 per share) amounting to total dividend of ₹209.78 million, RPAL declared a dividend of ₹93 per share amounting to total dividend of ₹721.37 million and SEPL declared a dividend of ₹35.30 per share amounting to total dividend of ₹640.04 million.

Except as disclosed above, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding, (ii) action taken by regulator or statutory authorities, (iii) claim related to direct and indirect taxes, and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, the Promoter, the Directors and the Subsidiaries ("**Relevant Parties**"). Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by the SEBI or the stock exchanges against the Promoter in the last five financial years including any outstanding action.*

Further, there is no pending litigation involving the Group Companies, which has a material impact on our Company.

For the purpose of (iv) above, the Board in its meeting held on November 17, 2021 has considered and adopted the Materiality Policy for identification of material litigation to be disclosed by our Company in this Draft Red Herring Prospectus.

In relation to the Company, its Subsidiaries, Promoter and Directors, all pending litigation other than criminal proceedings, actions by regulatory authorities and statutory authorities, would be considered "material" if:

(a) in case of our Promoter, monetary amount of claim is lower of 5% of its gross turnover or revenue or total income or 20% of the net worth of the Promoter, as per its latest audited financials for the financial year ending March 31, 2021 being ₹ 172.13 million;

(b) for Relevant Parties other than the Promoter, the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ₹ 4.81 million which is 1% of the profit after tax as per our Pro Forma Consolidated Financial Information for the financial year ending March 31, 2021; or

(c) if the monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company.

Civil litigations filed by or against the Company, which do not surpass the quantitative threshold, have been considered material irrespective of the materiality threshold, if such litigations have material impact on the business of the Company.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds 5% of the total trade payables, aggregating to ₹ 30.99 million as per the Pro Forma Consolidated Financial Information of the Company as at June 30, 2021 have been considered as material outstanding dues for the purposes of disclosure in this section.

It is clarified that pre-litigation notices received by our Company, the Subsidiaries, the Directors, the Promoter or the Group Companies from third parties (excluding notices from statutory, regulatory or tax authorities or notices threatening criminal action) shall not be evaluated for materiality until our Company, the Subsidiaries, the Directors, the Promoter or the Group Companies are impleaded as defendants in proceedings before any judicial forum.

I. Litigation involving our Company

A. Litigation filed against our Company

Criminal proceedings

1. A complaint was filed by M/s HV Doshi & Brothers Private Limited through its director, Anil Doshi ("**HVDBPL**"), our *erstwhile* indenting agent and C&F agent against our Company and certain ex-employees on December 8, 2003 before the Court of Metropolitan Magistrate, at Calcutta, under certain provisions of the Indian Penal Code, 1860. It was alleged that five undated cheques of ₹ 0.50 million each, aggregating to ₹ 2.5 million were issued to our Company by HVDBPL as collateral security against being appointed as the indenting agent along with a letter dated December 29, 2000 which stated that the aforementioned cheques were to be deposited for encashment only with the prior confirmation of HVDBPL. It was further alleged that our Company submitted three cheques for encashment without HVDBPL's prior approval and without formalising the indenting agency in favour of HVDBPL. Our Company was only able to encash one cheque of an amount of ₹ 0.50 million. Accordingly, HVDBPL filed this complaint praying the Court of Metropolitan Magistrate to take cognizance of the offences mentioned in the complaint and issue process against our Company. Subsequently, a revisional application was filed by our Company under Section 482 of the Code of Criminal Procedure, 1973 before the High Court of Calcutta on July 19, 2004 for quashing the proceeding pending before the Court of Metropolitan Magistrate, Calcutta. The High Court of Calcutta *vide* its order dated December 13, 2006 allowed the revisional application filed by our Company and quashed the criminal proceeding against our Company pending before the Court of Metropolitan Magistrate, Calcutta. The ex-employees of our Company also filed a revisional application before the High Court of Calcutta and interim order of stay was issued by the High Court of Calcutta on the criminal proceeding against the ex-employees pending before the Court of Metropolitan Magistrate, Calcutta. An application was filed by the ex-employees of our Company on June 25, 2009 to extend the interim order of stay granted by the High Court of Calcutta on December 13, 2006. While the proceedings in relation to our Company has been quashed, the matter in relation to the ex-employees of our Company is currently pending.

Actions by regulatory and statutory authorities involving our Company

1. Our Company has filed an appeal bearing number 1371 of 2004 before the High Court of Bombay challenging the order passed by the Employees State Insurance Court, Thane on July 31, 2004 upholding the order dated August 8, 1990 passed by the Deputy Regional Director of ESIC ("**impugned order**"), instructing our Company to pay contribution of ₹0.13 million sought *vide* show-cause notices dated July 1, 1983 and February 16, 1984 issues by ESIC. The High Court on December 8, 2004 granted an ad-interim stay to the implementation of the impugned orders on the condition that a bank guarantee of ₹0.13 million was furnished by our Company. Our Company has been renewing the bank guarantee from time to time and the existing bank guarantee is valid till February 18, 2022. This matter is currently pending.

2. An application under Section 75(1)(g) of the Employees' State Insurance Act, 1948 ("**ESI Act**") was filed by our Company before the Employees' Insurance Court, Kolkata, West Bengal on January 30, 2010 challenging the two orders dated January 27, 2010 respectively passed by the Hearing Officer, ESIC under Section 45A of the ESI Act, claiming an aggregate amount of ₹ 0.17 million as contribution for the financial years 2005-06 and 2006-07, for 8 items of omitted wages. Our Company by way of this application prayed the court to pass an order (i) granting permanent injunction against ESIC restraining it from taking any further actions in this matter; (ii) rejecting the orders dated January 27, 2010 passed by the Hearing Officer, ESIC; and (iii) restraining ESIC from claiming ₹ 0.17 million as contribution. This matter is currently pending.

3. The Inspector, Madhya Pradesh Labour Department ("**Inspector**"), BR Mandloi, pursuant to an inspection on July 20, 2018 concluded a violation of Section 26 of the Payment of Bonus Act, 1965, for non-payment of bonus before the stipulated time period and non-maintenance of registers and records by our Company. The Labour Officer, Pithampur issued a show cause notice to our Company dated February 8, 2019 and chargesheet was filed by the Inspector under Section 28 of the Payment of Bonus Act, 1965. The Deputy Labour Commissioner, Indore passed an order dated May 1, 2019 imposing a penalty on our Company. This matter is currently pending.

4. A claim was filed by our Company against the illegal calculations of ESIC in several omitted wage items amounting to ₹0.10 million plus further amount of interest at the rate of 15% per annum calculated at the rate of ₹35.19 per day from October 1, 2004. An amount of ₹ 0.38 million was paid by our Company. A temporary injunction was granted by the ESIC Judge and a direction to deposit ₹0.01 million was issued to our Company. Our Company deposited the sum of ₹0.01 million. This matter is currently pending.

5. A legal notice dated October 22, 2014 was issued by the Inspector of Legal Metrology, Amravati to our Company and its directors after conducting an inspection of the premises of M/s Anjali Electrodes Pvt Ltd, pursuant to which two cardboard packages of products were seized and it was alleged that the requisite declarations such as the month and year of packing, complete address of manufacturer and retail sale price were not declared on the package, amounting to violation of Rule 18(1)/6(1)(a)(d)(c) of the Legal Metrology (Packages Commodities) Rules, 2011 which is punishable under Section 36(1) of the Legal Metrology Act,

2009. A reply dated November 18, 2014 to the legal notice was sent by our Company to the Inspector of Legal Metrology clarifying that the packages seized were transit packages and were not meant for retail sale, accordingly such packages were not required to be labelled with the information prescribed under Rule 6 of the Legal Metrology (Packages Commodities) Rules, 2011. Our Company has not received further communication from the office of the Inspector of Legal Metrology and this matter is currently pending.

6. State of Maharashtra at the instance of the Deputy Director of Industrial Safety & Health, Kolhapur, filed two complaints on March 8, 2019 against the occupier and the manager of our factory, respectively, situated at Khadpoli, Ratnagiri before the Court of Chief Judicial Magistrate, Ratnagiri on the occurrence of certain industrial accident at the factory unit situated at Chiplun. It was alleged that occupier of the factory has not ensured the health and safety of workers and that the manager failed to send notice of the accident to the inspector. thereby contravening provisions of Section 7A 2(a) of the Factories Act, 1948, and Rule 115(1) and (2) of the Maharashtra Factories Rules, 1963. The State of Maharashtra has prayed the court to *inter alia* issue process against the occupier and manager of the factory. This matter is currently pending.

Material civil proceedings

1. Our Company is involved in a total of 15 labour related proceedings filed by certain ex-workmen of our Company currently pending before various fora such as the labour courts and industrial tribunals seeking recovery of their dues and other benefits. In addition to the 15 labour related proceedings, our Company has filed 3 writ petitions before the High Court of Bombay, challenging the orders passed by the Labour Court on April 9, 2014 in relation to applications filed by the ex-workmen of our Company under Industrial Disputes Act, 1947 directing our Company to pay certain amounts to the ex-workmen. These matters are currently pending.

2. A writ petition was filed by JK Files and Tools Shramik Sangh through Jaiprakash Yadav ("**Union**") against our Company and others under Article 227 of the Constitution of India before the High Court of Jabalpur, Indore on December 12, 2015. The writ petition was filed challenging the award passed by the Labour Court, Dhar, Madhya Pradesh on March 24, 2015 rejecting the application filed by the Union. The Union and the factory manager of our Company submitted settlement accord before the Chief Conciliation Officer, Labour Court pertaining to payment scale on June 29, 2007 and February 21, 2011. The Union claimed that our Company was in contravention of Section 2(ra), Section 25T, 25U and Schedule V Rule 4(e) of the Industrial Disputes Act, 1947 and had indulged in unfair labour practice by allotting illicit additional pay of ₹35 per day to seventeen members of the Union. After the failure of conciliation proceedings, the industrial dispute was referred to the Labour Court, Dhar for adjudication. The Labour Court rejected the application filed by the Union on March 24, 2015 and the writ petition was filed on December 12, 2015 by the Union to set aside the award passed by the Labour Court, Dhar on grounds of *inter alia* being illegal, inoperative and against the provisions of law. The Union prayed the Labour Court to issue a writ of certiorari and pass an order quashing the impugned order dated March 24, 2015 and direct our Company to pay a benefit of ₹35 per day to all the employees from September 1, 2007. This matter is currently pending.

3. Engineering Workers' Association filed an application before the Industrial Court, Kolhapur on February 1, 2013 for being registered as a recognised union for our Company and an order was passed by the Industrial Court, Kolhapur on April 21, 2018, granting recognition to the Engineering Workers' Association. The Maharashtra Rajya Rashtriya Kamgar Sangh ("**MRRKS**") filed a review application before the Industrial Court, Kolhapur on November 24, 2018 under the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Laws Practices Act 1971 ("**MRTU & PULP Act**") challenging the order dated April 21, 2018 passed by the Industrial Court No.1, Kolhapur and praying for the order to be reviewed, quashed and set aside and the implementation of the order dated April 21, 2018 be stayed. The MRRKS also filed an application at the Industrial Court, Kolhapur in July 2019 for cancellation of registration of Engineering Workers Association as a recognised union on the grounds of insufficient membership and alleged unfair labour practices, under the Section 13(i), (ii), (iii) and (iv) of MRTU & PULP Act and prayed that the rights of the Engineering Workers Association as a recognised union be suspended and our Company be restrained from signing any settlement agreement, memorandum of understanding with the Engineering Workers Association with regard to the demands of the workers and general issues. MRRKS also filed an application for interim relief under Section 13(2) of MRTU & PULP Act for suspension of the rights of the Engineering Workers Association as a recognised union and restriction on our Company from entering into any settlement agreement. A written statement was filed by Engineering Workers Association on October 14, 2019 and by our Company on January 27, 2020. This matter is currently pending.

4. A writ petition was been filed by Ratnagiri Kamgar Union ("**Kamgar Union**") against our Company on January 22, 2020 before the High Court of Bombay challenging an interim order on February 14, 2018 and an order on October 16, 2019 passed by the Industrial Court at Kolhapur dismissing the complaint filed by Kamgar Union against our Company challenging the settlement terms entered into between the Company and Bambai Mazdoor Union under the MRTU & PULP Act, 1971 on July 31, 2014 and alleging use of unfair labour practices by our Company. The Petitioner in addition to the writ petition has also filed an application for recognition before the Industrial Court at Kolhapur under Section 11 of the MRTU & PULP Act, 1971 on October 23, 2019. The Petitioner by way of the writ petition has prayed the Hon'ble Court to *inter alia* (i) issue a writ of certiorari or any other appropriate writ for verifying and ascertaining the legality and correctness of the impugned orders (ii) impose a stay on the operation of the impugned order dated October 16, 2019 and (iii) pass an order directing our Company to not deduct the salaries of the concerned employees. This matter is currently pending.

5. The Ratnagiri Workers Union had raised demands pertaining to revision of basic scales of pay, dearness allowance, gratuity, lunch allowance, medical allowance, productivity allowance etc. and the Company had tried to enter into a settlement, however, on the failure of the same, the matter was referred to the Industrial Tribunal, Kolhapur. The Additional Labour Commissioner, Mumbai by a letter dated August 9, 2019, directed the dispute between our Company and the Ratnagiri Workers Union, to be sent to the Industrial Tribunal Kolhapur for further action. This matter is currently pending.

B. Litigation filed by our Company

Criminal proceedings

1. Our Company has filed 5 complaints against various persons under the Negotiable Instruments Act, 1881, in relation to dishonour of cheques and recovery of dues. The matters are pending at different stages of adjudication before various fora. The aggregate amount involved in these matters is approximately ₹4.29 million.

2. Our Company filed 6 FIRs under Section 154 of the Code of Criminal Procedure, 1973 with the local police authorities of Mumbai, Ludhiana, Delhi, Raipur, Kolkata and Patna for offences punishable under Section 63 of the Copyright Act, 1957 and various provisions of the Indian Penal Code, 1860. In the FIRs, our Company alleged that due to the availability of files and various hand tools bearing the JK mark and other trademarks owned by us, which did not original from our Company and therefore were counterfeit and spurious in nature, the reputation and business of our Company was getting adversely affected. In certain FIRs, criminal enforcement actions were undertaken by the police raid teams on entities suspected of dealing in sale of counterfeit products of JK Files. These matters are currently pending for investigation.

