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DRAFT RED HERRING PROSPECTUS
Dated: December 28, 2023
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

VRAJ IRON AND STEEL LIMITED
CORPORATE IDENTITY NUMBER: U27101CT2004PLC016701

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
First Floor, Plot No 63 & 66, Ph No 113, Mother Teresa Ward No. 43, Jalvihar Colony, Raipur, Chhattisgarh, India, 492001.	Priya Namdeo, Company Secretary and Compliance Officer	**E-mail:** info@vrajtmt.in **Tel:** +91-771-4059002	www.vrajtmt.in

OUR PROMOTERS: GOPAL SPONGE AND POWER PRIVATE LIMITED, V.A. TRANSPORT PRIVATE LIMITED AND VIJAY ANAND JHANWAR

DETAILS OF THE PUBLIC ISSUE

TYPE	FRESH ISSUE SIZE***	OFFER FOR SALE SIZE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Fresh Issue of up to [●]^ Equity Shares aggregating up to ₹ 1,710.00 million	Not Applicable	Up to ₹ 1,710.00 million	This Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations. For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Issue*" on page 340. For details in relation to share reservation amongst Qualified Institutional Buyers, Non-Institutional Bidders and Retail Individual Bidders see "*Issue Structure*" on page 359.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of equity shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Issue Price, Floor Price and Price Band (as determined by our Company in consultation with the Book Running Lead Manager) on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in '*Basis for Issue Price*' on page 98 should not be considered 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 and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does 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*" on page 29.

ISSUER'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 Issue, which is material in the context of the Issue, 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.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE Ltd. ("**BSE")** and the National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). For the purposes of the Issue, **[●]** shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER

Name of Book Running Lead Manager and logo	Contact Persons	Email and Telephone
ARYAMAN FINANCIAL SERVICES LTD **Aryaman Financial Services Limited**	**Vatsal Ganatra/ Deepak Biyani**	**Tel**: +91-22-6216 6999 **Email**: ipo@afsl.co.in

REGISTRAR TO THE ISSUE

Name of Registrar	Contact Person	Email and Telephone
Bigshare Services Private Limited	**Babu Raphael C**	**Tel:** +91 22 6263 8200 **Email:** ipo@bigshareonline.com

BID/ ISSUE PERIOD

ANCHOR INVESTOR BID/ ISSUE PERIOD	[●]*	BID/ ISSUE OPENS ON	[●]	BID/ ISSUE CLOSES ON	[●]**#

^ *Subject to finalisation of Basis of Allotment*
* *Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Issue Opening Date.*
***Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs 1 (one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*
**** Our Company may, at its discretion, consider a Pre-IPO Placement aggregating up to ₹ 340.00 million, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended.*
#The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

DRAFT RED HERRING PROSPECTUS
Dated: December 28, 2023
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

VRAJ IRON AND STEEL LIMITED

Our Company was originally incorporated as **"**Phil Ispat Private Limited**"** as a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated June 16, 2004 issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh. Pursuant to special resolution passed by the shareholders of our Company at the extraordinary general meeting held on September 29, 2023, the name of our Company was changed to **"**Vraj Iron & Steel Private Limited**"** and a fresh certificate of incorporation pursuant to change of name dated October 30, 2023 was issued by Registrar of Companies, Chhattisgarh. Thereafter, our Company was converted to a public limited company, pursuant to a special resolution passed by the shareholders of our Company at the extraordinary general meeting held on October 31, 2023 and the name of our Company was changed to ***"Vraj Iron & Steel Limited"*** and a fresh certificate of incorporation consequent upon conversion to a public limited company dated November 10, 2023 was issued to our Company by the Registrar of Companies, Chhattisgarh. For details in relation to change in the address of the registered office of our Company, see "*History and Certain Corporate Matters*" on page 201**.**

Registered Office: First Floor, Plot No 63 & 66, Ph No 113, Mother Teresa Ward No. 43, Jalvihar Colony, Raipur, Chhattisgarh, India, 492001.; **Tel:** +91-771-4059002
Contact Person: Priya Namdeo, Company Secretary and Compliance Officer; **E-mail:** info@vrajtmt.in
Website: www.vrajtmt.in
Corporate Identity Number U27101CT2004PLC016701

OUR PROMOTERS: GOPAL SPONGE AND POWER PRIVATE LIMITED, V.A. TRANSPORT PRIVATE LIMITED AND VIJAY ANAND JHANWAR

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF VRAJ IRON AND STEEL LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ 1,710.00 MILLION ("THE ISSUE"). THE ISSUE WILL CONSTITUTE [●] % OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER, MAY CONSIDER A PRE-IPO PLACEMENT OF ITS UP TO [●] EQUITY SHARES, FOR CASH CONSIDERATION AGGREGATING UP TO ₹ 340.00 MILLION ("PRE-IPO PLACEMENT") PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE RoC SUBJECT TO RECEIPT OF REQUISITE APPROVALS. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE NUMBER OF EQUITY SHARES ISSUED PURSUANT TO THE PRE-IPO PLACEMENT SHALL BE REDUCED FROM THE ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR").

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI BEING THE REGIONAL LANGUAGE OF RAIPUR, CHHATTISGARH WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE, AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/ Issue Period will be extended by at least 3 (three) additional Working Days after such revision in the Price Band, subject to the Bid/ Issue Period not exceeding 10 (ten) Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of 3 (three) Working Days, subject to the Bid/ Issue Period not exceeding 10 (ten) Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, shall 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 BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank(s), as applicable.

This Issue is being made 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**"). The Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**" and such portion the "**QIB Portion**"), provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations ("**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000 and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1,000,000 provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Issue 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 Issue Price. All Potential Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilising the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "*Issue Procedure*" on page 363 of this Draft Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Issue Price, Floor Price and Price Band (as determined by our Company in consultation with the Book Running Lead Manager) on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in '*Basis for Issue Price*' on page 98 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issuer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does 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*" on page 29.

ISSUER'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 Issue, which is material in the context of the Issue, 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.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. 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. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page 401.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
ARYAMAN FINANCIAL SERVICES LTD	
Aryaman Financial Services Limited 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001 Maharashtra, India **Tel**: +91 22 6216 6999 **Email**: ipo@afsl.co.in **Investor Grievance Email:** feedback@afsl.co.in **Website**: www.afsl.co.in **Contact Person:** Vatsal Ganatra/Deepak Biyani **SEBI Registration No**: INM000011344	**Bigshare Services Private Limited** S62, 6th Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Mumbai – 400093 Maharashtra, India **Tel:** +91 22 6263 8200 **Email:** ipo@bigshareonline.com **Investor Grievance Email:** investor@bigshareonline.com **Website:** www.bigshareonline.com **Contact Person:** Babu Raphael C **SEBI Registration Number:** INR000001385

BID / ISSUE PERIOD

ANCHOR INVESTOR BID/ ISSUE PERIOD	[●]*	BID/ ISSUE OPENS ON	[●]	BID/ ISSUE CLOSES ON	[●]**#

^Subject to finalization of the Basis of Allotment
** Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Issue Opening Date.*
***Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs 1 (one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*
#The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, Act, regulation, rules, guidelines or our Articles of Association, Memorandum of Association, policies shall be to such legislation, Act or regulation, as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits", "Restated Consolidated Financial Statements", "Description of Equity Shares and Terms of the Articles of the Association", "Outstanding Litigations and Material Developments" and "Key Regulations and Policies in India, "Industry Overview", "Basis for Issue Price" "Our Business" and "Issue Procedure" beginning on pages 103, 229, 386, 309, 193, 106, 98, 175 and 363 respectively, shall have the meaning ascribed to such terms in these respective sections.

General Terms

Term	Description
"Vraj Iron and Steel Limited" or "our Company" or "the Company" or "the Issuer"	Vraj Iron and Steel Limited incorporated under the Companies Act, 1956 and having its Registered Office at First Floor, Plot No 63& 66, Ph No 113, Mother Teresa Ward No. 43, Jalvihar Colony, Raipur, Chhattisgarh, India, 492001
"we" or "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company.
"you", "your" or "yours"	Prospective investors in this Issue.

Company Related Terms

Term	Description
"Articles of Association" or "AoA"	Articles of association of our Company, as amended.
Associate	Vraj Metaliks Private Limited, the associate company of our Company in terms of Section 2(6) of the Companies Act, 2013.
Audit Committee	The committee of the Board of Directors constituted as the Company's Audit Committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as described in "*Our Management – Committees of the Board*" beginning on page 214
"Auditors" or "Statutory Auditors"	Statutory auditors of our Company, namely, M/s. Amitabh Agrawal & Co., Chartered Accountants.
Bilaspur Plant	Land bearing Khasara No- 252, 253, 248/2, 249/3, 251/2, 251/3, 251/4, 249/2,279/3, 279/4, 281/3, 275/2, 251/1, 257, 246, 266, 264, 278/1, 281/2, 250, 248/1, 278/2, 281/1, 265, 280, 249/1, 279/2, 286/2, 286/1, 288/3, 289/3, 255, 279/1, 286/3, 245/2, 276, 415, 416, 417, 259/1, 259/3, 259/5, 259/4, 258/1, 258/2, 260/3, 411/8, 413/1, 413/2 and 247/1 located at Village-Dighora, District-Bilaspur-495002, Chhattisgarh, India.
Board/Board of Directors / our Board	The Board of Directors of our Company unless otherwise specified or any committee constituted thereof, as described in "*Our Management - Board of Directors*" on page 208.
CareEdge Advisory	CARE Analytics and Advisory Private Limited
CareEdge Report	The report entitled "Industry Report on Steel Industry" dated December 26, 2023, prepared by CareEdge Advisory. The CareEdge Report has been commissioned and paid for by our Company

Term	Description
	and has been exclusively prepared for the purpose of the Issue. The CareEdge Report is also available on the website of the Company at www.vrajtmt.in.
CFO	Chief Financial Officer of our Company being Shriram Verma. For further details see, "*Our Management - Key Managerial Personnel*" on page 217.
Chairman	The Chairman of Board of Directors, being Vijay Anand Jhanwar. For further details see, "*Our Management – Board of Directors*" on page 208.
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company being Priya Namdeo. For further details see, "*Our Management - Key Managerial Personnel*" on page 217.
Corporate Social Responsibility Committee" or "CSR Committee"	Corporate social responsibility committee of our Board, as described in "*Our Management – Committees of the Board*" beginning on page 214 constituted in accordance with the Companies Act, 2013.
Director(s)	Director(s) on the Board.
Equity Shares	Equity shares of our Company of face value of ₹ 10/- each unless otherwise specified in the context thereof.
"Executive Director" or "Whole-time Director"	A whole-time director / executive director of our Company. For further details, see "*Our Management – Board of Directors*" beginning on page 208.
Expansion Project	The proposed expansion of the Bilaspur Plant as discussed in the "*Objects of the Issue*" on page 84.
Group Company(ies)	Group company(ies) of our Company, identified in terms of SEBI ICDR Regulations. For details of our Group Companies, see "*Our Group Companies*" beginning on page 224.
Independent Directors	Independent Directors on our Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "*Our Management – Board of Directors*" beginning on page 208.
ISIN	International Securities Identification Number of our Company i.e. INE0S2V01010.
Key Managerial Personnel (KMP)	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act and as disclosed in "*Our Management - Key Managerial Personnel and Senior Management*" on page 217.
MD or Managing Director	The managing director of our Company, Vijay Anand Jhanwar as disclosed in "*Our Management – Board of Directors*" beginning on page 208.
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated December 23, 2023 for identification of: (a) material outstanding litigations; (b) Group Company (ies); and (c) material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations and for the purpose of disclosure in the Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus.
MOA/ Memorandum/ "Memorandum of Association" or "MoA"	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- Committees of the Board*" on page 214 constituted in accordance with the Companies Act, 2013 and SEBI Listing Regulations.
Non-Executive Director	A Director, not being a Whole-time Director or Managing Director. or further details, see "*Our Management - Board of Directors*" beginning on page 208.
Promoter(s)	Unless the context otherwise requires, refers to Gopal Sponge and Power Private Limited, V. A. Transport Private Limited and Vijay Anand Jhanwar.

