

CS/CA-Q4(2023-24)

Date: 9th May, 2024

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

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

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

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

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we wish to inform you of that Azad VTC Private Limited (a Subsidiary Company of Azad Engineering Limited) has entered into an asset purchase agreement and related documents with VTC Surface Technologies Private Limited, and Mr. V. Ravi Kumar for the purchase of certain assets of VTC Surface Technologies Private Limited related to offering advanced wear, corrosion and heat resistant coatings. These coatings are a critical application on the components which operate in extremely severe conditions for Power Generation, Aerospace & Defence and Oil & Gas. VTC Surface Technologies Private Limited is approved to perform these coatings by OEMs that operate in the Power Generation, Aerospace & Defence and Oil & Gas sectors. The acquisition is expected to complement and enhance the business of Azad Engineering Limited offering complete turnkey surface coating solutions for its OEM customers. This acquisition is also expected reduce AZAD Engineering Limited’s dependency on approved third party companies for surface coatings and eventually lead to more opportunities & margin expansion in the long-term. The parties and Azad Engineering Limited have also entered into agreements pursuant to which Mr. V. Ravi Kumar would become a shareholder and employee of Azad VTC Private Limited.

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

You are requested to take the above on record.

Thanking you,
Yours truly,

For Azad Engineering Limited

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



AZAD ENGINEERING LIMITED



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

CIN NO: U74210TG1983PLC004132
GSTIN: 36AAECA9452H1ZJ

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

CS-2404-294

Annexure 1

Sr. No.	Particulars	Details
1	Name of the target entity, details in brief such as size, turnover etc.;	Not applicable. Only certain assets of VTC Surface Technologies Private Limited are proposed to be acquired and details of size, and turnover of VTC Surface Technologies Private Limited is not relevant.
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	No
3.	Industry to which the entity being acquired belongs	Engineering (Manufacturing)
4	Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Azad VTC Private Limited (a Subsidiary Company of Azad Engineering Limited) will offer advanced wear, corrosion and heat resistant coatings. These coatings are a critical application on the components which operate in extremely severe conditions for Power Generation, Aerospace & Defence and Oil & Gas. VTC Surface Technologies Private Limited is approved to perform these coatings by OEMs that operate in the Power Generation, Aerospace & Defence and Oil & Gas sectors. The acquisition is expected to complement and enhance the business of Azad Engineering Limited offering complete turnkey surface coating solutions for its OEM customers. This acquisition is also expected to reduce AZAD's dependency on approved third party companies for surface coatings and eventually lead to margin expansion in the long-term.
5	Brief details of any governmental or regulatory approvals required for the acquisition	No governmental approvals are required for the transfer of assets. Operational licenses required by Azad VTC Private Limited for operating the assets would be applied for and obtained in due course.
6	Indicative time period for completion of the acquisition	Prior to May 24, 2024
7	Consideration -whether cash consideration or share swap or any other form and details of the same	Cash consideration of INR 1,92,00,000 (Indian Rupees One Crore Ninety-Two Lakhs only) is payable by Azad VTC Private Limited to VTC Surface Technologies Private Limited

AZAD ENGINEERING LIMITED




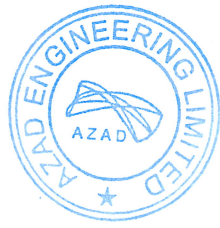
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CIN NO: U74210TG1983PLC004132 | Tel: 040-23097007
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CS-2404 - 301

Website: www.azad.in

8	Cost of acquisition and/or the price at which the shares are acquired	Not applicable
9	Percentage of shareholding / control acquired and / or number of shares acquired	Not applicable
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Not applicable. Only certain assets of VTC Surface Technologies Private Limited are proposed to be acquired and details of background and turnover of VTC Surface Technologies Private Limited are not relevant.

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Annexure 2

S. No.	Particulars	Details
1.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year	Not applicable as Azad VTC Private Limited has no operations currently
2.	Date on which the agreement for sale has been entered into	Upon completion of the transactions contemplated under the shareholders' agreement dated May 9, 2024, Mr. V. Ravi Kumar would hold 49% shares of Azad VTC Private Limited and the remaining 51% shall be held by Azad Engineering Limited
3.	The expected date of completion of sale/disposal;	Prior to May 24, 2024
4.	Consideration received from such sale/disposal;	Rs. 96080 will be paid by Mr. V. Ravi Kumar towards allotment of 49% shares of Azad VTC Private Limited. Such shares are subject to purchase by Azad Engineering Limited per terms set out in the relevant agreements.
5.	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof	Mr. V. Ravi Kumar is the buyer and he does not belong to the promoter/ promoter group/group companies of Azad Engineering Limited
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	No
7.	Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations	Not applicable
8.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale	Not applicable



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