3. An FIR was filed by the security officer of our Company in Ratnagiri Rural Police Station bearing number CR. 72/2015 against Balasaheb Mane and 11 other employees of our Company under Section 143, 447, 504, and 506 of the Indian Penal Code, 1860 for illegally gathering, putting up a board named 'Ratnagiri Workers Union' on the main gate of the factory and forcibly entering the premises of the factory in an unauthorised manner. The Police Inspector, Ratnagiri Rural Police Station by way of its letter dated June 15, 2015 requested our Company to share certain CCTV footage and the same was shared by our Company on June 17, 2016. This matter is currently pending.

Material civil proceedings

1. A summary suit was filed by our Company against HVDBPL, the C&F Agent of our Company under Order XXXVII of the Code of Civil Procedure, 1908 on June 17, 2003 before the High Court at Bombay to recover outstanding amount of ₹ 21.96 million as on June 16, 2003 and further simple interest of 18% per annum till the payment of the dues. Our Company supplied goods to HVDBPL on stock transfer basis and HVDBPL raised invoices in its name, collected and transferred funds to our Company. The payments made by HVDBPL were irregular and the consideration collected from certain dealers were not transferred to our

Company. The C&F Agency Agreement was discontinued and terminated vide letter dated January 30, 2021 and with effect from February 1, 2001. HVDBPL sent reminder letters dated January 7, 2001 to various dealers and distributors and pursuant to which in part discharge of its liability issued 5 cheques for ₹ 0.5 million each, all drawn on Allahabad Bank, aggregating to ₹2.5 million in favour of the Company. Except one cheque dated April 21, 2001, others were dishonoured for want of funds. In the summary suit filed, our Company prayed that HVDBPL be ordered and decreed to pay an aggregate sum of ₹ 21.96 million as on June 15, 2003 and further interest on the principal sum at the rate of 18% per annum from June 16, 2003 till payment as per the particulars of claim. A summon for judgement was issued on October 8, 2003 on the instance of our Company. Our Company filed two notices of motion on January 18, 2006 and March 17, 2007. This matter is currently pending.

II. Litigation involving the Subsidiaries

A. *Litigation filed against our Subsidiaries*

Criminal proceedings

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against our Subsidiaries.

Actions by regulatory and statutory authorities involving our Subsidiaries

1. Three complaints have been filed by the Deputy Director, Industrial Safety & Health, Nashik before the Chief Judicial Magistrate, Nashik, against the occupier of the factory owned by Ring Plus Aqua Limited on December 23, 2016, October 13, 2017, and October 29, 2018 on the occurrence of certain industrial accidents at the factory unit situated at Nashik. An enquiry was made by the Deputy Director and complaints were filed under Section 7A (2) (a) read with Section 92 of Factories Act, 1948 for commission of offences under certain provisions of the Factories Act, 1948 in relation to, among others, the purported (i) failure to maintain plant and systems of work in the factory that are safe and without risks to health; and (ii) failure to provide information, instruction, training and supervision as necessary to ensure the health and safety of all the workers. The Chief Judicial Magistrate, Nashik passed an order on July 23, 2021 identifying this matter as a fit case in which a plea of guilt can be made by the accused and summons were issued to appear if the accused desired to plead guilty. These matters are currently pending.

2. State of Maharashtra at the instance of the Deputy Director of Industrial Safety & Health, Kolhapur, filed two complaints on March 8, 2019 against the occupier and the manager of the factory owned by JK Talabot Pvt Ltd situated at Khadpoli, Ratnagiri before the Court of Chief Judicial Magistrate, Ratnagiri on the occurrence of certain industrial accident at the factory unit situated at Kolhapur. It was alleged that the system of work was not safe which involved the risk to health and safety of the workers and that the manager failed to send notice of the accident to the inspector. thereby contravening provisions of Section 7A 2(a) of the Factories Act, 1948, and Rule 115(1) and (2) of the Maharashtra Factories Rules, 1963. The State of Maharashtra has prayed the court to *inter alia* issue process against the occupier and manager of the factory. This matter is currently pending.

Material civil proceedings

1. A civil suit and an application for temporary injunction was filed by Kabira Dahyabhai Kanabhai before the Principal Senior Civil Judge, Dholka on February 3, 2018 in relation ownership of land admeasuring 22,215 sq mtrs situated at Mouje Bhayla of Bavla Taluka, Ahmedabad. The suit property was sold by Dipakkumar Narendrabhai Patel to Dipakbhai Shantilal Desai, Director of Kruti Stainless Steel Pvt. Ltd. on May 6, 2011 for consideration amount of ₹ 7.62 million and the said property was further sold to Ring Plus Aqua Ltd by Kruti Stainless Steel Pvt. Ltd for consideration of ₹ 74.64 million by executing a registered sale deed on July 4, 2012. Ring Plus Aqua Limited further sold the said piece of land to Corona Remedies Pvt Ltd for consideration of ₹ 76.3 million and a sale deed dated February 28, 2018 was executed in favour of Corona Remedies Pvt. Ltd. A summon was issued by the Registrar, Court of Principal Senior Civil Judge, Dholka on February 16, 2018 instructing the owner/manager of Ring Plus Aqua Ltd to appear in the court to show cause against the application filed. An application for rejection of plaint was filed by Ring Plus Aqua Limited

under Order 7, Rule 11(d) of the Code of Civil Procedure, 1908 on May 9, 2018. This matter is currently pending.

2. Two labour related proceedings were filed against Ring Plus Aqua Limited by two ex-workmen before the Labour Court at Nashik and Pune alleging unfair labour practices under the MRTU & PULP Act, 1971. These matters are currently pending.

B. Litigation filed by our Subsidiaries

Criminal proceedings

1. Ring Plus Aqua Limited has filed 3 complaints and appeals against various persons under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques and recovery of dues. The matters are pending at different stages of adjudication before various fora. The aggregate amount involved in these matters is approximately ₹19.25 million.

Material civil proceedings

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings filed by our Subsidiaries.

Tax proceedings

A summary table of the claims relating to direct and indirect taxes involving our Company, and Subsidiaries is set forth below:

Particulars	**Number of cases**	**Aggregate amount involved to the extent ascertainable *(in ₹. million)***
Our Company		
Direct Tax	10	10.27
Indirect Tax	10	18.72
Total	**20**	**28.99**
Subsidiaries		
Direct Tax	4	2.80
Indirect Tax	8	31.17
Total	**12**	**33.97**

III. Litigation involving the Promoter

A. Litigation filed against the Promoter

Criminal proceedings

1. A criminal miscellaneous application was filed on January 9, 2020 by Sunita Lata Suresh Bhuyal the family member of Y.R. Tarvi before the Sessions Court, Thane against Raymond Limited, its Directors, Company Secretary and Chief Financial Officer under the Indian Penal Code, 1860 and the Scheduled Caste and Scheduled Tribes (Prevention of Atrocities) Act, 1989 ("**SC & ST Act**") for alleged encroachment of the lands admeasuring 11.78 acres at Thane. An investigation order dated March 21, 2020 was issued under Section 156 of the Code of Criminal Procedure, 1973 by the Sessions Court, Thane. Raymond Limited filed an application under Section 482 of the Code of Criminal Procedure, 1973 before the High Court of Bombay on September 21, 2020 for quashing the investigation order passed under the criminal miscellaneous application. The High Court of Bombay issued a stay order on the said investigation order on October 12, 2020. The application filed before the High Court of Bombay is currently pending.

2. An FIR was lodged against some employees of Raymond Limited and Gautam Hari Singhania, one of the directors of Raymond Limited on March 20, 2020 at the Manak Nagar Police Station, Lucknow under Section 147 and Section 420 of the Indian Penal Code, 1860. Two quash petitions were filed before the High Court of Bombay. The first Writ Petition (for respondents residing in Maharashtra) was filed on August 23, 2020

and an ad-interim stay against the said FIR was passed by way of order dated August 25, 2020. The Second Writ Petition (for respondents residing outside Maharashtra) was filed on September 2, 2020 and an ad-interim order dated September 4, 2020 was passed which stayed the said FIR. The matter is currently pending.

Actions by regulatory and statutory authorities involving the Promoter

1. A notice was issued by the Legal Metrology Department against the directors of Raymond Limited including Gautam Hari Singhania, for non-compliance under Section 18-1, 49, 36(1), of the Legal Metrology Act, 2009 and Rule 18(1) and 24 of the Legal Metrology (Packaged Commodities) Rules, 2011 on November 28, 2013. A complaint was filed against the said Directors before the Court of the Judicial Magistrate of First Class, Nagpur on May 17, 2014. A quash petition was filed before the High Court of Bombay, Nagpur Bench and the proceedings were stayed by the High Court of Bombay by way of its order dated November 26, 2015. This matter is currently pending.

2. A writ petition was filed by Raymond Limited before the High Court of Madhya Pradesh on July 30, 2014 challenging the legality, validity and propriety of the order passed by the Energy Division of State of Madhya Pradesh on May 13, 2014 imposing an electric duty of ₹28.55 million on Raymond Limited under the provisions of Madhya Pradesh Electric Duty Act, 2012. The writ petition also challenged the validity of the Schedule as well as Section 3(3) of the Madhya Pradesh Electric Duty Act, 2012 on the ground that the same is discriminatory and arbitrary in nature. This matter is currently pending.

3. A show cause notice was issued to Raymond Limited by the SDO, Thane under Section 48(7) of the Maharashtra Land Revenue Code and the Mines and Mineral (Development and Regulation) Act, 1957 on June 15, 2021 demanding a royalty of approximately ₹ 494.18 million (inclusive of penalty) in respect of the excavation done at the Raymond realty project, Thane. An objection was raised by Raymond Limited before the SDO, Thane on August 3, 2021 against such demand on the ground that the excavated material was used in the project and not otherwise. This matter has been posted for orders.

4. A notice was issued by the SDO, Thane to Raymond Limited on February 18, 2020 pursuant to the receipt of a complaint filed on February 4, 2020 by Sanjay Bembede, alleging that land admeasuring 14 acres (approx.) at Thane originally belonging to the Government have been transferred in favour of Raymond Limited for the industrial purposes on certain terms and conditions. It was also alleged that the said parcels of land are being developed for residential purposes without obtaining the permission of the government. This matter is posted for order.

5. A demand notice was issued by the Water Department, Madhya Pradesh to Raymond Limited on August 2, 2004 to deposit water tax amounting to ₹ 3.96 million. Pursuant to which, Raymond Limited filed a writ petition before the High Court of Madhya Pradesh at Jabalpur on September 14, 2004 against the State of Madhya Pradesh and others. An interim stay was granted by the High Court of Madhya Pradesh at Jabalpur, on October 13, 2004 restraining the Water Department, Madhya Pradesh from taking coercive steps provided that Raymond Limited furnished a bank guarantee for a sum of ₹4 million. A bank guarantee was provided by Raymond Limited and is valid and subsisting as on date. This matter is currently pending.

6. A notice was issued by the Legal Metrology Department against all directors of Raymond Limited on November 21, 2021 by the Karkardooma Court at New Delhi for non-compliance under Section 18(1), and 36(1), of the Legal Metrology Act, 2009. This matter is currently pending.

Disciplinary actions including penalty imposed by SEBI or the Stock Exchanges against the Promoters in the last five Financial Years

1. A penalty of ₹0.70 million was levied on Raymond Limited by SEBI on November 19, 2020, under the provisions of Section 23E of Securities Contracts (Regulation) Act, 1956 for the violation of Clause 49(VIII)(D) of the listing agreement as instructed vide SEBI Circular dated April 17, 2014. Raymond Limited paid the penalty of ₹0.70 million on December 1, 2020 and this matter was disposed.

Material civil proceedings

1. An application filed by the members of the Tarvi family before the A.L.T. & Tahasildar, Thane in 2010 claiming to be protected tenants of the lands admeasuring 11.78 acres at Thane and hence entitled to purchase under the Maharashtra Tenancy & Agriculture Lands Act, 1948 as absolute owners, was rejected on August 12, 2011. This order was upheld by the SDO (Appellate Tribunal) and Maharashtra Revenue Tribunal, confirming the legal ownership of Raymond Limited. A civil suit along with an injunction application was filed before the Senior Division of Civil Court, Thane on December 16, 2019 by the family members of Tarvi without disclosing the orders passed earlier and the injunction application was rejected on February 11, 2020. An application was filed before District Court, Thane on March 13, 2020 challenging such rejection. During the pendency of the civil suit filed by Tarvi family, a civil suit along with an injunction application was filed by Vishwas Dalvi before the Senior Division of Civil Court, Thane on March 19, 2020 who claimed that memorandums of understanding were executed in his favour by the family members of Tarvi for the transfer of ownership and development rights of the above lands. These matters are currently pending.

2. Dharmrajya Kamgar Karmchari Sangh, Sudhir Gangadhar Ranade and Sarva Shramik Sangh filed public interest litigations against Raymond Limited before the Bombay High Court on April 20, 2016, December 12, 2015 and February 25, 2016 respectively. A civil writ petition filed by Pratap Sarnik against Raymond Limited before the Bombay High Court was converted into a public interest litigation on September 24, 2010. The public interest litigations were filed to restrict the development of the land situated at Thane for industrial purposes only and declare that the said land forms a part of the exemption order passed on June 30, 1983 under Section 20 of the Urban Land (Ceiling and Regulation) Act, 1976 ("**ULC Act**"). The High Court of Bombay is yet to hear and admit the public interest litigations. These matters are currently pending.

3. An application was filed on December 12, 2000 to accurately determine the stamp duty applicable on the transfer of cement plant at Gopal Nagar by Raymond Limited to Lafarge India Limited in 1999 and a consolidated report for valuation was prepared, according to which a stamp duty of ₹ 37.4 million was payable. The stamp duty and registration charges were paid and a deed of conveyance was executed. A revision application was filed by the State of Chhattisgarh on March 22, 2001, for setting aside the adjudication. The revision petition filed by the State of Chhattisgarh was allowed and an order was passed on July 9, 2021 directing Raymond Limited to pay approximately ₹1960 million within a period of 90 days towards short payment of stamp duty. A writ appeal was filed by Raymond Limited against the order passed by the Board of Revenue before the High Court of Chhattisgarh at Bilaspur on September 20, 2021. The said order was stayed subject to the deposit of approximately ₹150 million and an application was filed by Raymond Limited to submit a bank guarantee instead of making a deposit of ₹150 million in cash. This matter is currently pending.