Term	Description
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" beginning on page 219.
Raipur Plant	Land bearing Plot No- 38, 39, 40,41,48, 49, 50, 51,52,42 and 47 located at Village Siltara, Phase-2, Dist.-Raipur-493111, Chhattisgarh.
Registered Office	The registered office of our Company situated at First Floor, Plot No 63& 66, Ph No 113, Mother Teresa Ward No. 43, Jalvihar Colony, Raipur, Chhattisgarh, India, 492001.
Registrar of Companies or RoC	Registrar of Companies, Chhattisgarh.
Restated Consolidated Financial Statements	The restated consolidated financial statements of our Company and our Associate comprising the restated consolidated summary statements of assets and liabilities as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 and the restated consolidated summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the three months period ended June 30, 2023 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 together with the summary statement of significant accounting policies, and other explanatory information thereon, each derived from the audited financial statements of our Company and its Associate for the three months period ended June 30, 2023 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS, and restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI, as amended from time to time.
Shareholders	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in "*Our Management- Committees of the Board*" on page 214.
TEV Report	The report entitled "Techno Economic Viability Report on the expansion project of the Company for setting up of 350 TPD Sponge Iron unit having installed capacity of 1,15,500 MTPA along with 15 MW WHRB based Captive Power Plant and 15T X 3 Nos Induction Furnace Division having installed capacity of 1,53,000 MTPA along with Continuous Casting Machine (CCM) in the existing premises of the Company located at Bilaspur Division in Village Dighora, Tehsil: Takhatpur, District Bilaspur, Chhattisgarh" dated December 20, 2023, prepared by Frontline Consultants Private Limited.

Issue Related Terms

Term	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
Allot / Allotment /Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are 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, who applied under the Anchor Investor

Term	Description
	Portion with a minimum Bid of ₹100 million in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus.
"Anchor Escrow Account(s)" or "Escrow Account(s)"	Account opened with Anchor Escrow Bank for the Issue and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid.
Anchor Investor Allocation Price	The price at which the Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company, in consultation with the BRLM, during the Anchor Investor Bidding Date.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
"Anchor Investor Bid/Issue Period" or "Anchor Investor Bidding Date"	[●] being 1 (one) Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the BRLM.
Anchor Investor Pay-in Date	With respect to the Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, a date not later than 2 (two) Working Days after the Bid/ Issue Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the BRLM, to the 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 by authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using UPI, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor) and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked upon acceptance of a UPI Mandate Request made by UPI Bidders using the UPI Mechanism.
ASBA Bidders	All Bidders 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.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Issue Account Bank(s) and Sponsor Bank.
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue, as described in "*Issue Procedure*" beginning on page 363.
Bid	An indication to make an offer during the Bid/Issue Period by an ASBA

Term	Description
	Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Issue, as applicable.
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus, which, means the Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be notified in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] a (Hindi being the regional language of Raipur, where our Registered Office is located). In case of any revisions, the extended Bid/ Issue Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank. Our Company, in consultation with the Book Running Lead Manager, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●] which shall be notified in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] (Hindi being the regional language of Raipur, where our Registered Office is located). In case of any revision, the extended Bid/Issue Opening Date will also be widely disseminated by notification the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s).
Bid/Issue Period	Except in relation to the Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue 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, provided that such period shall be kept open for a minimum of 3 (three) Working Days. Our Company, in consultation with the BRLM, may consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. In cases of force majeure, banking strike or similar circumstances, our

Term	Description
	Company may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to overall Bid/Issue Period not exceeding 10 (ten) Working Days.
Bidder / Investor/ Applicant	Any prospective investor who made a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied and includes an Anchor Investor.
Bidding Centers	Centers at which the Designated Intermediaries accepted the Bid cum Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process as described in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
"Book Running Lead Manager" or "BRLM"	The book running lead manager to the Issue namely, Aryaman Financial Services Limited, SEBI registered Category-I Merchant Banker.
Broker Centers	Broker centers of the Registered Brokers, where Bidders (other than Anchor Investors) submitted the ASBA Forms. The details of such Broker centers, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
"CAN" or "Confirmation of Allocation Note"	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/Issue Period.
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into by our Company, the Registrar to the Issue, the BRLM, the Syndicate Member, and the Bankers to the Issue for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refund of the amounts collected from Bidders, on the terms and conditions thereof, in accordance with the UPI Circulars.
Client ID	Client identification number maintained with one of the Depositories in relation to dematerialised account.
"Collecting Depository Participant" or "CDP"	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12 (1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR /CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Compliance Officer	The Company Secretary of our Company, Priya Namdeo.
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Issue with the BRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in.
Cut-off Price	Issue Price, authorized by our Company, in consultation with the BRLM which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, wherever applicable.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996.
Depository Participant / DP	A depository participant as defined under the Depositories Act.

Term	Description
Designated CDP Locations	Such locations of the CDPs where Bidders submitted the ASBA Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Accounts to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, where made available, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Draft Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
Designated Intermediary(ies)	Collectively, the Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders in the Issue. In relation to ASBA Forms submitted by RIIs and NIIs with an application size of upto ₹ 500,000 (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIIs (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs.
Designated RTA Locations	Such locations of the CRTAs/RTAs where Bidders can submit the Bid cum Application Forms. 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 of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at https://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.
Designated Stock Exchange	[●]
DP ID	Depository Participant's identity number.
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated December 28, 2023 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 Issue, including any addenda or corrigenda thereto.
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible NRI(s)	A non-resident Indian, under Schedule 3 and Schedule 4 of the FEMA Non-Debt Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum

Term	Description
	Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to the Equity Shares.
Escrow Account(s)	Account opened with the Escrow Collection Bank and in whose favor the Anchor Investors transferred money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid.
"Escrow Collection Bank(s)" or "Anchor Escrow Bank"	Banks which are clearing members and registered with SEBI as bankers to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Accounts will be opened, in this case being [●].
First/ Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear 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 Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Information Document	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, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM.
Issue	The initial public offering of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] each, aggregating up to ₹ 1,710.00 million. Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of up to [●] Equity Shares aggregating up to ₹ 340.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to a minimum of at least 25% of the post-Issue paid-up Equity Share capital of our Company being offered to the public.
Issue Agreement	Agreement dated December 23, 2023 between our Company and the BRLM pursuant to which certain arrangements have been agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of this Draft Red Herring Prospectus. The Issue Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of this Draft Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue, which shall be available to our Company. For further information about use of the Issue Proceeds, see "*Objects of the Issue*" beginning on page 84.
Mobile Applications	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism.

Term	Description
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the Net QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net Proceeds	Proceeds of the Issue less the Issue related expenses. For further information about use of the Issuer Proceeds and the Issue related expenses, see "*Objects of the Issue*" beginning on page 84.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Portion	The portion of the Net Issue being not less than 15% of the Net Issue consisting of [●]* Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis. The allocation to each Non-Institutional Investor shall not be less than ₹ 200,000 subject to availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis, subject to valid Bids being received at or above the Issue Price, in accordance with the SEBI ICDR Regulations. Further, (a) one third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (b) two third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price. **Subject to finalization of Basis of Allotment*
Non-Institutional Investors/Non-Institutional Bidders/NIIs/NIBs	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with the SEBI that are not QIBs (including Anchor Investors) or Retail Individual Investors and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
"Non-Resident Indians" or "NRI(s)"	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Pre-IPO Placement	Our Company, in consultation with the BRLM, may consider a Pre-IPO placement of its up to [●] Equity Shares aggregating up to ₹ 340.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO

Term	Description
	Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM, and will be advertised, at least 2 (two) Working Days prior to the Bid/Issue Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper, (Hindi also being the regional language of Raipur, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Issue Price.
Prospectus	Prospectus dated [●] to be filed with the RoC for this Issue on or after the Pricing Date in accordance with Sections 26 and 32 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account	Bank account opened with the Public Issue Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date.
Public Issue Account Bank	The bank with which the Public Issue Account is opened for collection of Bid Amounts from Escrow Account and ASBA Account on the Designated Date, in this case being [●].
"QIB Category" or "QIB Portion"	The portion of the Net Issue (including the Anchor Investor Portion) being not less than 50% of the Net Issue consisting of [●]* Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors). *Subject to finalization of Basis of Allotment
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
"Red Herring Prospectus" or "RHP"	The Red Herring Prospectus dated [●] issued in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which did not have complete particulars of the price at which the Equity Shares shall be Allotted and which was filed with the RoC at least 3 (three) Working Days before the Bid /Issue Opening Date and became the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto.
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made.
Refund Bank	The bank which is a clearing member registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account has been opened, in this case being [●].
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLM and the Syndicate Members and eligible to

Term	Description
	procure Bids in terms of circular number CIR / CFD / 14 / 2012 dated October 14, 2012, issued by SEBI.
Registrar Agreement	The agreement dated December 23, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the UPI circular, as per the lists available on the websites of BSE and NSE
"Registrar to the Issue" or "Registrar"	Big Share Services Private Limited.
Retail Portion	The portion of the Net Issue being not less than 35% of the Net Issue comprising of [●]* Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price. **Subject to finalization of Basis of Allotment.*
Retail Individual Investors / RIIs/Retail Individual Bidders/RIBs	Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Issue was not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. Non-Institutional Investors bidding in the Non-Institutional Portion 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. RIIs can revise their Bids during Bid / Issue period and withdraw their Bids until Bid / Issue Closing Date.
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	(i) The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI (https://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) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40. Applications through UPI in the Issue can be made only through the SCSBs mobile applications whose name appears on the SEBI website. A list of SCSBs and mobile application, 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 https://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.
Specified Locations	Bidding centers where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is included in the Bid cum Application Form.
Sponsor Bank(s)	The Banker(s) to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the BRLM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of UPI Bidders as per the UPI

Term	Description
	Mechanism and carry out other responsibilities in terms of the UPI Circulars, in this case being [●].
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	Agreement to be entered into among our Company, the Registrar to the Issue, the BRLM and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
Syndicate Members	Syndicate members to the Issue as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations (other than the BRLM), in this case [●].
Syndicate or members of the Syndicate	Together, the BRLM and the Syndicate Members.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The agreement dated [●] among the Underwriters and our Company to be entered into on or after the Pricing Date but prior to filing of Prospectus.
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI.
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion; and (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agent. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	Circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as amended by its Circular number SEBI/HO/CED/DIL/CIR/2016/26 dated January 21, 2016 and Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number 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/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/ HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022, SEBI master circular no.SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular. No. SEBI/HO/CFD/TPD1 /CIR/P/2023/140 dated August 9, 2023 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any

Term	Description
	subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidders, by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidders initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment.
UPI Mechanism	The Bidding mechanism that is used by Retail Individual Investors to make Bids in the Issue in accordance with the UPI Circulars to make as ABA bid in the Issue.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	A wilful defaulter as defined in Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Raipur and Mumbai, India are open for business and the time period between the Bid/Issue Closing Date and 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 in India in accordance with circulars issued by SEBI, including UPI Circulars

Technical / Industry related terms

Term	Description
IMF	International Monetary Fund
GDP	Gross Domestic Product
PMGKAY	Pradhan Mantri Garib Kalyan Anna Yojna
GVA	Gross Value Added
CAGR	Compound Annual Growth Rate
Y-O-Y	Year On Year
GNI	Gross National Income
PFCE	Private Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
MOSPI	Ministry Of Statistics and Programme Implementation
PLI	Production-Linked Incentive
IIP	Index Of Industrial Production
CPI	Consumer Price Index
SDF	Standing Deposit Facility
LAF	Liquidity Adjustment Facility
MSF	Marginal Standing Facility
PSU	Public Sector Unit
NMP	National Monetization Pipeline
DFI	Development Finance Institution
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
PMAY	Pradhan Mantri Awaas Yojna
IMD	Indian Meteorological Department

Term	Description
EU	Europe Union
CBAM	Carbon Border Adjustment Mechanism
MOCA	Ministry Of Civil Aviation
CAPEX	Capital Expenditure or Capital Expense
DFC	Dedicated Freight Corridor
BF-BOF	Blast Furnace-Basic Oxygen Furnace
EAF	Electric Arc Furnace
NSP	National Steel Policy
MTPA/TPA	Metric Tonnes Per Annum/ Tonnes Per Annum
DMI & SP	Domestically Manufactured Iron & Steel Products
CSS	Centrally Sponsored Schemes
CS	Central Sector Schemes
GTE	Global Tender Enquiry
ISP	Integrated Steel Producers
HRC	Hot Rolled Coil
CRC	Cold Rolled Coils
EEPC	Engineering Export Promotion Council
SQCO	Steel Quality Control Order
EGOS	Empowered Group Of Secretaries
PDCS	Project Development Cells
DRI	Direct Reduced Iron
MNRE	Ministry of New and Renewable Energy
BAT	Best Available Technologies
CCUS	Carbon Capture Utilisation and Storage
CPP	Captive Power Plant
MS Billets	Semi-finished casting product produced in a steel mill that needs to be further processed to transform them into a finished good
Sponge Iron	Iron in porous form or containing many voids

Conventional and General Terms / Abbreviations

Term	Description
"₹" or "Rs." Or "Rupees" or "INR"	Indian Rupees
A.Y./AY	Assessment Year.
A/C	Account
AGM	Annual general meeting.
AIF(s)	Alternative Investment Funds.
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India.
Associate	A person who is an associate of the issuer and as defined under the Companies Act, 2013.
Authorized Dealers	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000.
Bn/bn	Billion.
BSE	BSE Limited.
CAGR	Compound Annual Growth Rate, which is computed by dividing the value of an investment at the year-end by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract

Term	Description
	one from the subsequent result: ((End Value/Start Value)^(1/Periods) -1.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
Companies Act, 2013/ Companies Act	Companies Act, 2013, as amended read with rules, regulations, clarifications and modifications thereunder.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
Consolidated FDI Policy	The extant consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.
Copyright Act	Copyright Act, 1957.
CY	Calendar year.
Depositories Act	The Depositories Act, 1996.
Depository	A depository registered with the SEM under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
DIN	Director Identification Number.
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry *(formerly Department of Industrial Policy and Promotion),* GoI.
DP ID	Depository Participant's identity number.
EBITDA	Earnings before interest, taxes, depreciation and amortisation excluding other income.
EGM	Extra-ordinary general meeting.
EPS	Earnings per share.
Euro/EUR	Euro, the official single currency of the participating member states of the European Economic and Monetary Union of the Treaty establishing the European Community.
FDI	Foreign direct investment.
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FEMA Non-Debt Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year/Fiscal/fiscal year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FPIs	A foreign portfolio investor who has been registered pursuant to the SEB1 FPI Regulations.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
GDP	Gross Domestic Product.
"GoI" or "Government"	Government of India.
GST	Goods and services tax.
HUF(s)	Hindu Undivided Family(ies).
ICAI	Institute of Chartered Accountants of India, New Delhi
IFRS	International Financial Reporting Standards.
IMF	International Monetary Fund.
Ind AS	The Indian Accounting Standards referred to in the Companies Act, 2013 and Companies (Indian Accounting Standard) Rules, 2015, as amended.
Indian GAAP	Generally Accepted Accounting Principles in India.
INR or Rupee or ₹ or Rs.	In Rupee, the official currency of the Republic of India.

Term	Description
Ind AS 24	Indian Accounting Standard 24 issued by the ICAI.
IRDAI	Insurance Regulatory and Development Authority of India.
KVA	Kilovolt Ampere.
MCA	The Ministry of Corporate Affairs, Government of India.
Mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
"N.A." or "NA"	Not Applicable.
NACH	National Automated Clearing House.
NAV	Net Asset Value.
NEFT	National Electronic Fund Transfer.
NPCI	National Payments Corporation of India.
NRI/Non-resident Indian	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an "Overseas Citizen of India" cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.
NRE accounts	NRI Non-Resident External account.
NRI	Non-Resident Indian.
NRO accounts	Non-Resident Ordinary accounts.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
P/E Ratio/ PIE	Price/Earnings Ratio.
p.a.	Per annum.
PAN	Permanent account number.
PAT	Profit after tax.
PCB(s)	Pollution Control Board(s).
Provident Fund	Provident fund for employees managed by the Employee's Provident Fund Organisation in India.
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act.
RoC or Registrar of Companies	The Registrar of Companies, Chhattisgarh.
RoNW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contract (Regulation) Act, 1956.
SCRR	The Securities Contracts (Regulation) Rules, 1957.
SCSB	Self-Certified Syndicate Bank.
SEBI	Securities and Exchange Board of India established under Section 3 of the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI BTI Regulations	The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

Term	Description
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.
SCORES	Securities and Exchange Board of India Complaints Redress System.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
Trademarks Act	The Trademarks Act, 1999
U.S Securities Act	United States Securities Act of 1933, as amended.
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

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 in this Draft Red Herring Prospectus to the "U.S.", "USA" or "United States" are to the United States of America.

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

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our restated consolidated summary statements of assets and liabilities for the three months period ended June 30, 2023 and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the restated consolidated statements of profit and loss (including other comprehensive income), cash flow statement and changes in equity for the three months period ended June 30, 2023 and for the Financial Years ended March 31, 2023, March, 31, 2022 and March 31, 2021 of the Company together with the summary statement of significant accounting policies, and other explanatory information thereon, derived from audited financial statements for the three months period ended June 30, 2023 and for the Financial Years ended March, 31, 2023, March, 31, 2022, and March 31, 2021 prepared in accordance with the recognition and measurement principles of Ind AS 34 and audited financial statements as at and for the three months period ended June 30, 2023 and for the Financial Years ended March, 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. For further information, see "*Restated Consolidated Financial Statements*" beginning on page 229.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such 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.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see "*Risk Factor –Significant differences exist between Ind AS and other accounting principles such as Indian GAAP, IFRS and US GAAP, which may be material to investors' assessment of our financial condition, results of operations and cash flows"* on page 50. 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, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 29, 175 and 289, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Statements.

Certain Non-GAAP Measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Direct Costs, PAT Margin, CAGR and others, have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States.

All references to 'Rupees' or 'Rs.' or '₹'or 'INR' are to Indian Rupees, the official currency of the Republic of India. In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lac / Lakh" means "one hundred thousand", the word "million (mn)" means "ten lac / lakh", the word "Crore" means "ten million" and the word "billion (bn)" means "one hundred crore".Figures sourced from third-party industry sources may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus may contain conversion of certain other currency amounts into Indian Rupees. 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.

Unless otherwise stated, the following table sets forth, for the periods indicated, information with respect to the exchange rate between Rupee and US$:

Currency	As on June 30, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
1 US$	82.04	82.22	75.81	73.50

Source: www.fbil.org.in

Note: Exchange rate is rounded off to two decimal place.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from a report titled *"Industry Report on Steel Industry"* dated December 26 2023 prepared by CareEdge Advisory, and exclusively commissioned and paid by our Company only for the purposes of the Issue. We commissioned and paid for the CareEdge Report for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. The data included in the DRHP includes excerpts from CareEdge Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Issue), that have been left out or changed in any manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular year, refers to such information for the relevant year. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. For risks in relation to commissioned reports, please see the section entitled "*Risk Factors – Certain sections of this Draft Red Herring Prospectus contains information from an industry report obtained from CareEdge Advisory, which we have* *commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate."* on page 49.

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", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "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 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, *inter alia*, regulatory changes pertaining to the industries in India 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:

1. Loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials;
2. Dependence on third parties for our suppliers, logistics and transportation needs;
3. Volatility in the demand and pricing in the steel industry and the cyclical nature of the industries it serves;
4. Volatility in the prices of raw materials;
5. Unexpected loss, shutdown or slowdown of operations at any of our manufacturing facilities;
6. Our inability to successfully implement our Expansion Project; and
7. Developments in the competitive environment in the steel industry, such as consolidation among our competitors.

For further discussion of factors that could cause the actual results to differ from the expectations, see *"Risk Factors", Our Business" "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 29, 175, 106 and 289 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 the investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, the investors 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 Directors, the BRLM, 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 BRLM will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of the issue and of certain disclosures included in this Draft Red Herring Prospectus 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 elsewhere in this Draft Red Herring Prospectus, including the sections titled "Risk Factors", "Our Business", "Industry Overview", "Capital Structure", "The Issue", "Objects of the Issue", "Our Promoters and Promoter Group", "Financial Information", "Outstanding Litigation and Other Material Developments" , "Issue Structure" "Issue Procedure" and "Description of Equity Shares and Terms of the Articles of the Association" beginning *on pages 29, 175, 106, 71, 55, 84, 219, 229, 309, 359 363 and 386 respectively of this Draft Red Herring Prospectus.*

Primary business of our Company

Our Company is engaged in manufacturing of Sponge Iron, M.S. Billets, and TMT bars. We currently operate through two manufacturing plants which are located at Raipur and Bilaspur in Chhattisgarh spread across 52.93 acres. Our manufacturing plant at Raipur also includes a captive power plant with an aggregate installed capacity of 5 MW, as of March 31, 2023. After implementation of the Expansion Project, we expect to increase our aggregate installed capacity (comprising of intermediate and final products) from 231,600 TPA to 500,100 TPA and captive power plants aggregate installed capacity from 5 MW to 20 MW.