4. Three duplex flats in J.K. House Building were leased by Raymond Limited to Pashmina Holdings Limited on March 28, 1994 and further sub-leased to Veenadevi Singhania (along with Anant Singhania), Akshaypat Singhania and Vijaypat Singhania on April 28, 1994. Three separate tripartite agreements were executed on November 6, 2007 between Raymond Limited, Pashmina Holdings Limited, and the three individuals, in relation to the re-development of the old J.K. House Building, which envisaged making an offer for sale, on receipt of occupation certificate, to all sub-lessees for similar sized apartments in the new building. Notices were sent by the three individuals expressing their interest in purchasing the said flats on November 21, 2016 and on January 13, 2017. Three commercial arbitration petitions were filed before the High Court of Bombay on April 11, 2017 and the matters were referred to an Arbitral Tribunal. Statements of Claim were filed on April 5, 2018 praying for specific performance of the Tripartite Agreement and in the alternative to specific performance, damages and other reliefs were sought. Statement of Defense was filed by Raymond Limited on June 16, 2018. These matters are currently pending.

5. A suit was filed before the High Court of Bombay, by Raivathari Singhania and 3 others (all four being the grandchildren of Vijaypat Singhania) against their father Madhupati Singhania (being Vijaypat Singhania's son), his wife, Vijaypat Singhania and Raymond Limited for setting aside among others, family settlement which was executed on December 30, 1998. After two stages of judicial determination, on December 5, 2016, the parties filed consent minutes in a notice of motion wherein Vijaypat Singhania agreed among other things to maintain status quo on certain assets owned by him. Thereafter preliminary issues as whether the

suit filed by the plaintiffs or any of it is barred by law of limitation were framed. This matter is currently pending.

6. An application was filed by Nitin Patel, an ex-employee of Raymond Limited, AM Spinning under the SC & ST Act against AA Bambardekar, Ajay Baldua and Late. Sanjay Ajgaonkar, employees of Raymond Limited before the Additional Court, Vapi on February 4, 2020. This matter is currently pending.

B. Litigation filed by the Promoters

Criminal proceedings

1. Raymond Limited has filed 8 complaints and appeals against various persons under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques and recovery of dues. The matters are pending at different stages of adjudication before various fora. The aggregate amount involved in these matters is approximately ₹4.79 million.

2. A criminal application was filed by Raymond Limited against Vishal Patel before the Chief Judicial Magistrate, Ratnagiri on March 15, 2017 under Section 499 and Section 500 of the Indian Penal Code, 1860, for publishing defamatory statements in a newspaper on March 2, 2017, captioned as 'Open Letter from Minority shareholders of Raymond Limited' with highly defamatory imputations against Raymond Limited and its management. The Chief Judicial Magistrate, Ratnagiri issued an order for process of summons on April 3, 2017 and Vishal Patel appeared before the Chief Judicial Magistrate, Ratnagiri. A revision application was filed by Vishal Patel on July 26, 2017 before the District and Sessions Judge, Ratnagiri, challenging the order of process issued by the Chief Judicial Magistrate, Ratnagiri. The revision application filed by Vishal Patel, was dismissed in favour of Raymond Limited on December 6, 2018 and a criminal revision application was filed by Vishal Patel before the High Court of Bombay on March 11, 2019. This matter is currently pending.

3. An injunction application was filed by Raymond Limited on June 1 2015, before the Judicial Magistrate of First Class, Sausar to prevent certain workmen from indulging in illegal activities like protests and gheraos within a radius of 100 meters of the factory premises at Borgaon, Sausar, Silwada, Madhya Pradesh. The Judicial Magistrate of First Class, Sausar granted a temporary injunction on June 2, 2015, refraining the workmen from indulging in any illegal activities within a radius of 100 meters of the factory premises and a permanent injunction was granted on October 28, 2021. A contempt application was filed by Raymond Limited before the Judicial Magistrate of First Class, Sausar on December 23, 2016 against the violation of court order issued against the workers of Raymond Limited, refraining them from indulging into any illegal activities within a radius of 100 meters of the factory premises. This matter is currently pending.

4. An FIR was lodged and a criminal complaint was filed by Raymond Limited against Pramod Sahare, an ex-employee of Raymond Limited before the Judicial Magistrate of First Class, Sausar on 29 April, 2015 for misbehavior with the erstwhile works director of Raymond Limited at Brahman Pipla. This matter is currently pending.

5. A defamation suit was filed by Raymond Limited on 19 February, 2018 before the Judicial Magistrate of First Class, Sausar against Umashankar Tembre, an ex-employee of Raymond Limited and a few others, who formed a part of the Samiti which published defamatory statements against Raymond Limited stating the management and the officers to be corrupt, and dishonest. This matter is currently pending.

6. Contempt proceedings were initiated by Raymond Limited on November 13, 2021 before the Additional. District Judge, Thane against Pan Macmillan Publishing India Pvt Limited and three others for wilful disobedience and disregard of the orders passed by the Additional District Judge, Thane on April 22, 2019, in respect of publication and sale of the book titled "An Incomplete Life". This matter is currently pending.

7. A criminal complaint was filed by Raymond Limited on July 26, 2016 before Vartak Nagar Police Station against some employees of Raymond Limited and two vendors under the Indian Penal Code, 1860 for forging, fabricating, manipulating, and tampering the records of Raymond Limited, such as challans and invoices for their personal gains in collusion with the vendors. An FIR was registered on September 9, 2016 and the charge sheet was filed on August 22, 2017 in the Judicial Magistrate Court at Thane by the State of Maharashtra. This matter is currently pending.

8. A complaint was filed by Raymond Limited against Anant Singhania and Akshay Singhania under Section 452 of Companies Act, 2013 before the Additional Chief Metropolitan Magistrate Court at Ballard Pier on September 19, 2019 for eviction of Anant Singhania and Akshaypat Singhania for illegally occupying the First Floor premises at New Hind House, Ballard Estate, Mumbai. Anant Singhania and Akshaypat Singhania filed two revision applications on March 9, 2021 and April 22, 2021 respectively before the Sessions court, Mumbai for challenging the process issuance order which was allowed vide order dated September 9, 2021 and the matter was remanded to the Magistrates Court. Petitions under Section 482 were filed against the said orders by Raymond Limited on October 1, 2021 before the High Court of Bombay. The writ petitions and criminal complaint are currently pending.

Material civil proceedings

1. An application was filed by Raymond Limited before the Urban Land Ceiling Department on March 26, 1994 for granting an exemption under Section 20 of the ULC Act for construction of housing for the weaker sections of the society in the land admeasuring approximately 37,886.20 sq mtrs at Thane. A notice was issued by the Urban Land Ceiling Department to Raymond Limited on August 28, 2009 alleging non-compliance of order passed on January 29, 1995 in respect of land admeasuring 18,246.59 sq mtrs out of 37,886.20 sq mtrs for such construction. A demand letter was issued by the Thane Municipal Corporation on November 3, 2012 to Raymond Limited, to furnish a no objection certificate from the department for the approval of the development plans. A civil writ petition was filed by Raymond Limited before the High Court of Bombay on February 15, 2013, to quash and set aside the notice, demand letter and pending hearing and final disposal of petition to process and approve plans for development without seeking NOC as demanded and without imposing any conditions under the ULC Act. This matter is currently pending.

2. Raymond filed a writ petition dated March 12, 2021 before the High Court of Bombay challenging the order of the City Civil Court, Bombay dated February 17, 2021. New Sarnath CHS (a co-operative housing society) filed a suit on May 31, 2004 in Bombay High Court against Raymond Limited and Gautam Hari Singhania, among others, seeking relief for enforcement of statutory obligations on the part of Raymond under the provisions of MOFA Act 1963 i.e execute deed of conveyance in favour of New Sarnath CHS and their entitlement for using the common terrace and recreational space / garden. New Sarnath CHS has also filed a Chamber Summons with the City Civil Court, Bombay on July, 2016 for carrying out amendments to its suit, which was partly allowed vide order dated February 17, 2021. The matter in relation to the writ petition is currently pending and the matter pending in City Civil Court is stayed till final disposal the writ petition.

3. A tender was floated by National Textile Corporation on May 2, 1988 for the sale of New Hind House, NM Marg, Ballard Estate, Thane. A bid and security deposit was placed by Raymond Limited. Raymond Limited's application was rejected; however, the security deposit was not returned. Since, the deposit was not returned and the relevant actions were not initiated to undertake the sale of the aforementioned property, our Company filed a suit for specific performance before the High Court of Bombay. The High Court of Bombay passed an order on August 19, 1989 directing that the eviction proceedings against Raymond Limited may continue but the orders for eviction shall not be implemented until further orders. The Estate Officer, National Textile Corporation commenced eviction proceedings against Raymond Limited in 1989 in respect of the ground and first floors of the said premises and passed an order on February 13, 2006 directing Raymond Limited to vacate the said premises. An appeal was filed by Raymond Limited before the City Civil Court at Bombay challenging the order passed by the Estate Officer, however the order passed by the Estate Officer was upheld on February 7, 2009 by the City Civil Court at Bombay. Pursuant to which, Raymond Limited filed a writ appeal before the High Court of Bombay on June 10, 2009 and the High Court of Bombay passed an order dated July 15, 2009 stating that no interim reliefs were required as National Textile Corporation was directed to not evict Raymond Limited *vide* an order dated August 19, 1989. This matter is currently pending.

Tax proceedings

A summary table of the claims relating to direct and indirect taxes involving our Promoter is set forth below:

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable *(in ₹. million)*
Our Promoter		
Direct Tax	45	1678.91
Indirect Tax	45	930.90
Total	**90**	**2609.81**

IV. Litigation involving the Directors

Other than as disclosed in "- *Litigation filed against the Promoter*" on page 388, *" - Litigation filed against our Company"* on page 383 and in "- *Litigation filed by the Promoter*" on page 391, our Directors are party to the following proceedings:

a. *Litigation filed against the Directors*

Criminal Proceedings

1. A complaint was filed against Vijaypat Singhania and Gautam Hari Singhania under section 51, 52A, 63A, 63B of Copyright Act and 406 and 420 of Indian Penal Code by Bharati Bhogilal Patel, alleging patent infringement on one of the machines used for production by the then files business of Raymond Limited. The Metropolitan Magistrate's 10th court at Andheri, Mumbai by way of its order dated November 23, 2010, ordered investigation. Pursuant to quash petition filed by both parties, High Court of Bombay by way of its order dated July 12, 2021 ordered stay on the order of the Metropolitan Magistrate's court. The complainant's patent registration was rectified and removed from the Patent register, the complaint was rendered infructuous.

2. A criminal case was filed by Vijaypat Singhania against Gautam Hari Singhania and others under Sections 457, 379, 380, 411, 109, 120B and 34 of Indian Penal Code before the Metropolitan Magistrate, Dadar. An order was passed by the Metropolitan Magistrate, Dadar on April 30, 2019 directing the Worli Police Station to register the offence and the matter was disposed. An FIR was registered by the Worli Police Station and the statements of witness and respondents were recorded. This matter is currently pending.

3. A criminal complaint was filed by Swapna Deshmukh against J.K. Helene Curtis Limited and its directors including Gautam Hari Singhania on July 1, 2016 under the Indian Penal Code, 1860 for extortion, before Vartak Nagar Police Station. Pursuant to which, a criminal writ petition was filed by Swapna Deshmukh on July 30, 2016 inter alia praying to register the FIR filed. J.K. Helene Curtis Limited has filed an intervention application on September 23, 2016, pursuant to which, an EOW report dated December 7, 2016 was issued and no offence was established against Gautam Hari Singhania and other directors of the Company. This matter is currently pending.

Actions by regulatory and statutory authorities involving the Directors

1. A summon dated November 12, 2021 and a notice dated December 2, 2021 (received on December 7, 2021) was issued to Gautam Hari Singhania by the Office of the Deputy Director, Income Tax, Investigation, Income Tax Department, and Enforcement Directorate, Mumbai respectively to provide certain information and documents in relation to certain off shore entities. By way of letter dated November 19, 2021, the assesse has sought time from the Income Tax department to provide the requested information and documents. No further correspondence has been received from the Income Tax authority.

2. A summons dated June 23, 2021 was received from the office of the Enforcement Directorate at Kochi, calling upon the Managing Director of Raymond Limited to appear in person before it on August 9, 2021 with certain documents such as, details of foreign inward remittances received by Raymond Limited, export outstanding statement and bank statement of Raymond Limited in connection with an investigation under FEMA. Raymond Limited has sought time by way of its letters dated August 2, 2021 and September 18, 2021 and requested the Enforcement Directorate's office to provide further information in relation to the nature of the investigation. No further correspondence has been received from the authority.

Material Civil Proceedings

1. Vijaypat Singhania filed an application on November 24, 2017 with the Maintenance Tribunal, under section 23 of Maintenance and Welfare Senior Citizen and Parents Act, 2007 stating that gift of equity shares of J.K. Investors (Bombay) Limited and Smart Investment Private Limited (presently known as Smart Advisory and Finserve Private Limited) by him to Gautam Hari Singhania was conditional and hence, be revoked. The Tribunal by way of its order dated June 26, 2018, rejected the application pursuant to which Vijaypat Singhania preferred an appeal with the appellate authority and the appellate authority by way of its order dated March 20, 2019 upheld the order of the Tribunal. Vijaypat Singhania has filed a writ petition on February 26, 2020 before the High Court of Bombay challenging this order by the appellate authority. The matter is currently pending.

2. A writ petition was filed by Vijaypat Singhania against the Assistant Charity Commissioner and Gautam Hari Singhania and other Trustees of Smt. Sulochanadevi Singhania School Trust, before the High Court of Bombay, to set aside among others, order dated September 10, 2018 passed by the Assistant Charity Commissioner on an application filed under Section 50 (A)(3) of the Mumbai Public Trust Act, 1950 appointing two additional trustees of the said Trust; the decisions taken in the subsequent meeting held by the trustee under which among others, Gautam Hari Singhania was appointed as the chairman of the Trust. No interim reliefs have been passed pursuant to the said writ petition and the matter is currently pending.

b. Litigation filed by the Directors

Criminal proceedings

A complaint was filed by Gautam Hari Singhania, through his constituted attorney Chandrakant Gupta against P.R. Jain *inter alia* under Section 416 and 420 of the Indian Penal Code, 1860, before the Metropolitan Magistrate, Ballard Pier in July, 2018. Gautam Hari Singhania through his constituted attorney Chandrakant Gupta alleged that P.R. Jain wrongfully appeared on behalf of Vijaypat Singhania, and had represented to have been authorized by Vijaypat Singhania, although there was no power of attorney to that effect. This matter is currently pending.