For further details, see "*Our Business*" beginning on page 175.

Industry in which our Company operates

India is the second-largest steel producer in the world with an installed capacity of 161.3 MT in FY23 and the second-largest consumer of finished steel with a consumption of 120 MT in FY23. The crude steel production in India increased by 14.1% y-o-y to 69.7 MT in H1 FY24 (April 2023-September 2023) from 61.1 MT in H1 FY23 (April 2022-September 2022). The domestic finished steel consumption has increased at a CAGR of 5% to 119.9 MT in FY23 from 98.7 MT in FY19. After a steady increase in steel production, India witnessed a degrowth of 6.3% y-o-y in FY21 due to the outbreak of COVID-19. During H1 FY24, the consumption of finished steel reported a growth of 14.8% y-o-y on account of increased demand from the infrastructure and real estate sectors, mainly due to the protection year.
(Source: CareEdge Report)

Name of our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters are Gopal Sponge and Power Private Limited, V. A. Transport Private Limited and Vijay Anand Jhanwar. For further details, see "*Our Promoters and Promoter Group*" beginning on page 219.

Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in in the following table:

(₹ in million)

Sr. No.	Particulars	Estimated amount
1.	Funding for Capital Expenditure towards the "Expansion Project" at Bilaspur Plant#(1)	1,645.00
2.	General Corporate Purposes	[●](2)
	Total	[●]

 # To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.
(1) Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects of the Issue prior to completion of the Issue. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre- IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

(2) The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, see "*Objects of the Issue*" beginning on page 84.

The Issue size

The following table summarizes the details of the Issue size. For further details, see "*The Issue*" and "*Issue Structure*" on beginning pages 55 and 359, respectively.

Issue size[(1)(2)]	Up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), aggregating up to ₹ 1,710.00 million.

(1) *The Issue has been authorized by a resolution of our Board dated December 20, 2023 and by a special resolution of our Shareholders, dated December 21, 2023.*

(2) *Our Company, in consultation with the BRLM, may consider a Pre-IPO placement of up to [●] Equity Shares aggregating up to ₹ 340.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus. For further details, see "Issue Structure" on page 359.*

For further details, see "*The Issue*" beginning on page 55.

Aggregate pre-Issue Shareholding of our Promoters and the members of the Promoter Group (other than our Promoters)

As on the date of this Draft Red Herring Prospectus, the aggregate pre-Issue shareholding of our Promoters and Promoter Group as a percentage of the pre-Issue paid-up Equity Share capital of the Company is set out below:

S. No.	Name of shareholders	No. of Equity Shares held	% of Pre-Issue Equity Shares Capital	% of Post- Issue Equity Shares
Promoters				
1.	Gopal Sponge and Power Private Limited	17,982,900	72.74%	[●]
2.	V. A. Transport Private Limited	5,555,500	22.47%	[●]
3.	Vijay Anand Jhanwar	991,645	4.01%	[●]
Promoter Group				
4.	Kusum Lata Maheshwari	191,675	0.77%	[●]
	Total	**24,721,720**	**99.99%**	[●]

For further details, see "*Capital Structure*" beginning on page 71.

Summary of Restated Consolidated Financial Statements

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

The details of our Equity Share capital, Net Worth, Net Asset Value per Equity Share and total borrowings as at and for the three months period ended June 30, 2023 and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, derived from the Restated Consolidated Financial Statements are as follows:

(₹ in million except per share data or unless otherwise stated)

Particulars	For Period Ended June 30, 2023	For year ended March 31,		
		2023	2022	2021
Equity Share capital	49.44	49.44	49.44	49.44
Net worth *(i)*	**1,568.42**	**1,405.08**	**867.32**	**573.88**
Revenue from Operation	1,056.78	5,156.71	4,140.43	2,907.06
Total income	**1,067.18**	**5,174.21**	**4,143.84**	**2,909.32**
Restated Profit for the period/year attributable to equity shareholders	**163.34**	**539.97**	**287.04**	**109.85**
Basic earnings per share (Face Value of ₹ 10/- each) (in ₹.) *(ii)*	6.61	21.84	11.61	4.44

Particulars	For Period Ended June 30, 2023	For year ended March 31,		
		2023	2022	2021
Diluted earnings per share (Face Value of ₹10/- each) (in ₹.) *(ii)*	6.61	21.84	11.61	4.44
Return on Net Worth for equity shareholders (%) *(iii)*	10.35%	47.52%	39.83%	38.28%
Net Asset Value per Equity Share (in ₹.) *(iv)**	317.22	284.18	175.42	116.07
Total borrowings	149.61	229.83	425.14	457.81

**The Company has issued bonus shares in the ratio of 4:1 on September 29, 2023. Net Asset Value after considering this bonus Issue is ₹ 63.44/- per share as on the date of the Draft Red Herring Prospectus.*

Notes*:*

(i) Net worth is equivalent to Total Equity and is the sum of Equity share capital and other equity.
(ii) Basic and diluted earnings/ (loss) per share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
(iii) Return on average net worth %: Profit after tax for the period/year divided by the simple average of Net Worth of the Company as of the last day of the relevant financial year and last day of the previous Financial Year.
(iv) Net assets value per share (in Rs.): Net asset value per share is calculated by dividing net worth of the Company by number of equity shares outstanding at the end of the relevant period/year.

For further details, see "*Restated Consolidated Financial Statements*" beginning on page 229.

Auditor Qualifications or Adverse Remarks

There are no auditor qualifications which have not been given effect to in the Restated Consolidated Financial Statements.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Promoters, Directors, and Group Companies as on the date of this Draft Red Herring Prospectus as disclosed in the section titled "*Outstanding Litigations and Material Developments*" beginning on page 309, in terms of the SEBI ICDR Regulations and the materiality policy is provided below:

Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against the Promoters	Material civil litigations	Aggregate amount involved to the extent ascertainable (₹ in million) *
Company						
By the Company	NIL	2	1	NIL	NIL	11.09
Against the Company	NIL	2[(1)]	3	NIL	NIL	67.73
Directors[(2)]						
By the Directors	NIL	NIL	NIL	NIL	NIL	NIL
Against the Directors	2	NIL	NIL	NIL	NIL	Not quantifiable
Promoters						
By the Promoters	NIL	12	NIL	NIL	NIL	54.62
Against the Promoters	5	4[(3)]	5	NIL	NIL	165.12
Group Companies						
By the Group	NIL	7	NIL	NIL	NIL	24.63

Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against the Promoters	Material civil litigations	Aggregate amount involved to the extent ascertainable (₹ in million) *
Companies						
Against the Group Companies [4]	NIL	NIL	1	NIL	NIL	7.26

** The aforementioned amounts have been recorded to the extent they are quantifiable.*
[1] Our Company has been granted a relief of ₹ 152,343/- against the total disputed amount of ₹702,718/-.
[2] Excluding legal proceedings against one of our Promoters namely Vijay Anand Jhanwar, who is also our Director.
[3] One of our Promoters namely Gopal Sponge Power and Private Limited has been granted a relief ₹ 297,954/- against the total disputed amount of ₹398,826/-.
[4] Other than proceeding involving one of our Group Companies namely Vraj Metaliks Private Limited to which one of our Promoter namely Vijay Anand Jhanwar is also a party.

Risk Factors

Investors should see "*Risk Factors*" beginning on page 29 to have an informed view before making an investment decision

Summary of Contingent Liabilities

As on June 30, 2023, the Company does not have any contingent liabilities except as disclosed below:

(₹ in million)

Sr. No.	Particulars	As at June 30, 2023
1.	Tax Matters in Dispute	11.09
2.	Water Charges Penalty	1.98
3.	Corporate Guarantee provided to Vraj Metaliks Private Limited	250.00
4.	Demand of Energy Development Cess	23.95
5.	Demand of Electricity Duty	35.81
6.	LC/ BG issued for our benefit to SECL, NMDC, CECB	82.04

For further details, see "*Restated Consolidated Financial Statements*" beginning on page 229.

Related Party Transactions

We have entered into related party transactions with related parties. A summary of the related party transactions entered into by us for the three months period ended June 30, 2023 and the Financial Years 2023, 2022 and 2021 is detailed below:

(₹ in million)

Particulars	For the three months' period ended June 30, 2023	For the Financial Year ended March 31,			Total - 3 Years & Stub Period
		2023	2022	2021	
Expenses:					
Remuneration	1.52	7.02	11.10	11.16	30.80
Purchase of Raw Materials	2.55	474.08	120.92	105.22	702.77
Rent Paid	0.03	0.12	0.12	0.12	0.39
Interest Paid	-	0.03	7.20	28.81	36.04
(Sub-Total - Expenses)	4.10	481.25	139.34	145.31	770.00
% of Total Expenses	0.48%	10.73%	3.69%	5.25%	6.48%
Incomes					

Particulars	For the three months' period ended June 30, 2023	For the Financial Year ended March 31,			Total - 3 Years & Stub Period
		2023	2022	2021	
Sale of Products	24.87	159.23	271.17	253.22	708.49
Interest Earned	6.16	11.25	-	-	17.41
(Sub-Total - Incomes Earned)	31.03	170.48	271.17	253.22	725.90
% of Total Income	2.91%	3.29%	6.54%	8.70%	5.46%
Assets (at the end of the Year) :					
Advances Given	111.66	320.63	0.50	-	432.79
Receivables	9.08	-	-	-	9.08
Investments	3.96	3.96	3.93	3.93	15.78
Sub-Total (Assets)	124.70	324.59	4.43	3.93	457.65
% of Total Assets	6.42%	16.98%	0.29%	0.31%	6.92%
Liabilities (at the end of the Year) :					
Borrowings	-	-	-	22.86	22.86
Payables	1.34	0.04	-	-	1.38
Sub-Total(Liabilities)	1.34	0.04	-	22.86	24.24
% of Total Liabilities	0.36%	0.01%	0.00%	3.34%	1.10%

For further details, see "*Annexure VII - Note 40 - Related Party Disclosure*" on page 275, under the chapter titled "*Restated Consolidated Financial Statements*" beginning on page 229 of this DRHP.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price

The weighted average price at which the Equity Shares of our Company were acquired by our Promoters, in the 1 (one) year preceding the date of this Draft Red Herring Prospectus, are set forth below:

Name of Promoter	Number of Equity Shares acquired*	Weighted average price per Equity Share (in ₹)#
Gopal Sponge and Power Private Limited	14,386,320	Nil**
V. A. Transport Private Limited	4,444,400	Nil**
Vijay Anand Jhanwar	793,340	Nil**

**For arriving weighted average price at which the Equity Shares of the Company were acquired by the Promoters only acquisition of Equity Shares has been considered.*
*** Represent cost of Bonus Shares issued at Nil consideration*
 # As certified by M/s. Amitabh Agrawal & Co., Chartered Accountants, by way of their certificate dated December 24, 2023.

The weighted average price at which the Equity Shares of our Company were acquired by our Promoters, in the 18 (eighteen) months preceding the date of this Draft Red Herring Prospectus, are set forth below:

Name of Promoter	Number of Equity Shares acquired*	Weighted average price per Equity Share (in ₹)
Gopal Sponge and Power Private Limited	14,386,320	Nil**
V. A. Transport Private	4,444,400	Nil**

Name of Promoter	Number of Equity Shares acquired*	Weighted average price per Equity Share (in ₹)
Limited		
Vijay Anand Jhanwar	793,340	Nil**

**For arriving weighted average price at which the Equity Shares of the Company were acquired by the Promoters only acquisition of Equity Shares has been considered.*
*** Represent cost of Bonus Shares issued at Nil consideration*
 # As certified by M/s. Amitabh Agrawal & Co., Chartered Accountants, by way of their certificate dated December 24, 2023.

The weighted average price at which the Equity Shares of our Company were acquired by our Promoters, in 3 (three) years preceding the date of this Draft Red Herring Prospectus, are set forth below:

Name of Promoter	Number of Equity Shares acquired	Weighted average price per Equity Share (in ₹)*#
Gopal Sponge and Power Private Limited	14,386,320	Nil**
V. A. Transport Private Limited	4,444,400	Nil**
Vijay Anand Jhanwar	793,340	Nil**

**For arriving weighted average price at which the Equity Shares of the Company were acquired by the Promoters only acquisition of Equity Shares has been considered.*
*** Represent cost of Bonus Shares issued at Nil consideration*
#As certified by M/s. Amitabh Agrawal & Co., Chartered Accountants, by way of their certificate dated December 24, 2023.

Average cost of acquisition of Equity Shares

The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of Promoter	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)#
Gopal Sponge and Power Private Limited	17,982,900	5.14*
V. A. Transport Private Limited	5,555,500	3.60
Vijay Anand Jhanwar	991,645	4.54

** Cost of acquisition includes share transfer charges and stamp duty expenses.*
#As certified by M/s. Amitabh Agrawal & Co., Chartered Accountants, by way of their certificate dated December 24, 2023.

Details of price at which Equity Shares were acquired by our Promoters, the members of the Promoter Group in the last three years preceding the date of this Draft Red Herring Prospectus

There have been no specified securities that were acquired in the last 3 (three) years preceding the date of this Draft Red Herring Prospectus, by our Promoters and members of Promoter Group.

Details of Pre-IPO placement

Our Company, in consultation with the BRLM, may consider a Pre-IPO placement of up to [●] Equity Shares aggregating up to ₹ 340.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

Equity Shares issued for consideration other than cash in last one year.

Except the bonus issue of 19,777,400 Equity Shares undertaken by the Company on September 29, 2023 as disclosed in the chapter titled "*Capital Structure*" on page 71 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash or through bonus issue, during last 1 (one) year preceding the date of this Draft Red Herring Prospectus.

Split/ Consolidation of Equity Shares in the last 1 (one) year

Our Company has not undertaken any split or consolidation of Equity Shares during the last 1 (one) year from the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not sought any exemption from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a certain 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 our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning *on pages 175, 106 and 289 , respectively, as well as the financial and other information contained in this Draft Red Herring Prospectus.*

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. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" beginning *on page* 21.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Consolidated Financial Statements for Fiscals 2021, 2022 and 2023 and the 3 (three) months period ended June 30, 2023 included in this Draft Red Herring Prospectus.

Unless stated otherwise, industry and market data in this section has been obtained or derived from CareEdge Report, which was exclusively commissioned and paid for by our Company only for the purposes of the Issue. CareEdge Advisory was appointed by our Company on October 27, 2023. The data included herein includes excerpts from the CareEdge Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Issue), that have been left out or changed in any manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular year, refers to such information for the relevant year.

INTERNAL RISK FACTORS

Risks Relating to our Business

1. ***If we are unable to successfully implement our Expansion Project, including Captive Power Plant, our results of operations and financial condition could be adversely affected.***

   We intend to increase our installed capacities comprising of intermediate and final products from 231,600 MTPA, as of December 2023, to 500,100 MTPA, by undertaking certain major expansion plans. In addition, we also propose to increase our captive power plant's aggregate capacity from 5 MW, as of December 2023, to 20 MW through implementation of the Expansion Project. The Expansion Project is expected to become operational between Fiscal 2024 and Fiscal 2025. For further information, see "*Our Business — Our Strategies – Expansion of manufacturing facilities* " on page 180. The Expansion Project, would involve risks, including risks associated with the timely completion of these Expansion Project, and our failure to adequately manage these risks notwithstanding our upgraded operational and financial systems, procedures and controls could have a material adverse effect on our business, financial condition, results of operations and prospects. Factors that could affect our ability to complete the Expansion Project on time or at all, include completing the construction, receiving the machineries of desired quality and on scheduled time, obtaining or renewing required regulatory approvals and licenses, a decline in demand for our products and general economic conditions.

Our future growth depends on our ability to significantly increase both our manufacturing capacity and production throughout in a cost-effective and efficient manner. Our ability to expand production capacity is subject to significant risks and uncertainties, including the following:

- the need to raise significant additional funds to build additional manufacturing facility, which we may be unable to obtain on reasonable terms or at all;
- delays and cost overruns as a result of a number of factors, many of which may be beyond our control, such as our inability to secure successful contracts with equipment vendors or the unavailability of timely supplies of equipment and technologies;
- delays or denial of required approvals by relevant government authorities;
- diversion of significant management attention and other resources;
- failure to execute our expansion plans effectively;
- unavailability of timely supplies of equipment and technologies;
- failure to identify the right vendors who will supply quality products at correct prices; and
- failure to complete the Expansion Project within our estimated budget, failure of our contractors and suppliers to adhere to our specifications and timelines

If we are unable to implement the Expansion Project within our estimated time frame, we may be unable to expand our business, realise economies of scales by decreasing our costs, maintain our competitive position, or sustain profitability. There can be no assurance that we will complete any proposed expansion in a timely manner or whether it will result in increased production capacity as has been contemplated by our management. Further as and when we commission our Expansion Project, our raw material requirements and costs as well as our staffing requirements and employee expenses may increase and we may face other challenges in extending our financial and other controls as well as in realigning our management and other resources and managing our consequent growth. In the event that the risks and uncertainties discussed above or any other unanticipated risks, uncertainties, contingencies or other events or circumstances limit or delay our efforts to use the Net Proceeds to achieve the planned growth in our business, the use of the Net Proceeds for purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of your investment in our Equity Shares.

Our expansion plans and 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 attract, expand, train, motivate, retain and manage our workforce. We cannot assure you 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. Any of these factors may cause us to delay, modify or forego some or all aspects of our expansion plans. Further, there can be no assurance that we will be able to execute our strategies on time and within the budget estimated by the Company. In addition, our Expansion Project has not been appraised by any independent or third-party agency, and accordingly, in the absence of such independent appraisal, our expansion plans may be subject to change based on various factors which are beyond our control.

There can be no assurance that we will be able to obtain the required registrations/permissions or approvals in a timely manner or at all. Further, in the event of any unanticipated delay in utilisation or receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

2. ***We have not yet placed orders in relation to the capital expenditure to be incurred for the Expansion Project. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the plant and machineries or complete the civil and related works etc. in a timely manner, or at all, the same may result in time and cost over-runs.***

We intend to utilize substantial part of the Net Proceeds for funding capital expenditure requirements to set up the Expansion Project. The utilisation of the Net Proceeds will be monitored by the Monitoring Agency. While we have procured quotations from various vendors in relation to the capital expenditure to be incurred for the Expansion Project, we have not placed firm orders for all of them. We have placed orders for some of the machinery and equipment by utilising our internal accruals and loans availed from other lenders. We will also continue placing the orders as and when deemed appropriate by the management. For details in respect of the foregoing, see "*Objects of the Issue*" beginning on page 84. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure that we will be able to undertake such capital expenditure at the costs indicated by such quotations or that there will not be cost escalations over and above the contingencies proposed to be funded out of the Net Proceeds. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or completion of the civil and related works, or in the event the vendors are not able to provide the equipment and services in a timely manner, or at all, we may encounter time and cost overruns for the Expansion Project. Further, if we are unable to procure the requisite plant and machinery, equipment and ancillary items or avail services from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the similar kind of plant and machinery, equipment and ancillary items and services, which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment and services at acceptable prices or in a timely manner, may result in an increase in capital expenditure, extension or variation in the proposed schedule of implementation and deployment of the Net Proceeds, thereby resulting in an adverse effect on our business, prospects and results of operations.

We intend to use substantial part of the Net Proceeds for the Expansion Project to expand capacities in our product segments. The proposed object of the Issue is intended to be funded from a combination of internal accruals and Net Proceeds.

The total estimated cost for the Expansion Project is ₹1,645 million. We propose to fund the cost of the Expansion Project as follows:

Source of funds for total estimated cost	(₹ in million)
Net Proceeds	1,295
Internal Accruals	350

Our Expansion Project remains subject to the potential problems and uncertainties that civil construction project face including cost overruns or delays. Problems that could adversely affect our expansion plan include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. Further, there can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

3. If we are not able to obtain, renew or maintain our statutory and regulatory licenses, registrations and approvals required to operate our business, it may have a material adverse effect on our business, results of operations and financial condition.

We require certain statutory and regulatory licenses, registrations and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. There can be no assurance that we will be able to obtain these registrations and approvals including approvals in relations to power and water procurement in a timely manner or at all. Further, in the future, we may also be required to obtain new licenses, registrations and approvals for the Expansion Project. There can be no assurance that the relevant authorities will renew such licenses, registrations and approvals in a timely manner or at all. Further, these licenses, registrations and approvals are subject to several conditions, and we cannot assure that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by us to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our operations and may have a material adverse effect on our business. For further details on the licenses obtained by us and licenses for which renewal and other applications have been made, please see the chapter titled "*Government and Other Statutory Approvals*" beginning on page 321 of this Draft Red Herring Prospectus.

4. ***Loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials such as iron ore, iron ore pellet, coal may have an adverse impact on our ability to continue our manufacturing process without interruption and our ability to manufacture and deliver the products to our customers without any delay.***

   Our ability to remain competitive, maintain cost efficiency and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. We procure some of our primary raw materials, such as iron ore from NMDC vide an agreement and from Lloyds Metals and Energy Limited, Rungta Mines Limited on a purchase order basis; iron ore pellet from Sarda Energy and Minerals Ltd, JSW Techno Projects Management Ltd, Raipur Trademark Private Limited etc; coal vide the fuel supply agreement with South Eastern Coalfields Ltd. which accounted for 22.01% of our total coal purchases in Fiscal 2023, we also purchase imported coal from Jan Man Trade India LLP, Agarwal Coal Corporation Private Limited on a purchase order basis and dolomite from local suppliers in Chhattisgarh and Maharashtra. Except with NMDC and Southeastern Eastern Coalfields Ltd., we have not entered into long term contracts for the supply of such raw materials. Accordingly, we may encounter situations where we might be unable to manufacture and deliver our products due to, amongst other reasons, our inability to procure raw materials for our products. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic government policies, and regulatory and trade sanctions. Additionally, our inability to predict the market conditions may result in us placing supply orders for inadequate quantities of such raw materials.