Material civil proceedings

As of the date of this Draft Red Herring Prospectus, there are no material civil proceedings filed by the Directors of our Company.

V. Material Litigations involving the Group Companies

As of the date of this Draft Red Herring Prospectus, there are no outstanding material litigations involving the Group Companies which have a material impact on our Company.

VI. Outstanding dues to creditors

In terms of the Materiality Policy, the creditors to whom outstanding dues are ₹ 30.99 million or more have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed to creditors as at June 30, 2021 by our Company are set out below:

Type of creditors	Number of creditors	Amount involved *(in ₹. million)*
Material creditors	2	132.69
Micro, Small and Medium Enterprises	65	29.38
Other creditors	631*	457.69
Total	**698**	**619.76**

**For the calculation of number of other creditors, provision is not considered.*

The details pertaining to outstanding over dues to the material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at https://www.jkfilesandengineering.com/investor-relations/.

GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals issued by relevant central and state authorities under various rules and regulations. We have set out below an indicative list of all material approvals obtained by our Company and the Subsidiaries, as applicable for the purposes of undertaking our business activities and operations ("**Key Approvals**"). In view of such approvals, our Company can undertake the Offer and its current business activities. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus.*

For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see 'Risk Factor – We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations ' on page 44. *For further details in connection with the regulatory and legal framework within which we operate, see 'Key Regulations and Policies' beginning on page* 205.

I. Approvals in Relation to the Offer

For details in relation to the approvals and authorizations in relation to the Offer, see '*Other Regulatory and Statutory Disclosures—Authority for the Offer*' on page 399.

II. Corporate Approvals in Relation to our Company and the Subsidiaries

Our Company and the Subsidiaries have obtained Corporate Identification Numbers (CIN) from the RoC. A Certificate of Incorporation dated February 18, 1997 was issued to our Company by the RoC having CIN U27104MH1997PLC105955.

For further details, see "*History and Certain Corporate Matters*" beginning on page 211.

III. Tax Registrations in Relation to our Company and the Subsidiaries

1. Our Company and the Subsidiaries have obtained registrations under the Income Tax Act, 1961 and have been issued permanent account numbers (PAN) and tax deduction account numbers (TAN) by the Income Tax Department, Government of India. The PAN of our Company is AAACH9523J and the TAN of our Company is PNEJ07267B.

2. Our Company, JKTL and RPAL have also obtained Goods and Service Tax registration numbers issued by the Government of India under central and state goods and service tax legislations in various states, where our business operations are situated.

3. We have obtained registrations under the applicable professional tax statutes in various states where the business operations of our Company, JKTL and RPAL are situated.

IV. Approvals in Relation to our Business

As of the date of this Draft Red Herring Prospectus, our Company operates four manufacturing plants, located in Ratnagiri, Chiplun, Valsad and Pithampur.

The Subsidiaries have an aggregate of four manufacturing plants amongst themselves; RPAL having three manufacturing plants located in Nashik and JKTL having one manufacturing plant located in Chiplun.

(a) Material Licenses and Approvals obtained by our Company and the Subsidiaries

1. Licenses to work a factory issued under the Factories Act, 1948 in respect of the manufacturing plants located at Ratnagiri, Chiplun, Valsad, Pithampur and Nashik.

2. Importer-Exporter Code (IEC) has been granted to our Company, RPAL and JKTL by the Ministry of Commerce and Industry.

3. Industrial Entrepreneur Memorandum (IEM) has been issued in respect of the manufacturing plant of the Company located at Pithampur. IEM has also been issued in respect of one of the manufacturing plants of RPAL.

4. Registration under the respective shops and commercial establishments acts of each state have been obtained in relation to the Corporate Office of our Company and the corporate office of RPAL at Thane.

5. No objection certificates have been obtained from the respective directorate of fire services in relation to two of the manufacturing plants operated by RPAL at Nashik and the manufacturing plant operated by JKTL at Chiplun.

6. Licence for the Quality Management Systems Certification issued in favour of the manufacturing plant of our Company at Chiplun by the Bureau of Indian Standards.

7. Certificates of verification in connection with the weighbridges operated by RPAL located at its manufacturing plants in Nashik have been obtained from the Inspector of Legal Metrology under the Legal Metrology Act, 2009.

8. ISO 14001:2015 and ISO 14001:2018 certificates issued by Bureau Veritas Certification Holding SAS – UK Branch have been obtained with respect to the manufacturing plants operated by RPAL at Nashik.

9. International Automotive Task Force certificates of approval issued by Bureau Veritas (India) Private Limited have been obtained with respect to two of the manufacturing plants operated by RPAL at Nashik.

(b) Approvals under environment protection laws in relation to our Company and the Subsidiaries

4. Consent to operate an industrial plant issued by various pollution control boards under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2016 in respect of the manufacturing plants of the Company and JKTL and RPAL are located at Ratnagiri, Chiplun, Valsad, Pithampur and Nashik.

(c) Approvals under labour and employment laws in relation to our Company and the Subsidiaries

1. Employees' State Insurance code registration, issued by the Employees' State Insurance Corporation under the Employees' State Insurance Act, 1948, as amended, and as applicable, has been obtained in respect of our Company, JKTL and RPAL.

2. Certificates of registration of establishments under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 issued by the Office of the Regional Provident Fund Commissioner in various jurisdictions to our Company, JKTL and RPAL.

3. Certificates of registration under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, in respect of the manufacturing plants of the Company, JKTL and RPAL located at Valsad, Chiplun, Ratnagiri, Pithampur, and Nashik.

V. Pending Approvals

Certain Key Approvals pertaining to the manufacturing plants of our Company and the Subsidiaries may have lapsed in their normal course and we either have made applications to the appropriate authorities for renewal of such licenses and/or approvals or are in the process of making such applications.

(a) Key Approvals applied for, but not yet received:

Plant	Approvals applied for, but not yet received
Manufacturing plant of our Company at Valsad	Application dated October 26, 2021 with respect to obtaining a no objection certificate issued by the relevant directorate of fire services under the state specific fire acts.
Manufacturing plant of our Company at Ratnagiri	Application dated November 12, 2021 with respect to obtaining a no objection certificate issued by the relevant directorate of fire services under the state specific fire acts.
Manufacturing plant of our Company at Chiplun	Application dated November 12, 2021 with respect to obtaining a no objection certificate issued by the relevant directorate of fire services under the state specific fire acts.
Manufacturing plant of our Company at Pithampur	Application with respect to obtaining a no objection certificate issued by the relevant directorate of fire services under the state specific fire acts has been made by our Company.
Manufacturing plant of RPAL at Nashik	Application dated November 10, 2021 with respect to obtaining a no objection certificate issued by the relevant directorate of fire services under the state specific fire acts.

(b) *Key Approvals yet to be applied for:*

There are no approvals that our Company has not yet applied for.

VI. Intellectual Property

We have obtained registration for or have applied for registration under the Trade Marks Act in respect of the brands operated by our Company and the Subsidiaries under various classes. As of November 30, 2021, our Company holds 72 registered trademarks in India including for our *JK*, *JK Files & Tools*, *JK Superdrive*, *Sunflower*, *J.K. Three Files* and *Two Files* brands, and had made applications seeking registration for six trademarks with the Registrar of Trade Marks under the Trade Marks Act.

In addition to the above, our Company also holds registration for 138 trademarks overseas and has been assigned 26 trademarks held in the name of our Promoter, in numerous countries including USA, China, Japan, Singapore, Canada, South Africa, United Arab Emirates, *etc*. Our Company has also applied for registration of 79 trademarks in overseas territories with various regulatory agencies worldwide. Our Company also holds 11 copyrights registered with the Copyright Office, India of which seven copyright registrations were filed in the name of our Promoter but were subsequently assigned *vide* a deed of assignment dated March 1, 2010 to our Company. Our Company has applied for registration of six copyrights and also holds one registered copyright in China. Furthermore, our Company also holds one certificate of registration of design in respect of a packaging box in the previous name of our Company.

The assignment of certain trademarks and copyrights held by our Promoter to our Company, has been done by way of a business transfer agreement and an assignment agreement dated March 1, 2010 executed between our Company and Raymond Limited. For further details of the business transfer agreement, please see "*Summary of Key Agreements*" under "*History and Certain Corporate Matters*" on page 211.

Our Subsidiary, RPAL, holds two trademarks registered in India. RPAL, along with Perfect Polymers, has also been granted a patent for a sealing device for integral shaft bearings registered with the Office of the Controller General of Patents, Designs and Trademarks.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on November 30, 2021. Our Board has approved this Draft Red Herring Prospectus on December 1, 2021 and subsequently, our IPO Committee has approved this Draft Red Herring Prospectus on December 8, 2021. Further, our Board has taken on record the consent of the Promoter Selling Shareholder to participate in the Offer for Sale at its meeting held on December 1, 2021.

The Equity Shares being offered by the Promoter Selling Shareholder in the Offer for Sale have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale. Our Promoter Selling Shareholder has confirmed and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares, as set out below:

Sr. No.	Name of Promoter Selling Shareholder	Date of consent letter	Date of board resolution passed by the Promoter Selling Shareholder	Maximum amount of Offered Shares
1.	Raymond Limited	December 1, 2021	December 1, 2021	Up to [•] Equity Shares aggregating up to ₹8,000 million

The Promoter Selling Shareholder has confirmed that it has not been prohibited from dealings in the securities market and the Equity Shares proposed to be offered by it in the Offer for Sale are free from any lien, encumbrance, transfer restrictions or third-party rights.

This Draft Red Herring Prospectus has been authorized by a resolution dated December 1, 2021 passed by our Board and a resolution dated December 8, 2021 passed by our IPO Committee. Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [•] and [•], respectively.

Prohibition by the SEBI or Other Governmental Authorities

Our Company, our Promoter, members of our Promoter Group, our Directors and the persons in control of our Company and of our Promoter are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoter, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

No action has been initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against the Directors of our Company in the past five years preceding the date of this Draft Red Herring Prospectus

None of our Company, our Directors or our Promoter has been identified as a Wilful Defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters issued by the RBI.

Our Promoter or Directors have not been declared as “fugitive economic offenders” under Section 12 of the Fugitive Economic Offenders Act, 2018.

The Equity Shares held by the Promoter are in dematerialized form.

All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as of the date of filing of this Draft Red Herring Prospectus.

Compliance with Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter and members of our Promoter Group, severally and not jointly, have confirmed that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as of the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, as disclosed below.

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each).

- Our Company has an average operating profit of ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years.

- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis.

- Pursuant to a special resolution of our Shareholders passed in their meeting held on November 11, 2021, the name of our Company was changed to 'JK Files & Engineering Limited'. The Company has changed its name in the past year from JK Files (India) Limited to JK Files & Engineering Limited. At least 50% of the revenue calculated on a restated and consolidated basis from the preceding one full year has been earned by it from the activity indicated by its new name. For further details, see "*History and Certain Corporate Matters*" on page 211 of this Draft Red Herring Prospectus.

Our Company's restated net tangible assets, restated operating profit and net worth derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as of and for the three immediately preceding Financial Years are disclosed below.

Derived from the Restated Consolidated Financial Information

Particulars	As at and for the year ended		
	March 31, 2021 (₹ million)	**March 31, 2020 (₹ million)**	**March 31, 2019 (₹ million)**
Net tangible assets (Note 1)	889.75	627.80	438.53
Restated operating profit (Note 2)	326.36	226.16	328.98
Net worth (Note 3)	1,026.30	788.34	644.45

Source: Certificate on eligibility dated December 8, 2021 issued by S D T & Co., Chartered Accountants.
Notes:
Note 1: Net tangible assets' means the sum of all the assets of Company excluding goodwill, intangible assets under development and right of use assets reduced by total liabilities excluding deferred tax liability (net) of the Company .
Note 2: The average restated operating profit/(loss) of the Company for the preceding three Fiscals ending March 31, 2021, March 31, 2020 and March 31, 2019 is Rs. 293.83 million.
Note 3: For the purposes of the above, "net worth" means the aggregate value of the paid -up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation, each as applicable for the Company on a restated basis.

We are currently eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in terms of Regulation 32(1) of the SEBI ICDR Regulations we are required to allocate: (i) not more than 50% of the Net Offer to QIBs, 5% of which shall be allocated to Mutual Funds exclusively; (ii) not less than 15% of the Net Offer to Non-Institutional Bidders; and (iii) not less than 35% of the Net Offer to RIBs, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company and the Promoter Selling Shareholder shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which the entire application monies shall be refunded forthwith. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws. The Promoter Selling Shareholder shall be liable to reimburse our Company for any interest paid by it on behalf of the Promoter Selling Shareholder on account of any delay with respect to Allotment of the Equity Shares offered by Promoter Selling Shareholder in the Offer for Sale.

Our Company is in compliance with conditions specified in Regulations 5 and 7(1) of the SEBI ICDR Regulations to the extent applicable and will ensure compliance with Regulation 7(2) of the SEBI ICDR Regulations as follows:

(i) Our Company, the Promoter, members of the Promoter Group, our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoter or our Directors are associated as promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoter or Directors have been identified as a wilful defaulter (as defined in the SEBI ICDR Regulations);

(iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(vi) Our Company, along with the Registrar to the Offer, has entered into tripartite agreements dated October 29, 2018 and November 30, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

(vii) The Equity Shares of our Company held by our Promoter are in dematerialised form;

(viii) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and

(ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

The Promoter Selling Shareholder confirms that the Equity Shares offered by it as part of the Offer for Sale have been held by it in compliance with Regulation 8 of the SEBI ICDR Regulations

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, SBI CAPITAL MARKETS, DAM CAPITAL ADVISORS LIMITED *(FORMERLY IDFC SECURITIES LIMITED)* AND HDFC BANK LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE PROMOTER SELLING

SHAREHOLDER IS RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR THE EQUITY SHARES OFFERED BY IT IN THE OFFER FOR SALE, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, BEING SBI CAPITAL MARKETS LIMITED, DAM CAPITAL ADVISORS LIMITED *(FORMERLY IDFC SECURITIES LIMITED)*, AND HDFC BANK LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 8, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Promoter Selling Shareholder, our Directors and the BRLMs

Our Company, the Promoter Selling Shareholder, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Promoter Selling Shareholder, and as applicable, its directors, affiliates, associates and officers, accepts or undertakes no responsibility for any statements made other than those specifically made by the Promoter Selling Shareholder in this Draft Red Herring Prospectus in relation to itself and the Offered Shares in the Offer for Sale. Anyone placing reliance on any other source of information, including our Company's website https://www.jkfilesandengineering.com or any website of any of our Promoter, Promoter Group, Group Companies or any affiliates of our Company or the Promoter Selling Shareholder, would be doing so at his or her own risk.

All information, to the extent required in relation to the Offer, shall be made available by our Company, the Promoter Selling Shareholder (to the extent that the information pertains to it and the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company, the Promoter Selling Shareholder and the BRLMs for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

None of our Company, our Directors, the Promoter Selling Shareholder or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliances by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Promoter Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoter, members of our Promoter Group and our Group Companies, and their respective directors and officers, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoter, members of our Promoter Group and our Group Companies, and their respective directors and officers, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Systemically Important NBFCs registered with the RBI or trusts under applicable trust law and who are authorized under their constitution to hold and invest in equity shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, National Investment Fund, insurance funds set up and managed by the army, navy and air force of the Union of India, insurance funds set up and managed by the Department of Posts, Government of India and to Eligible FPIs, Eligible NRIs and other eligible foreign investors, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, state industrial development corporations and registered multinational and bilateral development financial institutions.

This Draft Red Herring Prospectus shall not, however, constitute an offer to sell or an invitation to purchase Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be issued, directly or indirectly, and the Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Promoter Selling Shareholder or our Group Companies since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date. Invitations to subscribe to or purchase the Equity Shares pursuant to the Offer shall be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside of India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Important Information for Investors – Eligibility and Transfer Restrictions

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to available exemptions from the registration

requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Eligible Investors

The Equity Shares are being offered and sold outside the United States, in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur; and who are deemed to have made the representations set forth immediately below.

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by a declaration included in the Bid cum Application Form and its acceptance of the Red Herring Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, the Promoter Selling Shareholder and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

5. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

6. is not acquiring the Equity Shares as a result of any “directed selling efforts” (within the meaning of Rule 902(c) under the U.S. Securities Act); and

7. the purchaser acknowledges that our Company, the Promoter Selling Shareholder, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer. [•] will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by SEBI. If our Company does not Allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

The Promoter Selling Shareholder undertake to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from the Promoter Selling Shareholder in relation to their respective proportion of the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Consents

Consents in writing from the Promoter Selling Shareholder, our Directors, our Statutory Auditors, namely, Price Waterhouse Chartered Accountants LLP, our Company Secretary and Compliance Officer, Chief Financial Officer, Legal Counsel to our Company as to Indian law, Legal Counsel to the Book Running Lead Managers as to Indian law, International Legal Counsel to the Book Running Lead Managers, the Book Running Lead Managers, CRISIL, Chartered Engineer, the bankers to our Company, and the Registrar to the Offer to act in their respective capacities, have been obtained and consents in writing of the Syndicate Members, Banker(s) to the Offer/ Escrow Collection Bank, Refund Bank, and Sponsor Bank to act in their respective capacities, will be obtained, and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Experts

Except as stated below, our Company has not obtained any expert opinions.

Our Company has received written consent dated December 8, 2021, from our Statutory Auditors, Price Waterhouse Chartered Accountants LLP , to include their names in this Draft Red Herring Prospectus and as "expert" as required under Section 26 of the Companies Act in their capacity as Statutory Auditors and in respect of their examination report dated December 1, 2021 on the Restated Consolidated Financial Information and their report on the Pro Forma Consolidated Financial Information dated December 1, 2021 included in this Draft Red Herring Prospectus; and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

Our Company has received written consent dated November 23, 2021, from the independent chartered engineer, namely Sanjay S. Ranade, Chartered Engineer, to include his name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

The term "expert" shall not be construed to mean an expert as defined under the U.S. Securities Act.

Particulars regarding public or rights issues during the last five years

Our Company, Group Companies, Subsidiaries and associates has not made any public or rights issue of Equity Shares during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Capital Issues during the Previous Three Years by our Company and Listed Group Companies, during the last three years

Our Company and our Promoter have not made any public issue of Equity Shares during the three years immediately preceding the date of this Draft Red Herring Prospectus. We do not have any listed Group Companies and Subsidiaries. For details of capital issuances during the previous three years by our Company, see "*Capital Structure*" beginning on page 85.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is an initial public offer of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for purchasing or procuring or agreeing to procure purchasers for any of the Equity Shares in the last five years.

Performance vis-à-vis Objects – Details of Public or Rights Issues by our Company

Our Company has not made any public or rights issue of Equity Shares during the five years immediately preceding the date of this Draft Red Herring Prospectus, other than as set out in "*Capital Structure*" beginning on page 85.

Performance vis-à-vis Objects – Details of Public or Rights Issues by listed subsidiaries/listed Promoter of our Company

Our Promoter is listed on BSE Limited and NSE and has not undertaken a public issue or a rights issue during the last three years. As on date of this Draft Red Herring Prospectus, none of our Subsidiaries have listed their securities on any stock exchanges in India or abroad.

Price Information of Past Issues Handled by the BRLMs

A. <u>SBI Capital Markets Limited</u>

Price information of past issues handled by SBI Capital Markets Limited:

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Tarsons Products Limited (1)	8,738.40	662.00	November 26, 2021	682.00	NA	NA	NA
2	Aditya Birla Sun Life AMC Limited	27682.56	712.00	October 11, 2021	715.00	-11.36% [+0.55%]	NA	NA
3	Nuvoco Vistas Corporation Limited	50,000.00	570.00	August 23, 2021	485.00	-5.91% [+6.46%]	NA	NA
4	Windlas Biotech Limited	4,015.35	460.00	August 16, 2021	437.00	-18.04% [+4.93%]	-34.46% [+9.30%]	NA
5	Glenmark Life Sciences Limited	15,136.00	720.00	August 06, 2021	750.00	-6.40% [+6.68%]	-12.85% [+9.80%]	NA
6	G R Infraprojects Limited (2)	9,623.34	837.00	July 19, 2021	1,715.85	90.82% [+5.47%]	138.85% [+43.02%]	NA
7	Shyam Metalics and Energy Limited (3)	9,085.50	306.00	June 24, 2021	380.00	40.95% [+0.42%]	22.65% [+11.22%]	NA
8	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [+5.21%]	75.43% [+10.89%]	146.32% [+23.75%]
9	Barbeque-Nation Hospitality Limited	4,528.74	500.00	April 07, 2021	489.85	18.77% [-0.64%]	76.97% [+6.85%]	122.53% [+18.31%]
10	Suryoday Small Finance Bank Ltd (4)	5,808.39	305.00	March 26, 2021	292.00	-18.38% [-1.14%]	-27.48% [+8.84%]	-40.20% [+21.06%]

Source: www.nseindia.com
Notes:
** The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days isa trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
** The Nifty 50 index is considered as the Benchmark Index*

1 *Price for eligible employee was Rs 621.00 per equity share*
2 *Price for eligible employee was Rs 795.00 per equity share*
3 *Price for eligible employee was Rs 291.00 per equity share*
4 *Price for eligible employee was Rs 275.00 per equity share*

Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by SBI Capital Markets Limited:

b	Total no. of IPOs #	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	9	1,53,809.89	-	-	4	1	2	1	-	-	-	1	-	1
2020-21	7	1,05,087.00	-	-	5	-	2	-	-	1	3	-	2	1
2019-20	3	138,283.86	-	1	1	1	-	-	1	-	-	1	-	1

** The information is as on the date of this Offer Document.*
 # Date of Listing for the issue is used to determine which financial year that particular issue falls into

B. DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*):

1. *Price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited (Formerly IDFC Securities Limited):*

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	October 12, 2020	214.90	+18.90%, [+5.87%]	+52.90%, [+20.25%]	+45.79%, [+24.34%]
2	Indian Railway Finance Corporation Limited	46,333.79	26.00	January 29, 2021	24.90	-5.19%, [+6.56%]	-18.65%, [+9.02%]	-11.15%, [+15.49%]
3.	Laxmi Organic Industries Limited	6,000.00	130.00	March 25, 2021	155.50	+37.85%, [+0.11%]	+71.96%, [+10.11%]	+294.50%, [+21.45%]
4.	Glenmark Life Sciences Limited	15,136.00	720.00	August 6, 2021	750.00	-6.40%, [+6.68%]	-12.85%, [+9.80%]	Not applicable
5.	Windlas Biotech Limited	4,015.35	460.00	August 16, 2021	437.00	-18.04%, [+4.93%]	-34.46% [+9.30%]	Not applicable
6.	Krsnaa Diagnostics Limited	12,133.35	954.00*	August 16, 2021	1,005.55	-9.42%, [+4.93%]	-27.73% [+9.30%]	Not applicable
7.	Go Fashion (India) Limited	10,136.09	690.00	November 30, 2021	1,310.00	Not applicable	Not applicable	Not applicable

Source: www.nseindia.com
**A discount of INR 93 per equity share to eligible employees bidding in the employee reservation portion.*

Notes:

(a) Issue size derived from prospectus
(b) Price on NSE is considered for all of the above calculations
(c) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.

(d) *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
(e) *The Nifty 50 index is considered as the benchmark index*
(f) *Not applicable – Period not completed*

2. *Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited (Formerly IDFC Securities Limited):*

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22	4	41,420.79	-	-	3	-	-	-	-	-	-	-	-	-
2020-21	3	56,770.65	-	-	1	-	1	1	-	-	1	1	1	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

Notes:

a. *The information is as on the date of this offer document*
b. *The information for each of the financial years is based on issues listed during such financial year.*
c. *Since 30 or 180 calendar days from listing date has not elapsed for a few issues, data for the same is not available.*

C. <u>HDFC Bank Limited</u>

1. Price information of past offers handled by HDFC Bank Limited

Sr. No.	Offer Name	Offer Size (in ₹ Mn)	Offer price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	One 97 Communications Limited	183,000.00	2,150	November 18, 2021	1,950.00	-	-	-
2.	PB Fintech Limited	57,097.15	980	November 15, 2021	1,150.00	-	-	-
3.	Aditya Birla Sun Life AMC Limited	27,682.56	712	October 11, 2021	715.00	-11.36% [+0.55%]	-	-
4.	Chemplast Sanmar Limited	38,500.00	541	August 24, 2021	550.00	+2.06% [+5.55%]	+12.68%[+6.86%]	-
5.	G R Infraprojects Limited	9,623.34	837	July 19, 2021	1,715.85	+90.82% [+5.47%]	+138.85%[+16.42%]	-
6.	Computer Age Management Services Ltd	22,421.05	1,230	October 01, 2020	1,518.00	+5.52% [+2.37%]	+49.52%[+23.04%]	+43.67% [+26.65%]
7.	Metropolis Healthcare Limited	12,042.88	880	April 15, 2019	958.00	+3.75% [-4.01%]	+21.39%[-1.18%]	+45.93% [-3.30%]

Source: www.nseindia.com and www.bseindia.com for price information and prospectus for offer details
Notes:
1. *Nifty is considered as the benchmark index except for Computer Age Management Services Limited where SENSEX is considered as benchmark index*
2. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days*
3. *In case of reporting dates falling on a trading holiday, values for immediately previous trading day have been considered*

4. In G R Infraprojects Limited, the offer price to eligible employees was ₹795 after a discount of ₹42 per equity share.
5. In Computer Age Management Services Limited, the offer price to eligible employees was ₹1,108 after a discount of ₹122 per equity share.

2. Summary statement of price information of past offers handled by HDFC Bank Limited

Financial Year	**Total no. of IPOs**	**Total amount of funds raised (₹ in million)**	**No. of IPOs trading at discount as on 30th calendar day from listing date**			**No. of IPOs trading at premium as on 30th calendar day from listing date**			**No. of IPOs trading at discount as on 180th calendar day from listing date**			**No. of IPOs trading at premium as on 180th calendar day from listing date**		
			Over 50%	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**
2021 – 22	5	315,903.05	-	-	1	1	-	1	-	-	-	-	-	-
2020 – 21	1	22,421.05	-	-	-	-	-	1	-	-	-	-	1	-
2019 - 20	1	12,042.88	-	-	-	-	-	1	-	-	-	-	1	-

Notes:
1. The information is as on the date of this Draft Red Herring Prospectus
2. The information for each of the financial years is based on offers listed

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLMs, as provided in the table below.

S. No.	**Name of the BRLM**	**Website**
1.	SBI Capital Markets Limited	www.sbicaps.com
2.	DAM Capital Advisors Limited *(Formerly IDFC Securities Limited)*	www.damcapital.in
3.	HDFC Bank Limited	www.hdfcbank.com

Stock Market Data of the Equity Shares

This being an initial public offer of our Company, the Equity Shares were not listed on any stock exchange as of the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All Offer-related grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and the Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Promoter Selling Shareholder, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs or the Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company, Promoter Selling Shareholder, BRLMS, and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in accordance with the provisions of the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the investors shall be compensated by the SCSBs at the rate higher of ₹100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/ partially-allotted applications for the stipulated period. In an event there is a delay in redressal of investor grievances in relation to unblocking of amounts beyond the date of receipt of the complaint, the Managers shall be liable to compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount for the period of such delay, to the extent applicable.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs. Our Company has three subsidiaries. None of our Group Companies are listed on any stock exchange, in India or overseas.

Disposal of Investor Grievances by Our Company

In line with SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2021/642, SEBI SCORES registration will be obtained by our Company subsequent to filing of this Draft Red Herring Prospectus. Our Company had not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and there were no investor complaints pending as of the date of this Draft Red Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders' Relationship Committee comprising, Satish Sekhri (Chairperson), Vijay Bhatt, and Balasubramanian Vishwanathan as its members, to review and redress shareholder and investor grievances. See "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 231.

Our Company has also appointed Akshat Chechani, Company Secretary and Compliance Officer for the Offer. See "*General Information*" beginning on page 76.