   Although we have not faced significant disruptions in the procurement of raw materials in the past, there can be no assurance that we will procure the quantities and quality of raw materials commensurate with our requirements in the future. Further, any delay/failure to deliver or delivery of wrong or sub-standard raw materials by our suppliers may have a material and adverse effect on our business, results of operations and financial condition.

   In Fiscals 2021, 2022 and 2023, and the three months ended June 30, 2023, our top 3 (three) raw materials suppliers accounted for 46.96%, 44.16%, 43.77% and 69.25%, respectively, of our total raw material purchase costs. If any of our major suppliers ceases to have business dealings with us or materially reduces the quantity of raw materials supplied to us and we are unable to secure new suppliers for such raw materials to meet the requirements at our manufacturing plants, our production schedule may be delayed and our business, financial condition, results of operations and prospects will be adversely affected.

5. ***Inadequate or interrupted supply and price fluctuation of our raw materials could adversely affect our business, results of operations, cash flows, profitability and financial condition.***

   Manufacturing quantity and cost of our products are dependent on our ability to source raw materials at acceptable prices and maintain a stable and sufficient supply of our major raw materials. The principal raw materials used in our manufacturing process are iron ore, coal, iron ore pellet, dolomite etc. The costs of raw materials consumed for Fiscals 2021, 2022, 2023 and the three months period ended June 30, 2023 was ₹ 2,132.39, ₹ 3,143.15 ₹ 3,754.62 and ₹ 692.69 respectively, representing 73.35%, 75.91%, 72.81% and 65.55% respectively of our revenue from operations. The raw materials we use are subject to price volatility and unavailability caused by external conditions, such as commodity price fluctuations within India and globally, weather conditions, supply and demand dynamics, logistics and processing costs, our bargaining power with the suppliers, inflation and governmental regulations and policies. We generally pass on the cost escalations to our customers. However, we may not be able to pass on every instance of escalation in input costs and may have to pursue internal cost control measures or may have to absorb in some instances such as when the rate of our raw materials such as iron ore, coal, iron ore pellet, dolomite etc increases**.** Whenever the price of the material cost increases, we subsequently increase our sale price and whenever the raw material cost reduces, we subsequently reduce our sale price. If we are not able to effectively pass on our escalated costs to customers, such price escalations could have a material adverse impact on our result of operations, financial condition and cash flows.

   We fulfil our raw materials requirement from domestic markets. Except for coal and iron ore we have not entered into any long-term agreements with any of our raw material or inputs suppliers and we purchase such raw materials and inputs on spot order basis. Purchases made from our top 10 (ten) suppliers as mentioned in the chapter titled "*Management Discussion and Analysis of Financial Condition and Result of Operations*" beginning on page 289 of this Draft Red Herring Prospectus were ₹ 1,337.29 million, ₹ 2,093.07 million, ₹ 2,596.69 million and ₹ 585.54 representing 75.77%, 77.77%, 78.84% and 96.14% of our raw material purchases for Fiscals 2021, 2022, 2023 and the three months period ended June 30, 2023, respectively. While we may find additional suppliers to supply these raw materials, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules, credit terms or specified quality standards and technical specifications may adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers which could have a material adverse effect on our business, financial condition and results of operations. Further our raw material supply and pricing may become volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Therefore, we cannot assure that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms. Further, there can be no assurance that we will be able to effectively manage relationships with our existing or new suppliers or that we will be able to enter into arrangements with new suppliers at attractive terms or at all. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

6. ***The demand and pricing in the steel industry is volatile and sensitive to the cyclical nature of the industries it serves. A decrease in steel prices may have a material adverse effect on our business, results of operations, prospects and financial condition.***

Steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, international production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as, the construction and machinery industries. When downturns occur in these economies or sectors, we may experience decreased demand for our products, which may lead to a decrease in steel prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

For instance, During FY21, the average domestic finished steel prices peaked at ₹71,157 per tonne as of March 2021. Since then, the prices increased throughout FY22 on account of a revival in domestic demand as economic activities began to pick up after the easing of restrictions and lockdowns.

During FY22, prices were impacted by the geopolitical tension between Russia and Ukraine and stood at ₹85,820 per tonne as of March 2022. The geopolitical crisis continued and the prices were further pushed to ₹88,498 per tonne in the June 2022 quarter. The escalation in prices was also due to increased coking coal and iron ore prices globally. However, after a sharp rise, the prices declined by around 16% in the quarter ending September 2022 compared to the previous quarter.

Furthermore, the prices fell to ₹71,326 per tonne in December 2022. This decline was caused by the imposition of export duty on a range of finished steel products from the period May 2022 to November 2022, leading to lower exports and increased domestic inventories. In addition, the softening of iron ore and coking coal prices affected the steel prices in the domestic market.

Moreover, the prices observed a downward trend from the quarter ended March 2023 and fell to ₹ 70,001 per tonne as of September 2023, a decline of around 5% as compared to March 2023 and 6% on a y-o-y. (*Source: CareEdge Report*)

In addition, substantial decreases in steel prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery will most likely require a broad economic recovery, in order to underpin an increase in real demand for steel products by end users.

7. ***The steel industry is characterized by volatility in the prices of raw materials which could adversely affect our profitability.***

Steel production requires substantial amounts of raw materials and energy, including iron ore, iron ore fines, non-coking coal and coke, scrap and power, which are subject to significant price volatility. The production of steel is capital intensive, with a high proportion of fixed costs to total costs. Consequently, steel producers generally seek to maintain high capacity utilization. If capacity exceeds demand, there is a tendency for prices to fall sharply if supply is largely maintained. Conversely, expansion of capacity requires long lead times so that, if demand grows strongly, prices increase rapidly, as unutilized capacity cannot be brought on line as quickly. The result can be substantial price volatility.

After the reduced export duty on iron ore in November 2022, domestic prices began to rise. In January 2023, NMDC increased the prices for iron ore lumps and fines, which further boosted the prices. As of the quarter ended March 2023, iron ore prices stood at ₹ 4,383 per tonne, a growth of 8% as compared to the quarter ended December 2022. However, the prices of iron ore observed a fall of 4.5% q-o-q in the quarter ending June 2023 due to weak global demands, especially from China (the largest consumer of iron ore) as the recovery was slower than expected. The prices have exhibited an increase in trend during the quarter ended September 2023 with a growth rate of 11.4% q-o-q and 14.5% y-o-y.

We may be negatively affected by significant price volatility, particularly in the event of excess production capacity in the global steel market, and incur operating losses as a result.

8. ***Our existing manufacturing plants are critical to our business operations. The unexpected loss, shutdown or slowdown of operations at any of our manufacturing plants could have a material adverse effect on our business, results of operations and financial condition.***

Our existing manufacturing plants at Raipur and Bilaspur, Chhattisgarh are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, labour, disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. While we undertake precautions to minimize the risk of any significant operational problems at our plants, there can be no assurance that our business, financial position and operations will not be adversely affected by disruption caused by operational problems at our manufacturing plants. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, 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. The occurrence of any of these risks could affect our operations by causing production at one or more manufacturing plant to shut down or slowdown. No assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on our results of operations and financial condition.

Further, one of our primarily raw materials, coal, depending on our inventory levels at times, is also stored in open areas at our manufacturing plants and hence is prone to catching fire in the summer due to high temperatures. Any loss of coal as a result could have a material adverse effect on our results of operations and financial condition. In addition, some of our key equipment may, on occasion, be out of service as a result of routine servicing or unanticipated failures, which could require us to close part or all of the relevant manufacturing plant or cause production reductions on one or more of our manufacturing plants. Our manufacturing plant and such key equipment would be difficult and expensive to replace on a timely basis.

In addition, our existing manufacturing plants and operations require constant power supply. Our manufacturing plants inter alia are reliant on our captive power plants for the requirement of power. In Fiscals 2021, 2022 and 2023, power units produced from our captive power plants accounted for 51.98%, 56.81% and 54.94%, respectively, of our net power units consumed.

For the Fiscals 2021, 2022 and 2023 for our electricity and water expenses were ₹ 176.31, ₹ 180.93 and ₹ 227.05 constituting 6.06%, 4.37% and 4.40% respectively of our revenue from operations. To battle electricity failures, we also have DG set to meet exigencies at the Bilaspur Plant. However, we cannot assure you that our facilities will be operational during power failures. Any disruption in the supply of electricity may disrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities which may involve additional time and increase our costs. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline. Any disruption in the supply of power may disrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities which may involve additional time and increase our costs. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline. We source most of our electricity requirements for our manufacturing facilities from state electricity board. While we believe we have adequate stand-by power supply, this may not be adequate if the disruption in the supply of the power is for a longer period. Additionally, such standby power supply may not be sufficient to enable us to operate our facility at full capacity and any such disruption in the primary power supply available at our production facilities could materially and adversely affect our business, financial condition, results of operations and cash flows.

Any interruption in production may require significant and unanticipated capital expenditure to affect repairs or increase the cost of power, which could have a negative effect on profitability and cash flows. Any or all of these occurrences could result in the temporary or long-term closure of our manufacturing plants, severely disrupt our business operations and materially adversely affect our business, results of operations, financial condition and prospects.

9. ***We are required to pay penalty to suppliers of coal in the event we lift below specified percentage of the annual contracted capacity.***

Our manufacturing plants primarily acquire coal from South Eastern Coalfield pursuant to various fuel supply agreements. Under the fuel supply agreements, we are obligated to off take at least 75% of the annual contracted capacity failing which we are required to pay penalty. In the last 3 (three) years and period ended June 30, 2023 we did not face any non-compliance with such obligations. Any payment of liquidated damages may have an effect on our business, results of operations and financial condition.

10. ***Our existing and proposed manufacturing facilities are concentrated in a single region i.e., Chhattisgarh and the inability to operate and grow 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.***

Our existing manufacturing units are located at Raipur and Bilaspur, Chhattisgarh. Further our Expansion Project is also being implemented at Bilaspur, Chhattisgarh. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facilities are susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. During COVID-19 pandemic, on account of the government-imposed lockdown in India, operations at all of our manufacturing facilities were temporarily shut down and we were required to follow protocols as suggested by regulatory authorities, which impacted our ability to operate our manufacturing facilities at optimum utilizations.

Further, any materially adverse social, political or economic development, civil disruptions, or changes in the policies of the state government or state or local governments in this region could adversely affect our 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. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business.

11. ***Failure to comply with environmental laws and regulations by us could lead to unforeseen environmental litigation which could impact our business and our future net earnings.***

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances and wastes and the clean-up of contaminated sites. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to further invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing plants.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict. For further information, see "*Key Regulations and Policies in India*" on page 193.