Other confirmations

No person connected with the Offer, except for fees or commission for services rendered in relation to the Offer, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

SECTION VII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or any other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises an Offer for Sale by the Promoter Selling Shareholder. Except for listing fees, which shall be borne by the Company, all other fees and expenses relating to the Offer shall be borne by the Promoter Selling Shareholder in proportion to the number of Equity Shares transferred by Promoter Selling Shareholder in the Offer. Further, the Promoter Selling Shareholder shall reimburse our Company for all expenses incurred by our Company in relation to the Offer on each of their behalf in proportion to the respective Equity Shares offered by them in the Offer for Sale, and in accordance with applicable law. For details in relation to Offer expenses, see "*Objects of the Offer*" and "*Other Regulatory and Statutory Disclosures*" beginning on pages 98 and 399, respectively.

Ranking of the Equity Shares

The Equity Shares being Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 445.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, our Memorandum of Association and our Articles of Association and provisions of the SEBI Listing Regulations and other applicable law including guidelines or directives that may be issued by Government of India in this respect. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares from the Offer for Sale), will be payable to the Allottees, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" beginning on pages 247 and 445, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹2 and the Offer Price at the lower end of the Price Band is ₹[•] per Equity Share ("**Floor Price**") and at the higher end of the Price Band is ₹[•] per Equity Share ("**Cap Price**"). The Anchor Investor Offer Price is ₹[•] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and Promoter Selling Shareholder, in consultation with the BRLMs and advertised in [•] editions [•], an English national daily newspaper, [•] editions of [•], a Hindi national daily newspaper, and [•] edition of [•], a Marathi newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock

Exchanges. The Offer Price shall be determined by our Company and Promoter Selling Shareholder, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

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

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

Rights of Shareholder

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholder shall have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting rights, unless prohibited by law;
- right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- right to receive offers for rights Equity Shares and be allotted bonus Equity Shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- right of free transferability of the Equity Shares, subject to applicable laws including any rules and regulations prescribed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 445.

Allotment only in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialized form. The trading of the Equity Shares shall only be in the dematerialized segment of the Stock Exchanges. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated October 29, 2018 entered among our Company, NSDL and the Registrar to the Offer; and
- tripartite agreement dated November 30, 2021 entered among our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares. For details of basis of allotment, see "*Offer Procedure*" beginning on page 422.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Program

BID/OFFER OPENS ON	[•][(1)]
BID/OFFER CLOSES ON	[•][(2)(3)]

(1) *Our Company and Promoter Selling Shareholder may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

(2) *Our Company and Promoter Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

(3) *UPI mandate end time and date shall be at 12:00 pm on [•].*

An indicative timetable in respect of the Offer is disclosed below.

Event	Indicative Date
Bid/Offer Closing Date	[•]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [•]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA*	On or about [•]
Credit of Equity Shares to dematerialized accounts of Allottees	On or about [•]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [•]

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform*

until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company, the Promoter Selling Shareholder or the BRLMs.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter Selling Shareholder confirm that they shall extend all reasonable support and co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

The SEBI is in the process of streamlining and reducing the post issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Submission of Bids (Other than Bids from Anchor Investors)

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST
Bid/Offer Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

* *UPI mandate end time and date shall be at 12:00 pm on [•].*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On the Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). Neither our Company, nor the Promoter Selling Shareholder or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Our Company and Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and Promoter Selling Shareholder may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and the terminals of the Syndicate Members and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, if our Company does not make the minimum Allotment as specified under terms of the Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/ Offer Closing Date, the Promoter Selling Shareholder, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received, in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond the prescribed time, the Promoter Selling Shareholder, to the extent applicable, and our Company shall pay interest prescribed under the applicable law.

Further, the Promoter Selling Shareholder and our Company and shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Promoter Selling Shareholder and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

The Promoter Selling Shareholder shall reimburse, in proportion to their respective Offered Shares, any expenses and interest incurred by our Company on behalf of the Promoter Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Promoter Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Promoter Selling Shareholder.

Arrangements for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialized form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 85 and except as provided in our Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of Equity Shares and on their consolidation/splitting, except as provided in our Articles of Association. See "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 445.

Withdrawal of the Offer

Our Company and Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to not proceed with the Offer, in whole or part thereof, after the Bid/Offer Opening Date but before the Allotment. In the event that our Company and Promoter Selling Shareholder, in consultation with the BRLMs, decide not to proceed with the Offer, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. In such event, the BRLMs through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and Promoter Selling Shareholder, in consultation with the Book Running

Lead Managers withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI.

OFFER STRUCTURE

Initial public offering of up to [•] Equity Shares aggregating up to ₹8,000 million for cash at a price of ₹[•] per Equity Share (including a share premium of ₹[•] per Equity Share), through an Offer for Sale of up to [•] Equity Shares aggregating up to ₹[•] million by the Promoter Selling Shareholder. The Offer comprises of a Net Offer of up to [•] Equity Shares and Employee Reservation Portion of up to [•] Equity Shares aggregating up to ₹[•] million and Shareholder Reservation Portion up to [•] Equity Shares aggregating up to ₹[•] million. The Offer and the Net Offer shall constitute [•] % and [•] %, respectively of the post-offer paid-up equity share capital of our Company. The face value of our Equity Shares is ₹2 each. In accordance with the SEBI ICDR Regulations, the Shareholder Reservation Portion shall not exceed 10% of the Offer size.

The Offer is being made through the Book Building Process.

Particulars	Shareholders Reservation Portion	Employee Reservation Portion	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation**	Up to [•] Equity Shares	Up to [•] Equity Shares	Not more than [•] Equity Shares or Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [•] Equity Shares available for allocation or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [•] Equity Shares available for allocation or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/allocation	The Shareholders Reservation Portion shall constitute up to [•] % of the size of the Offer	The Employee Reservation Portion shall constitute up to [•] % of the size of the Offer	Not more than 50% of the Net Offer shall be available for allocation to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (other than the Anchor Investor Portion)	Not less than 15% of the Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation
Basis of Allotment/allocation if respective category is oversubscribed**	Proportionate	Proportionate unless Employee Reservation Portion is undersubscribed, the value of allocation to an	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [•] Equity Shares shall be available for	Proportionate	Allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the

Particulars	Shareholders Reservation Portion	Employee Reservation Portion	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
		Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹ 200,000 up to ₹ 500,000 each.	allocation on a proportionate basis to Mutual Funds only; and (b) Up to [•] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to 60% of the QIB Portion (of up to [•] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		Retail Portion and the remaining available Equity Shares, if any, shall be allocated proportionately. See "*Offer Procedure*" beginning on page 422
Mode of Bidding	ASBA only	ASBA only	ASBA only [3]	ASBA only	ASBA only
Minimum Bid	[•] Equity Shares	[•] Equity Shares	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [•] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [•] Equity Shares thereafter	[•] Equity Shares
Maximum Bid	Such number of Equity Shares and in multiples of [•] Equity Shares not exceeding the size of the Shareholders Reservation Portion, subject to applicable limits.	Such number of Equity Shares and in multiples of [•] Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹ 500,000, less Employee Discount, if any	Such number of Equity Shares in multiples of [•] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [•] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[•] Equity Shares and in multiples of [•] Equity Shares thereafter				
Allotment Lot	A minimum of [•] Equity Shares and in multiples of one Equity Share thereafter For Retail Individual Bidders, [•] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Retail Portion				

Particulars	Shareholders Reservation Portion	Employee Reservation Portion	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Trading Lot	One Equity Share				
Mode of Allotment	Compulsorily in dematerialized form				
Who can apply[(4)(5)]	Individuals and HUFs who are the public equity shareholders of Company, (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as on the date of the Red Herring Prospectus.	Eligible Employees (excluding such persons not eligible under applicable laws, rules, regulations and guidelines) such that the Bid Amount does not exceed ₹ 500,000	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with the SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (*in the name of Karta*).
Terms of Payment			**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids [(5)] **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism (only for Retail Individual Bidders) that is specified in the ASBA Form at the time of submission of the ASBA Form [(5)]		

**Assuming full subscription in the Offer*

(1) Our Company and Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. See "Offer Procedure" beginning on page 422.

(2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under Regulation 6(1) of the SEBI ICDR Regulations.

(3) Anchor Investors are not permitted to use the ASBA process.

(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories. The Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

*** The Offer is being made in terms of Rule 19(2)(b) SCRR. The Offer is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, where not more than 50% of the Net Offer will be Allotted on a proportionate basis to QIBs, provided that the Anchor Investor Portion may be allocated on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Undersubscription, if any, (including Employee Reservation Portion and the Shareholders Reservation Portion), in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 up to ₹ 500,000. Eligible Employees bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. Further, Eligible Employees bidding in the Employee Reservation Portion and the Shareholders Reservation Portion (subject to the Bid Amount being up to ₹ 200,000) can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. Bidders Bidding in the Shareholders Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. To clarify, a Raymond Shareholder Bidding in the Shareholders Reservation Portion above ₹ 200,000 cannot Bid in the Net Offer as such Bids will be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. Under-subscription, if any, in any category, including the Employee Reservation Portion and the Shareholders Reservation Portion, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.*

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company , in consultation with the BRLMs and the Designated Stock Exchange. Bidders will be required to confirm and will be deemed to have represented to our Company and Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

OFFER PROCEDURE

*All Bidders should along with this section read the General Information Document for Investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by Retail Individual Bidders through the UPI Mechanism.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders; (v) Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid cum Application Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in allotment or refund.

*The SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective until June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by the SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus.*

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Our Company, the Promoter Selling Shareholder and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws *and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.*

Further, our Company, the Promoter Selling Shareholder and the Members of Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

The Offer includes a reservation of up to [•] Equity Shares, aggregating up to ₹[•] million, for purchase by Eligible Employees not exceeding 5% of our post-Offer paid-up Equity Share Capital. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-Off Price and the Bid amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 on a net basis (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount) in value. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 in value (net of Employee Discount).

The Offer also includes a reservation of up to [•] Equity Shares, aggregating up to ₹[•] million, for purchase by Raymond Shareholders not exceeding 10% of our post-Offer paid-up Equity Share Capital.

Under-subscription, if any, in any category, including the Employee Reservation Portion and the Shareholder Reservation Portion except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI *vide* its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI *vide* its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in shall be advertised in [•] editions of the English national daily newspaper [•], [•] editions of the Hindi national daily newspaper [•] and [•] editions of the Marathi daily newspaper [•] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

For further details, refer to the "*General Information Document*" available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date. The Bid cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion will be available only at our offices and branches in India.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. Applications made using third party bank account or using third party linked bank account and UPI ID are liable for rejection.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed color of the Bid cum Application Form for the various categories is as disclosed below.

Category	Color of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[•]
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	[•]
Anchor Investors	[•]
Eligible Employees Bidding in the Employee Reservation Portion	[•]
Raymond Shareholders applying in the Shareholders Reservation Portion	[•]

* *Excluding electronic Bid cum Application Form*

Notes:

(1) Electronic Bid Cum Application Forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer bidding process.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI mandate requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking off funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the Managers for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoter and members of the Promoter Group of our Company, the BRLMs, the Syndicate Members, associates, and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to or purchase the Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription or purchase may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) shall apply in the Offer under the Anchor Investor Portion.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Further, persons related to our Promoter and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoter or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoter or Promoter Group;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV 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 exchange traded fund 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.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([•] in color). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([•] in color).

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see "*Restriction in Foreign Ownership of Indian Securities*" beginning on page 443. Participation of eligible NRIs shall be subject to FEMA Non-Debt Instruments Rules.

Bids 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 same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs could be up to 100%, being the sectoral cap, of the paid-up Equity Share capital of our Company on a fully diluted basis.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([•] in colour).

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(i) such offshore derivative instruments are transferred to persons' subject to fulfilment of SEBI FPI Regulations; and

(ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilize the multi investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (the "**Operational FPI Guidelines**"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("**MIM Bids**"). As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilize the multi investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "**MIM Structure**"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilizing the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids by SEBI-registered AIFs, VCFs and FVCIs

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, *inter alia*, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Offer, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company, the Promoter Selling Shareholder or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars issued by the SEBI "CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013" dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by Raymond Shareholders

Bids under the Shareholders Reservation Portion shall be subject to the following:

- Only Raymond Shareholders (i.e. public equity shareholders of our Promoter (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as at the date of the Red Herring Prospectus) would be eligible to apply in this Offer under the Shareholders Reservation Portion.
- The sole/ First Bidder shall be a Raymond Shareholder.
- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.
- The Bids must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter.
- Bids by Raymond Shareholders in Shareholders Reservation Portion, the Net Offer portion and the Employee Reservation Portion (if eligible) shall not be treated as multiple Bids subject to applicable limits. To clarify, a Raymond Shareholder bidding in the Shareholders Reservation Portion above ₹200,000 can Bid in the Net Offer for up to ₹200,000 and the Employee Reservation Portion (if eligible and subject to applicable limits), such Bids will be treated as multiple Bids. If a Raymond Shareholder is bidding in the Shareholders Reservation Portion up to ₹200,000, application by such Raymond Shareholder in Retail Portion or Non-Institutional Portion or Employee Reservation Portion (if eligible and subject to applicable limits) shall not be treated as multiple Bids. Therefore, Raymond Shareholders bidding in the Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000) and bidding in the Employee Reservation Portion (as Eligible Employees and subject to applicable limits) can also Bid under the Net Offer and such Bids will not be treated as multiple Bids.
- If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Offer Price, full allocation shall be made to the Raymond Shareholders to the extent of their demand.

- Under-subscription, if any, in any category including the Shareholders Reservation Portion and the Employee Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

- Raymond Shareholders Bidding under the Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000) are entitled to Bid at the Cut-off Price.

- If the aggregate demand in this category is greater than [•] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Raymond Shareholders would need to have a valid PAN and their PAN should be updated with the register of shareholders maintained with Company. Further, Raymond Shareholders would need to have a valid demat account number and details, as Equity Shares can only be Allotted to Raymond Shareholders having a valid demat account.

Bids by Eligible Employees

The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 on a net basis. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (which will be less Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial allocation, such unsubscribed portion may be allocated on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be less Employee Discount). Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [•] colour form).

(b) The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹ 500,000 (which will be less Employee Discount) on a net basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

(c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.

(d) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion and the Bidder should be an Eligible Employee as defined above.

(e) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Further, bids by Eligible Employees in the Employee Reservation Portion and in the Shareholders Reservation Portion (subject to Bid Amount being up to ₹200,000), as Raymond Shareholders, shall also not be treated as multiple Bids. Therefore, Eligible Employees bidding in the Employee Reservation Portion and the Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000) can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(f) Only those Bids, which are received at or above the Offer Price, net of Employee Discount, if any, would be considered for Allotment under this category.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLMs may deem fit.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus or as will be specified in the Red Herring Prospectus and the Prospectus.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

i. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

ii. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

iii. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

iv. Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.

v. Our Company, in consultation with the BRLMs, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.

vi. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

vii. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

viii. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

ix. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

x. Neither the BRLMs (s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLMs) shall apply under the Anchor Investors category.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Promoter Selling Shareholder and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bid/Issue Period.

Do's:

i. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

ii. Ensure that you have Bid within the Price Band;

iii. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

iv. Ensure that you (other than the Anchor Investors) have mentioned the correct details of your ASBA Account (i.e., bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a RIB using the UPI Mechanism in the Bid cum Application Form and if you are a RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

v. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

vi. RIBs Bidding shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;

vii. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

viii. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

ix. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

x. Ensure that you request for and receive a stamped Acknowledgment Slip in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

xi. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed, and obtain a revised Acknowledgment Slip;

xii. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular (No. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

xiii. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

xiv. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

xv. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents, including a copy of the power of attorney, if applicable, are submitted;

xvi. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

xvii. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for RIBs bidding through UPI mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for ASBA Bidders bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for ASBA Bidders bidding through UPI mechanism) and PAN available in the Depository database;

xviii. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);

xix. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Issue, which is UPI 2.0 certified by NPCI;

xx. Bidders (except RIBs Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

xxi. RIBs bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

xxii. Ensure that when applying in the Offer using the UPI Mechanism, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

xxiii. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

xxiv. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

xxv. FPIs making MIM Bids using MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

xxvi. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilize the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

xxvii. Bidders through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her/its UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

xxviii. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

xxix. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices who are FPIs and registered with SEBI for a Bid Amount of less than ₹200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer;

xxx. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment; and

xxxi. Ensure that the Demographic Details are updated, true and correct in all respects

xxxii. Bidders in Shareholders Reservation Portion should ensure that they have a valid PAN and their PAN is updated with the register of shareholders maintained with Raymond Limited;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

i. Do not Bid for lower than the minimum Bid size;

ii. Do not submit a Bid using UPI ID, if you are not an RIB;

iii. Do not Bid/revise the Bid Amount to less than the Floor Price or higher than the Cap Price;

iv. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

v. Do not Bid at Cut-off Price (for Bids by QIBs (subject to the Bid Amount being above ₹200,000) and Non-Institutional Bidders);

vi. Do not pay the Bid Amount in cheques, demand drafts, cash, money order, postal order or by stock invest;

vii. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

viii. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

ix. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

x. Do not submit the Bid for an amount more than funds available in your ASBA account;

xi. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;

xii. Do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;

xiii. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

xiv. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders) and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

xv. Bids by Retail Individual Bidders or Eligible Employees bidding in the Employee Reservation Portion (if any) with Bid Amount for a value of more than ₹ 200,000 or ₹ 500,000 (net of Employee Discount, if any), respectively;

xvi. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;

xvii. Do not Bid for Equity Shares in excess of what is specified for each category;

xviii. In case of ASBA Bidders (other than RIBs using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;

xix. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

xx. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;

xxi. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

xxii. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

xxiii. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations, or under the terms of the Red Herring Prospectus;

xxiv. Do not submit the General Index Register (GIR) number instead of the PAN;

xxv. Do not submit incorrect details of the DP ID, Client ID, the PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

xxvi. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;

xxvii. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centers. If you are RIB and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

xxviii. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

xxix. Anchor Investors should not bid through the ASBA process;

xxx. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

xxxi. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

xxxii. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

xxxiii. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;

xxxiv. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;

xxxv. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;

xxxvi. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see "*General Information*" beginning on page 76.

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information—Book Running Lead Managers*" on page 77.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" beginning on page 76.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For ensuring timely information to investors in relation to blocking / debit / unblocking, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and Promoter Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favor of:

(a) In case of resident Anchor Investors: "[•]"; and

(b) In case of Non-Resident Anchor Investors: "[•]".

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholder and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Promoter Selling Shareholder and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: ([•] editions [•], an English national daily newspaper, [•] editions of [•], a Hindi national daily newspaper, and [•] edition of [•], a Marathi newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Promoter Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalization of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below.

"***Any person who:***

(a) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***

(b) ***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***

(c) ***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, for fraud involving an amount of atleast ₹ 1 million 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 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by Our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within such time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;
- no further issue of the Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.; and
- if our Company and Promoter Selling Shareholder, in consultation with the BRLMs, withdraw the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI.

Undertakings by the Promoter Selling Shareholder

Promoter Selling Shareholder undertakes, in respect of itself as a Promoter Selling Shareholder and the Offered Shares that:

- they are the legal and beneficial owners of the respective Equity Shares offered by them in the Offer for Sale;
- the respective Equity Shares offered by them in the Offer for Sale are free and clear of any encumbrances and shall be transferred to the successful Bidders within the time specified under applicable law;
- they shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;
- they shall comply with all applicable laws, including the Companies Act and the SEBI ICDR Regulations, and the rules and regulations thereunder in relation to the Offer; and
- they shall provide reasonable assistance to our Company and the BRLMs to ensure that the Equity Shares offered by them in the Offer shall be transferred to the successful Bidders within the specified time period under applicable law.

Utilization of Net Proceeds

The Company and the Promoter Selling Shareholder declare that all monies received out of its respective component of the Offer for Sale shall be credited/transferred to a separate bank account pursuant to sub-section (3) of Section 40 of the Companies Act.

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 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. Under the Industrial Policy, 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. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

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 are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. See "*Offer Procedure*" beginning on page 422.

Foreign Exchange Laws

The foreign investment in our Company is governed by, *inter-alia*, the FEMA, the FEMA Non-Debt Instruments Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-Debt Instruments Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See "*Offer Procedure*" beginning on page 422.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Non-debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Non-Debt Instruments Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Offer Period.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

This description reflects amendments to our articles of association that were approved at the Extra-Ordinary General Meeting of the Company held on October 28, 2021.

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company.

Pursuant to Table marked "F" in Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Share Capital and Variation of Rights

The Authorised Capital of the Company shall be as per capital clause of the Memorandum of Association of the Company with power to increase or reduce the capital and/or the nominal value of the shares forming part thereof and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights as may be determined by or in accordance with the Articles of Association of the Company or as may be decided by the Board or by the Company in the general meeting, as applicable, in conformity with the provisions of the Act, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions and to consolidate or sub-divide the shares and issue shares of higher or lower denominations.

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium, at par or otherwise and at such time as they may from time to time think fit and proper, and with full power to give to any person the option to be allotted shares of the Company either at par, at a premium or otherwise, such option being exercisable at such time and for such consideration as the Board thinks fit.

The Board shall also be entitled to issue, from time to time, subject to any other legislation for the time being in force, any other securities, including securities convertible into shares, exchangeable into shares, or carrying a warrant, with or without any attached securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue.

Where, at the time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital by issuance of further shares, either out of the unissued capital or out of the increased share:

i. Such shares shall be offered to the persons who at the date of the offer, are the holders of equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date;

ii. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer and the offer, if not accepted, will be deemed to have been declined;

iii. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person and the notice referred to in Article 5(i)(b) hereof shall contain a statement of this right. Provided that the Board may decline, without assigning any reason to allot shares to any person in whose favour any member renounces the shares offered to him; and

iv. After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not dis-advantageous to the shareholders and the Company.

Notwithstanding anything contained above, further shares may be offered to any person, whether or not those persons include the persons referred to above, in any manner whatsoever subject to the provisions of the Act:

i. If a special resolution to that effect is passed by the company in General Meeting, or

ii. Where no such special resolution is passed, if the votes cast (where on show of hands or on a pass as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, case against the proposal by members, so entitled and voting and the Central Government is satisfied on the application made by the Board of Directors in this behalf that the proposal is the most beneficial to the company.

If any share certificate is worn out, defaced, mutilated or torn or if there is no further space on the back of the share certificate for endorsement of transfer, then upon production and surrender thereof, a new share certificate may be issued in lieu thereof, and if any share certificate is lost or destroyed then upon proof thereof, to the satisfaction of the Company and on execution of such indemnity and other documents as the Company may deem adequate and as prescribed under applicable laws, a new share certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every share certificate under this Article shall be issued upon payment of such charges as may be fixed by the Board. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Board shall comply with such rules or regulations or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereat otherwise provide, or within one month of the receipt of application of registration transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall constitute sufficient delivery to all such holders.

Alteration of Capital

Subject to the provisions of the Act, the Company may:

i. increase the authorised share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution;

ii. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

iii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid –up shares of any denomination;

iv. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and

v. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Where shares are converted into stock as per the provisions of the Act and these Articles:

i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit;

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

iii. such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder/member" in those Articles shall include "stock" and "stockholder" respectively.

The Company may, in accordance with the provisions of the Act and passing appropriate resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:

i. its share capital; and/or

ii. any capital redemption reserve account; and/or

iii. any securities premium account; and/or

iv. any other reserve in the nature of share capital.

Dematerialisation of shares

Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form.

Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the Register of Members as a holder of shares or whose names appear as Beneficial Owners of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognise any claim on or interest in such share on the part of any other person, whether or not it has express or implied notice thereof.

Notwithstanding anything contained herein, in the case of transfer of shares or other securities where the Company has not issued any certificates and where such shares or other securities are being held in an electronic and fungible form, provisions of the Depositories Act, 1996 shall apply. Further, the provisions relating to progressive numbering shall not apply to the shares of the Company which have been dematerialised.

Lien

The Company shall have a first and paramount lien:

a. on every share/debenture (not being a fully paid shares/debenture), for all monies (whether presently payable or not) called in terms of these Articles, or payable at a fixed time, in respect of that share; and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect; and

b. on all shares/debenture (not being fully paid shares/debenture) standing registered in the name of single person (whether solely or jointly with others), for all monies presently payable by him or his estate to the Company.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. The fully paid shares shall be free from all lien and that in the case of partly paid shares the issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien.

Provided that no sale shall be made:

i. unless a sum in respect of which the lien exists is presently payable; or

ii. until expiration of fourteen days after a notice in writing stating and demanding payment of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or any other person entitled thereto by reason of death, insolvency or otherwise of the registered holder.

To give effect to any such sale, the Board may authorise any person to transfer the shares so sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

Transfer of Shares

i. The instrument of transfer of any share in the Company shall be executed in a common form by or on behalf of both the transferor and transferee

ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

iii. The instrument of transfer of shares held in physical form shall be in writing and in case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. All provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Subject to the provisions of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board may, at its absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares and in particular may so decline in respect of the shares upon which the Company has a lien or whilst any monies in respect of the shares desired to be transferred or any of them remain unpaid, and such refusal shall not be affected by the fact that the proposed transferee is already a member.

Provided that registration of transfer of shares shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.

In case of shares held in physical form, the Board may decline to register the transfer unless:

i. the instrument of transfer is in the form as prescribed in the Act;

ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

iii. the instrument of transfer is in respect of only one class of shares.

The instrument of transfer shall after registration, be retained by the Company and shall remain in its custody. All instrument of transfer which the Board may decline to register shall, on demand, be returned to the person depositing the same. The Board may cause to destroy all transfer deeds lying with the Company after such period as they may determine.

The Company may, subject to the provisions of the Act, after giving not less than seven days' previous notice by advertisement in prescribed newspapers, close the Register of Members for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time.

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company; but the Company shall, nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto, if the Board may deem fit.

Transmission of Shares

Any person becoming entitled to a share in consequence of the death, insolvency or lunacy of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:

a. to be registered himself as holder of the share; or

b. to make such transfer of the share as the deceased, insolvent or lunatic member could have made.

The Board, in either case, shall have the same right to decline or suspend registration as it would have had, if the deceased, insolvent or lunatic member had transferred the share before his death, insolvency or lunacy. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

A person becoming entitled to a share by reason of the death, insolvency, or lunacy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were registered as a holder of the share, except that he shall not, before being registered as a holder in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days or such period as the Board may prescribe, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

No fee shall be charged for registration of transfer, transaction, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

Calls on shares

The Board may, from time to time, make calls in respect of any money unpaid on shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. The Board may, from time to time, at its discretion, extend the time fixed for payment of any call in respect of one or more members as it may deem appropriate. A call may be revoked or postponed at the discretion of the Board.

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed, and may be required to be paid by instalments.

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, or any such extension thereto, the person from whom the sum is due shall be liable to pay interest thereon from the day appointed for payment thereof to the time of actual payment at 10% p.a.

The Board shall be at liberty to waive the payment of any such interest in whole or in part.

Any sum which by the terms of issue of a shares becomes payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made to and payable by the registered holder of the shares or the legal representative of a deceased registered holder on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

The Board:

i. may, if it thinks fit, subject to the provisions of the Act, agree and receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

ii. upon all or any of the monies so advanced, may (until the same would but for such advance, become presently payable) pay interest at 12% p.a.

Provided that nothing contained in this Article shall confer on such member:

a. any right to participate in profits or dividends; or

b. any voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable by him.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

Subject to the provisions of the Act, all calls shall be made on a uniform basis on all the shares falling under the same class and shall not exceed 1/4th (one-fourth) of the nominal value of shares. For the purpose of this Article, shares of the same nominal value on which different amounts have been called and paid-up shall not be deemed to fall under the same class. No call shall be payable at less than one month from the date fixed for the payment of the last preceding call.

Neither a judgement nor a decree in favour of the Company for calls or other monies due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the forfeiture of such shares as herein provided. If a member has made part payment of the calls due, the amount received (including dividend declared and paid on such shares) shall be first adjusted against the interest due on calls.

Capitalisation of Profits

The Company in general meeting may, upon the recommendation of the Board, resolve:

a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

b. that such sum be accordingly set free for distribution in the manner specified in this Article amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in this Article, either in or towards:

a. paying up any amounts for the time being unpaid on any shares held by such members respectively;

b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).