12. ***Our business is substantially affected by prevailing economic, political and other prevailing conditions in India and globally.***

Our Company is incorporated in India, and our manufacturing operations are located in India. Our business and results of operations have been and continue to be affected by international, national and regional economic conditions. Unfavourable economic conditions in India or any of our key markets could have a material adverse effect on our business, results of operations, financial condition and prospects. As a result, we are highly dependent on prevailing economic conditions in India and the other key markets and our results of operations and cash flows are significantly affected by factors influencing the economy in India and such key markets. Factors that may adversely affect the economy in such countries, and hence our results of operations and cash flows, may include:

- any adverse change in the growth rate of the global economy;
- any increase in interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions;
- prevailing income conditions among consumers and corporates;
- volatility in, and actual or perceived trends in trading activity on, the relevant market's principal stock exchanges;
- changes in tax, trade, fiscal or monetary policies, including import restrictions;
- political instability, terrorism or military conflict in the region or globally, including in various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in the relevant country's principal export markets;
- any downgrading of debt rating by a domestic or international rating agency;
- instability in financial markets; and
- other significant regulatory or economic developments in or affecting the relevant country.

In particular, rates of economic growth have significant impacts on our consumers of steel and intermediate products, such as the automotive, infrastructure and the construction industries and declines in steel consumption caused by poor or unfavorable economic conditions in one or more of our major markets or by the deterioration of the financial condition of our key customers would have a material adverse effect on demand for our products and hence on our business and results of operations.

13. ***Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

As of June 30, 2023, we had a workforce of 533 comprising of 298 permanent employees including 4 Directors comprising 7 employees at the Registered Office, 200 employees at Raipur Plant and 87 employees at Bilaspur Plant and 235 contract workers for our operations. Although we have not experienced any work stoppages due to labour disputes or cessation of work in the recent past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Further, our employees are not unionised into any labour or workers' unions and under our management we have not experienced any major work stoppages due to labour disputes or cessation of work in the last 10 (ten) years. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are improbable for us to forecast or control and any such event could adversely affect our business, results of operations and financial condition.

14. ***If we do not continue to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of processing may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.***

We believe that going forward, our profitability and competitiveness will depend in large part on our ability to maintain low cost of operations, including our ability to process and supply sufficient quantities of our products as per the agreed specifications. If we are unable to respond or adapt to changing trends and standards in technologies and equipment, or otherwise adapt our technologies and equipment to changes in market conditions or requirements, in a timely manner and at a reasonable cost, we may not be able to compete effectively and our business, financial condition and results of operations may be adversely affected.

15. ***We do not have long-term agreements with our customers which would have a material adverse effect on our business, results of operations and financial condition.***

Our product offerings cater to industrial customers through our agents or by directly supplying to traders. Though we have had repeat orders from customers and have developed relationships with certain customers, we do not typically enter into long-term contracts with our customers. In the absence of long-term contracts, there can be no assurance that our existing customers will continue to purchase our products that may have a material adverse effect on our business, results of operations and financial condition. We are also exposed to risks of lower sales volume or lower price realization on such volumes depending on prevailing market conditions, as a result of such short-term arrangements. Our relationship with our customers are therefore dependent to a large extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries, and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers and agents. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement for our products and could result in a significant decline in the revenues we derive from such customers.

16. ***A shortage or non-availability of essential utilities such as electricity and water could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our business operations are heavily dependent on continuous supply of electricity and water which are critical to our manufacturing operations. While our power requirements are met through our captive power plants and through Chhattisgarh State Power Distribution Company Limited, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, while water is procured through a captive reservoir, river and municipal corporation, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. For further information pertaining to a pending approval in respect of ground water usage, see "*Government and Other Approvals*" and for details of liabilities towards water charges, see "*Restated Consolidated Financial Statements – Annexure VII– Note 47– Contingent Liabilities* on page 321 and 284, respectively. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition.

17. ***Our efforts to ensure high capacity utilization in our plants may result in oversupply of our products which may adversely affect our profitability.***

Our competitiveness and long-term profitability are, to a significant degree, dependent upon our ability to optimize capacity utilization and maintain low-cost and efficient production relative to competitors. Due to the high fixed costs related to steel production, steel producers generally attempt to maintain high capacity utilization rates in order to maintain their profitability. However, any excess capacity often results in manufacturers selling significant amounts of steel and steel products at prices that are at or below their costs of production. In addition, oversupply may result in decreased steel prices as well as lower utilization rate. Further, during periods of declining demand, this may result in a significant oversupply of steel and a corresponding decline in steel prices. This may be further exacerbated by reduced levels of GDP growth and government policies in major economies, including China and the United States. Continued low utilization rates would also affect our fixed costs, which cannot be fully reduced in line with production, leading to a higher per unit cost. A decrease in our utilization rate could have a material adverse effect on our business, financial condition and results of operations.

18. ***We face substantial competition from domestic steel producers, which may affect our prospects. Developments in the competitive environment in the steel industry, such as consolidation among our competitors, could have a material adverse effect on our competitive position and hence our business, financial condition, results of operations or prospects.***

The Indian steel industry is highly competitive. Our primary competitors include Tata Steel Limited, JSW Steel Limited, Steel Authority of India Limited, Jindal Steel and Power Limited, Godawari Power and ISPAT Limited, ESL Steel Limited, Sarda Energy & Minerals Limited and Shyam Metalics and Energy Limited *(Source: CareEdge Report*). As a manufacturer of TMT Bars, MS Billets and Sponge Iron products, we compete to varying degrees with other Indian steel manufacturers.

We believe that the key competitive factors affecting our business include product quality, capacity creation and utilization, changes in manufacturing technology, workforce skill and productivity, operating costs, pricing power with large buyers, access to funding, the degree of regulation and access to a regular supply of raw materials. We cannot assure prospective investors that we will be able to compete effectively against our current or emerging competitors with respect to each of these key competitive factors. In the past, there have been instances of consolidation among our competitors. Competition from global steel producers with expanded production capacities and new market entrants could result in significant price competition, declining margins and a reduction in revenue. For example, these companies may be able to negotiate preferential prices for certain products or receive discounted prices for bulk purchases of certain raw materials that may not be available to us. Further, changes in India's debt restructuring and insolvency laws, including the Insolvency and Bankruptcy Code, 2016, has led to consolidation among our competitors. In addition, our competitors may have lower leverage and/ or access to cheaper sources of funding. Larger competitors may also use their resources, which may be greater than ours, against us in a variety of ways, including by making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for our export products. The market is still highly fragmented, and if the trend towards consolidation continues, we could be placed in a disadvantageous competitive position relative to other steel producers and our business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete.

Further, competing domestic steel producers have increased their manufacturing capacity and we expect domestic competition to further intensify with the ramping up of new manufacturing plants by these competitors. Some of our domestic competitors may possess an advantage over us due to various reasons, such as captive raw material sources, greater economies of scale, integrated manufacturing plants, specialization in production of value-added or niche products, stronger distribution network and greater presence in certain markets. Maintaining or increasing our market share will depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including our ability to improve our manufacturing process and techniques, introduce new products, respond to pricing strategies of our competitors, and adapt to changes in technology and changes in customer preferences. Failure by us to compete effectively could have a material adverse effect on our business, financial condition and results of operations.

We also expect increasing competition from international steel producers due to the increasing consolidation in the steel industry worldwide. A number of our international competitors may have greater financial and other resources and some have announced plans to establish manufacturing operations in India. We may also face competition from new companies that are emerging which may attempt to obtain a share in our existing markets. These factors, among others, have intensified the competition from global steel players and there can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or that increased competition with respect to our activities may not have an adverse effect on our business, financial condition and results of operations.

19. ***We are predominantly dependent on the sale of our steel products. An inability to anticipate and adapt to evolving customer preferences and demand for particular product, or ensure product quality or reduction in the demand of our steel products may adversely impact demand for our products, brand loyalty and consequently our business prospects and financial performance.***

Our business prospects are dependent on the demand for our products amongst our existing customers and new customers. In addition, our financial performance is dependent on the sale of our steel products such as TMT Bars, MS Billets and Sponge Iron, which in Fiscals 2021, 2022 and 2023 was ₹ 2,802.43, ₹ 3,946.21 and

₹ 5,002.72, respectively which represented 96.41%, 95.31% and 97.01%, respectively of our total Revenue from operations.

As a result, our business and financial condition is dependent on the performance of the steel market in India and we are exposed to fluctuations in the performance of these markets. In the event of a decrease in demand for steel in India, we will experience pronounced effects on our business, results of operations, financial condition, cash flows and prospects. The steel market may be affected by, among others, changes in government policies, government initiatives, economic conditions, income levels and interest rates, which may negatively affect the demand for and the valuation of our products. These and other factors may negatively contribute to changes in the prices of and demand for our steel products and may materially adversely affect our business, financial condition, results of operations and cash flows.

20. ***We derive a significant portion of our revenues from our top 10 (ten) customers. The loss of, or a significant reduction in the revenues we receive from, one or more of these customers, may adversely affect our business.***

We derive a significant portion of our revenues from our Company's top 10 (ten) customers. In the Financial Years 2021, 2022 and 2023 and for the period ended June 30, 2023, our top 10 (ten) customers accounted for 58.27%,61.06%, 58.56% and 77.56% respectively, of our revenue from operations. While our top 10 (ten) customers are not necessarily the same every year, the top (10) ten customers contribute a significant portion of our revenues. In the Fiscal 2023, our largest customer accounted for 13.84% of our revenues. The loss of business derived from these customers or a significant reduction in, the revenues we receive from, one or more of these customers may adversely affect our business.

21. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds***.

Our Company proposes to utilize the Net Proceeds for funding the capital expenditure for implementing the Expansion Project to expand capacities of existing products and for general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Further the deployment of the Net Proceeds will be at the discretion of our Board and the management of our Company will have significant flexibility in applying the proceeds received by our Company from the Issue. However, the Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. Further in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorised to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Various risks and uncertainties, including those set forth in this section including inability to obtain necessary approvals for undertaking proposed activities, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

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

We may face an inherent business risk of exposure to product defects and subsequent liability claims if the use of any of our products results in personal injury or property damage, however, in the past existence of our business operations we have not faced any liability claim for our products which has resulted in personal injury or property damage. The products manufactured by us need to comply with certain standards as prescribed by the Bureau of Indian Standards (BIS). We may not be able to meet regulatory relevant quality standards in India, or the quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If any of our products do not meet regulatory standards or are defective, we may be, inter alia, (i) responsible for damages relating to any defective products, (ii) required to replace, recall or redesign such products or (iii) incur significant costs to defend any such claims.

The failure by us or any of our suppliers to achieve or maintain compliance with regulatory requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, until a new supplier has been identified and evaluated. The quality of raw materials will have an impact on the quality of the finished products and in turn affect our brand image, business and revenue. There is no assurance that our products will always meet the satisfaction of our customers' quality standards. Our failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including fines, injunctions, civil penalties, the refusal of regulatory authorities to grant approvals or renewal, delays, suspensions or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, all of which could harm our business. There can be no assurance that if we need to engage new suppliers to satisfy our business requirement, we will be able locate new suppliers in compliance with regulatory requirements in a timely manner, or at all. 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.