The securities premium account and the capital redemption reserve account may, for the purposes of this Articles, be applied in paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Whenever such a resolution as aforesaid shall have been passed, the Board shall:

a. make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

b. for the purpose of giving effect to any such resolution may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and generally do all acts and things required to give effect thereto.

The Board shall have power:

a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

Any agreement made under such authority shall be effective and binding on such members.

General Meetings

The Company shall, in addition to any other meetings, hold a general meeting (hereinafter called an "Annual General Meeting") at the intervals and in accordance with the provisions of the Act.

All general meetings other than Annual General Meeting shall be called extra-ordinary general meeting.

The Board may, whenever it thinks fit, call an extra-ordinary general meeting; and if at any time directors capable of acting, who are sufficient in number to form a quorum, are not within India, then any director of the Company may call an extra-ordinary general meeting in the same manner, as nearly as possible, in which such a meeting may be called by the Board.

A general meeting of the Company may be called by giving not less than 21 (twenty-one) days' clear notice in writing. However, a general meeting may be called after giving shorter notice of less than 21 (twenty-one) days, if the consent is accorded thereto by such number of members as provided in the Act or any other law for the time being in force.

Proceedings at Meetings of Shareholders

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the general meetings shall be such as provided under the Act.

If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon at the requisition of the members, shall stand cancelled. In any other case, the meeting shall stand adjourned in accordance with the provisions of Section 103 or any other provision of the Act. The Chairman of the Board shall preside at all the general meetings of the Company. In the event the Chairman is absent or unwilling to chair at a general meeting or where he is an interested party, the directors present at such meeting shall appoint one of them as Chairman of the meeting.

On any business at any general meeting, in case of an equality of votes, whether electronically or on a poll, the Chairman shall have a second or casting vote.

Notwithstanding anything contained in the Articles and subject to provisions of the Act, any business which can be transacted at general meeting may be transacted through postal ballot.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares as may be allowed under the Articles, on show of hands every member present in person shall have one vote, and on a poll, the voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company. A member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes, or cast, in the same way, all the votes he uses. A member may exercise his vote at a meeting or a place other than the venue of the meeting by electronic means in accordance with the provisions of the Act and shall vote only once.

Where a poll is to be taken, the Chairman of the meeting shall appoint such numbers of scrutinisers at poll, as he deems necessary, to scrutinise the poll process and votes given on the poll and to report thereon to him. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

Proxy

Any member entitled to attend and vote at a general meeting or adjournment thereof, may do so either personally or through his constituted attorney or another person as a proxy on his behalf, for that meeting. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

A vote cast in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

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Board of Directors

Following were the first directors of the Company at the time of incorporation:

i. Shri Bal Krishna Kedia

ii. Shri Gautam Hari Singhania

iii. Shri Rattan Parkash Chowdhri

Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). The Company shall have the power to increase the number of directors beyond 15 (fifteen) in accordance with the provisions of the Act.

Subject to the provisions of the Act, the Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India, any provision in the Act or in these Articles on the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.

The Nominee Director appointed under this Article shall be entitled to receive all notices of and attend all general meetings, Board meetings and the meeting of the committee of which the Nominee Director is member and also receive the minutes of such meetings. The institution shall also be entitled to receive all such notices.

The Company shall pay to the Nominee Director sitting fees and expenses to which the other directors of the Company are entitled. Subject to provisions of the Act or any other law for time being in force, the Company shall have such number of independent directors as it may deem fit. A person shall be eligible for appointment as independent director if he fulfils the criteria as mentioned under the Act or any other law for the time being in force. Independent directors shall not be liable to retire by rotation.

Subject to provisions of the Act or any other law for time being in force, the Company shall have such number of independent directors as it may deem fit. A person shall be eligible for appointment as independent director if he fulfils the criteria as mentioned under the Act or any other law for the time being in force. Independent directors shall not be liable to retire by rotation.

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an appropriate resolution passed by the Company in general meeting. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses incurred by them:

i. in attending and returning from meetings of the Board or any committee thereof, or general meetings of the Company; or

ii. in connection with the business of the Company.

The fees payable to the directors for attending the meetings of the Board or committee thereof shall be decided by the Board from time to time and shall be within the maximum limit permitted under the provisions of the Act.

Proceedings of the Board

The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. At least four board meetings shall be held in every calendar year and there shall be a gap of not more than one hundred and twenty days between two consecutive board meetings. Any director of the Company may, at any time, summon a meeting of the Board and the company secretary, or where there is no company secretary, any person authorised by the Board in this behalf on requisition of a director, shall convene a meeting of the Board, in consultation with the Chairman or in his absence, the managing director or in his absence, the whole-time director, where there is any.

In accordance with the provisions of the Act, a meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. Subject to provisions of the Act, a meeting of the Board may be called at shorter notice to transact urgent business.

The quorum for a board meeting shall be such as may be specified under the provisions of the Act or any other legislation for the time being in force. If a meeting of the Board cannot be held for want of quorum, then the meeting shall stand adjourned to such day, time and place as the Chairman or directors present at the meeting may fix. The notice of the adjournment of the meeting shall be given to all the directors in the manner prescribed under the Act or rules made thereunder.

Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by majority of votes. In case of an equality of votes, the Chairman of the Board, if any, shall have a second or casting vote.

The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing director or directors may act for the purpose of increasing the number of directors to that fixed for the quorum, or for summoning a general meeting of the Company and for no other purpose.

The Chairman of the Company shall be the Chairman at meetings of the Board. In his absence, the Board may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of them to be Chairman of the meeting.

The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of the body as it may think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to the terms of reference that may be imposed by the Board. A committee may elect a chairman of its meetings, unless the Board, while constituting a committee, has appointed a chairman of such Committee. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one amongst them to be the chairman of the meeting.

A committee may meet and adjourn as it thinks fit. The quorum of board committees shall be such as may be determined by the Board, subject to the provisions of the Act or any other laws for the time being in force. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.

In accordance with the provisions of the Act, the participation of directors in a meeting of the Board or any committee thereof may either be in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time.

All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be valid as if every such director or such person had been duly appointed and was qualified to be a director.

Subject to provisions of the Act, a resolution in writing, approved, whether by signing it manually or by secure electronic mode, or approved by such other permitted means, by majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

The Board shall cause minutes of all proceedings of every meeting of the Board or of every committee of the Board to be kept in accordance with provisions of the Act.

All such minutes shall be signed by the Chairman of the Board or committee meeting as recorded, or by the person who shall preside as Chairman at the next succeeding meeting of the Board or committee, and minutes purported to be so signed shall, for all purposes whatsoever, be prima facie evidence of the actual passing of the resolutions recorded, and the transactions or occurrence of the proceedings so recorded and regularity of the meeting at which the same shall appear to have taken place.

Key Managerial Personnel

A chief executive officer, manager, chief financial officer and company secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, chief financial officer and company secretary so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses. A director may be appointed as chief executive officer, manager, chief financial officer or company secretary.

Buy-back

Notwithstanding anything contained in these Articles but subject to the provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

Dividends and Reserve

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends as appears to be justified by the profits of the Company.

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums, as it thinks fit and in accordance with the provisions of the Act, as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Articles as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

Subject to any other law for the time being in force, any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such payment by electronic mode or cheque or warrant shall be made payable to the order of the person to whom it is sent. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to have made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. No dividend shall bear interest against the Company.

Unclaimed and Unpaid Dividend

Unclaimed dividends shall be dealt with by the Company in accordance with the provision of the Act. Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of bank called "Unpaid Dividend of JK Files & Engineering Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under Section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer. No unclaimed or unpaid dividend shall be forfeited by the Board, before the claim becomes barred by law.

Winding up

Subject to the applicable provisions of the Act and the rules made thereunder, if the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

Subject to the provisions of the Act, every director and key managerial person (for the purpose of this Article, which term shall also include any officer or employee of the Company) of the Company, shall be indemnified by the Company, out of the funds of the Company all costs, losses, and expenses (include travelling expenses) which such director or key managerial person may incur or become liable to by reason of any contract entered into, or act, or deed done by him as such director or key managerial person in any way in the discharge of his duties.

Subject to the aforesaid, every director or key managerial person shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged in connection with any application under the provisions of the Act in which relief is given to him by the Court.

Subject to the provisions of the Act and these Articles, if the director, key managerial person or any other person incurs or is about to incur any liability, whether as principal or surety, for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure such director, key managerial person or any other person so becoming liable as aforesaid from any loss in respect of such liability.

Subject to the provision of the Act, no director or key managerial person of the Company shall be liable for the acts, receipts, neglects or defaults of any other director or key managerial person, or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company; or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from bankruptcy, insolvency or tortious act of any person, company or corporation, with whom any monies, securities or effects shall be entrusted or deposited; or for any loss occasioned by any error of judgement or oversight on his part; or any other loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and 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 and includes contracts entered into until the date of this Draft Red Herring Prospectus) which are or may be deemed material, will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for filing and are also available at the following weblink: https://www.jkfilesandengineering.com/investor-relations/. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office between 10:00 a.m. to 05:00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid / Offer Closing Date (except for such agreements executed after the Bid / Offer Closing Date).

A. Material Contracts for the Offer

1. Offer Agreement dated December 8, 2021 among our Company, the Promoter Selling Shareholder, and the Book Running Lead Managers.

2. Registrar Agreement dated December 8, 2021 among our Company, the Promoter Selling Shareholder, and the Registrar to the Offer.

3. Escrow and Sponsor Bank Agreement dated [•] among our Company, Promoter Selling Shareholder, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, and the Banker(s) to the Offer.

4. Share Escrow Agreement dated [•] among our Company, Promoter Selling Shareholder, and the Share Escrow Agent.

5. Syndicate Agreement dated [•] among our Company, the Promoter Selling Shareholder, the Book Running Lead Managers, the Syndicate Members, and the Registrar to the Offer.

6. Underwriting Agreement dated [•] among our Company, the Promoter Selling Shareholder, and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certificate of incorporation dated February 18, 1997 issued to our Company under the name of 'Raymond Steel Limited' by the RoC.

3. Fresh certificate of incorporation dated November 10, 2021 issued by the RoC upon change in the name of our Company from 'JK Files (India) Limited' to 'JK Files & Engineering Limited'.

4. Annual report for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019.

5. Resolution of meeting of our Board of Directors dated November 30, 2021 authorising the Offer and other related matters.

6. Consent letter dated December 1, 2021 provided by Raymond Limited, consenting to participate in the Offer for Sale.

7. Resolution of the board of directors of Raymond Limited dated December 1, 2021, consenting to participate in the Offer for Sale.

8. Resolution of our Board of Directors dated November 30, 2021 approving this Draft Red Herring Prospectus.

9. Agreement to transfer undertaking on slump sale basis dated August 31, 2009.

10. Joint Venture Agreement dated August 8, 2005 entered into by and between Raymond Limited and MOB Outillage SA

11. The examination report dated December 1, 2021 of our Statutory Auditor on the Restated Consolidated Financial Information.

12. The report dated December 1, 2021 of our Statutory Auditor on the Pro Forma Consolidated Financial Information.

13. The report dated December 8, 2021 on the statement of possible special tax benefits issued by S D T & Co., Chartered Accountants.

14. Consents in writing of Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company as to Indian Law, Legal Counsel to the Book Running Lead Managers as to Indian Law, International legal Counsel to the Book Running Lead Managers, bankers to our Company, the Book Running Lead Managers, independent chartered accountant, the Syndicate Member(s), the Banker(s) to the Offer and the Registrar to the Offer, to act in their respective capacities.

15. Consent letter dated December 8, 2021 from our Statutory Auditors, Price Waterhouse Chartered Accountants LLP, to include their names in this Draft Red Herring Prospectus and as "expert" as required under Section 26 of the Companies Act in their capacity as Statutory Auditors and in respect of their examination report dated December 1, 2021 on the Restated Consolidated Financial Information and their report on the Pro Forma Consolidated Financial Information dated December 1, 2021 included in this Draft Red Herring Prospectus; and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

16. Board and Shareholders' resolution dated November 17, 2021 and November 18, 2021 respectively for approving the terms of appointment of our Managing Director, Balasubramanian Vishwanathan.

17. Agreement dated November 22, 2021 executed between our Company and our Managing Director, Balasubramanian Vishwanathan regarding the terms of his appointment as the Managing Director of our Company.

18. Noting of the appointment of Hukumchand Lakhotiya as the CEO of the tools and hardware business of our Company in the Board meeting dated November 17, 2021.

19. Report titled "Assessment of Indian and Global markets for specific precision engineered components in tools & hardware and auto components industry" dated December 2021 issued by CRISIL Limited;

20. Consent letter from CRISIL Limited dated December 6, 2021 to rely on and reproduce part or whole of the CRISIL Report and include their name in this Draft Red Herring Prospectus.

21. Due diligence certificate dated December 8, 2021 addressed from the Book Running Lead Managers to SEBI.

22. In-principle listing approvals dated [•] and [•] issued by BSE and NSE, respectively.

23. Tripartite agreement dated November 30, 2021 among our Company, CDSL and the Registrar to the Offer.

24. Tripartite agreement dated October 29, 2018 among our Company, NSDL and the Registrar to the Offer.

25. SEBI observation letter bearing reference number [•] and dated [•].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

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Name: Balasubramanian Vishwanathan
Designation: Managing Director
Date: December 8, 2021
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

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Name: Ravikant Uppal
Designation: Chairman and Non-Executive Director
Date: December 8, 2021
Place: New Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

Name: Gautam Hari Singhania
Designation: Non-Executive Director
Date: December 8, 2021
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

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Name: Vijay Bhatt
Designation: Independent Director
Date: December 8, 2021
Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

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Name: Satish Sekhri
Designation: Independent Director
Date: December 8, 2021
Place: Pune

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

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Name: Rashmi Mundada
Designation: Independent Director
Date: December 8, 2021
Place: Thane

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

Name: Arun Agarwal
Designation: Chief Financial Officer
Date: December 8, 2021
Place: Thane

DECLARATION

We, Raymond Limited, hereby confirm that all statements and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to ourselves, as a Promoter Selling Shareholder and the Equity Shares being offered by us in the Offer for Sale, are true and correct. We assume no responsibility for any other statements, disclosures or undertakings, including, any of the statements, disclosures or undertakings made or confirmed by the Company or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Raymond Limited

Name: Amit Agarwal
Designation: Chief Financial Officer
Date: December 8, 2021
Place: Thane