23. ***Information relating to the installed manufacturing capacity of our existing manufacturing plants included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the installed manufacturing capacity of our existing manufacturing plants included in this Draft Red Herring Prospectus are based on various assumptions and estimates based on the TEV Report. For further details, please refer chapter titled "*Our Business*" on page 175 of this Draft Red Herring Prospectus. These assumptions and estimates include the standard capacity calculation practice of steel industry after examining the equipment installed at the facilities, the period during which our manufacturing plants 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. 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 require us to make certain changes in our manufacturing processes thereby affecting our production schedules.

24. ***Our lenders have charge over our movable and immovable properties in respect of finance availed by us. Our inability to meet our obligations under our debt financing arrangements could adversely affect our business, results of operations and cash flows.***

We have provided security in respect of loans / facilities availed by us from our lender bank by creating a charge over our movable and immovable properties. The total amounts outstanding and payable by us as secured loans were ₹ 399.95 million, ₹ 425.14 million, ₹ 229.83 million and ₹ 149.60 million as on March 31, 2021, 2022 and 2023 and the three months period ended June 30, 2023 constituting 87.36%, 100.00%, 100.00% and 100.00%, respectively of total secured borrowings. For further details, please refer to "*Annexure VII- Note 18 – Borrowings – Non- Current and Note 22 – Borrowings – Current***"** on pages 264 and 266 under the chapter titled **"***Restated Consolidated Financial Statements***"** beginning on page 229 and "*Financial Indebtedness"* beginning on page 288 of this Draft Red Herring Prospectus.

In the event we default in repayment of the loans / facilities availed by us and any interest thereon, our properties may be subject to invocation/forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. Any failure on our part to comply with the terms in our loan agreements would generally result in events of default under these loan agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable.

25. ***Our loan agreements with lender bank have several restrictive covenants and certain unconditional rights in favour of the lenders, which could influence our ability to expand, in turn affecting our business and results of operations.***

We have entered into agreements for short term and long-term borrowings with our lender. As on March 31, 2023 an aggregate of ₹ 149.92 million as short-term loans (including Current maturities of Long term borrowings) constituting 65.23% of total borrowings and ₹ 79.91 million as long-term loans constituting 34.77% of total borrowings was outstanding towards loans availed from lender bank and financial institutions. For further details, please refer chapter titled "*Restated Consolidated Financial Statements*" under *Annexure VII-Note 18 – Borrowings (Non-Current) and Annexure VII-Current- Note 22-Borrowings (Current)* on pages 264 and 266 of this Draft Red Herring Prospectus. The credit facilities availed by our Company are secured by way of mortgage of fixed assets, hypothecation of current assets (both present and future), and personal guarantees given by our Promoters and one of our Whole-time Directors. In case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered and the loans granted to the Company may be recalled with penal interest. This could severely affect our operations and financial condition. In addition to the above, our loan documentation includes certain conditions and covenants that require us to obtain consents from the lender bank prior to carrying out certain activities like undertaking any scheme of expansion or making any fresh borrowings or creating fresh charges on assets, etc. Any failure to comply with any condition or covenant under our financing agreements that is not waived by the lending banks or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility, which may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed/enhanced/cancelled/ suspended/reduced and the terms and conditions of the same can be altered by the lender bank, at their discretion. In the event, the lender bank refuse to renew /enhance the credit facilities and/or cancels / suspends/ reduces the said credit facilities and/or alters the terms and conditions to the derogation of our Company, our existing operations as well as our future business prospects and financial condition may be severely affected.

26. A reduction in import duties on steel products in India may lead to increased competition from foreign companies, reduce our market share and reduce margins on our products.

The Union Budget 2021-22 has provided various proposals, including the reduction of import duty on finished and semifinished products to 7.5% from approximately 10% to 12.5% (*Source: CareEdge Report*). The import duty, along with lower freight costs and, in some countries, higher labour costs, have allowed domestic manufacturers to enjoy a significant price advantage over imported steel products in the domestic Indian market. However, any policy change by the Government, resulting in a reduction in import duties may assert downward pressure on our margins and prices.

Reductions in import duties and lower priced imports from countries that benefit from bilateral or multilateral trade agreements with India may have an adverse effect on our business, financial condition and results of operations.

27. We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our existing manufacturing plants for the performance of non-core tasks. Although we do not engage these labourers directly, we are responsible for any wage and statutory 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 conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

28. Competition from other materials or changes in the products or manufacturing processes of customers that use our steel products, could reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.

In many applications, steel competes with other materials that may be used as substitutes, such as aluminum (particularly in the automobile industry), cement, composites, glass, plastic and wood. Government regulatory initiatives mandating or creating incentives for the use of such materials in lieu of steel, whether for environmental or other reasons, as well as the development of other new substitutes for steel products, could significantly reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.

In addition, the steel market is characterized by evolving technology standards that require improved quality, changing customer specifications and wide fluctuations in product supply and demand. The products or manufacturing processes of the customers that use our steel products may change from time to time due to improved technologies or product enhancements. These changes may require us to develop new products and enhancements for our existing products to keep pace with evolving industry standards and changing customer requirements. If we cannot keep pace with market changes and produce steel products that meet our customers' specifications and quality standards in a timely and cost-effective manner, our business, results of operations, financial condition and prospects could be materially adversely affected.

29. ***Our Promoter Gopal Sponge and Power Private Limited and our Group Companies viz. Vraj Metaliks Private Limited, Utkal Ispat Private Limited and Kirti Ispat Private Limited are engaged in activities which is similar to our business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations.***

Our Promoter Gopal Sponge and Power Private Limited and our Group Companies viz. Vraj Metaliks Private Limited, Utkal Ispat Private Limited and Kirti Ispat Private Limited has have some of the objects similar to that of our Company's business and could offer products that are related to the business of our Company. The said Group Companies are majorly engaged in activities of manufacturing and/or sales of steel products. There can be no assurance that our Promoters or our Group Companies will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Thus, in future, conflicts of interests may arise in allocating business opportunities amongst our Company, our Promoter and our Group Companies in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies or ventures in which our Promoters have interest, which could have a material adverse effect on our reputation, business, results of operations and financial condition.

30. ***Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and manufacture and trade inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows. We estimate our sales based on the forecast, demand and requirements and also on the customer specifications. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts may adversely impact the supply of raw material and local transportation. Should our supply of raw materials be disrupted, we may not be able to procure an alternate source of supply in time to meet the demands of our customers. Such disruption to supply would materially and adversely affect our business, profitability and reputation. In addition, disruptions to the delivery of product to our customer may occur for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products. To improve our line capability, we try to stock our inventory at our existing manufacturing plants. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation.

31. ***We depend on third parties for our suppliers, logistics and transportation needs. Any disruptions in the same may adversely affect our operations, business, cash flows and financial condition.***

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation from our distribution centres to various stores. However, we do not enter into any formal agreements with the third parties for our logistics and transportation needs. Since the cost of our goods carried by third party transporters is typically much higher than the consideration paid for transportation, it may be difficult for us to recover damages for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a timely and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, transportation strikes and lock-outs, shortage of labour, delays and disruption of transportation services for events such as weather-related problems and accidents. Further, movement of goods encounters additional risks such as accidents, pilferage, spoilage, shrinkage and our inability to claim insurance may adversely affect our operations, results of operations and financial condition. Although we have not experienced any material logistics and transport related disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may not be cost-effective, thereby adversely affecting our operations, results of operations, cash flows and financial condition.

We rely on third party raw material suppliers for our business. We are exposed to the risk of these suppliers, third party manufacturers and service providers failing to adhere to the standards set for them by us and statutory and/ or regulatory bodies in respect of factors such as quality, quantum of production, weights and measures and safety standards and non-compliance of relevant rules and regulations, and any consequent action by such statutory and/ or regulatory bodies or otherwise, could adversely affect our business operations, results of operations, cash flows and financial condition, due to reasons such as shortage of supply, product liability claims and product recalls. This may also result in loss of confidence on the part of our customers and adversely affect our reputation. Further, any delay or failure to deliver the products in a timely manner, would result in adverse effect on our business operations, results of operation, cash flows and financial condition. Any litigation involving such third parties may cause a material adverse effect on our reputation.

32. ***Any failure to protect or enforce our rights to own or use trademarks and brand names and identities could have an adverse effect on our business and competitive position.***

As on the date of this Draft Red Herring Prospectus, we have filed an application for registration of 3(three) trademarks under Class 6, which are pending at various stages before the Trademarks Registry, India. For further details pertaining to the Intellectual Property of our Company, see "*Our Business –Intellectual Property*" and *"Government and Other Statutory Approvals"* on pages 190 and 321, respectively of this Draft Red Herring Prospectus. In the absence of trademark registrations, we may not be able to initiate an infringement action against any third party who may be infringing our trademarks. With respect to our trademarks that have been applied for and/or objected, we cannot assure you that we will be successful in such a challenge nor can we assure that eventually our trademark applications will be approved, which in turn could result in monetary loss or prevent us from selling our products under these trademarks.

We may not be able to prevent infringement of our trademarks. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. Further, if we do not maintain our brand identity, which is an important factor that differentiates us from our competitors, we may not be able to maintain our competitive edge. If we are unable to compete successfully, we could lose our customers, which would negatively affect our financial performance and profitability.

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, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, they could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Any of the foregoing could have an adverse effect on our business. Further, our efforts to protect these intellectual properties may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. The application of laws governing intellectual property rights in India is uncertain, evolving and could involve substantial risks to us.

33. ***Our Company, its Promoters, its Directors, and our Group Companies are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company, its Promoters, its Directors and our Group Companies are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Promoters/Directors, our Group Companies as on the date of this Draft Red Herring Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on December 23, 2023.

Name of Entity	**Criminal Proceedings**	**Tax proceedings**	**Statutory/ Regulatory proceedings**	**Disciplinary actions by the SEBI or stock Exchanges against the Promoters**	**Material civil litigations**	**Aggregate amount involved to the extent ascertainable (₹ in million) ***
Company						
By the Company	NIL	2	1	NIL	NIL	11.09
Against the Company	NIL	2(1)	3	NIL	NIL	67.73

Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against the Promoters	Material civil litigations	Aggregate amount involved to the extent ascertainable (₹ in million) *
Directors[(2)]						
By the Directors	NIL	NIL	NIL	NIL	NIL	NIL
Against the Directors	2	NIL	NIL	NIL	NIL	Not quantifiable
Promoters						
By the Promoters	NIL	12	NIL	NIL	NIL	54.62
Against the Promoters	5	4[(3)]	5	NIL	NIL	165.12
Group Companies						
By the Group Companies	NIL	7	NIL	NIL	NIL	24.63
Against the Group Companies [(4)]	NIL	NIL	1	NIL	NIL	7.26

** The aforementioned amounts have been recorded to the extent they are quantifiable.*
(1) Our Company has been granted a relief of ₹ 152,343/- against the total disputed amount of ₹702,718/-.
(2) Excluding legal proceedings against one of our Promoters namely Vijay Anand Jhanwar who is also our Director.
(3) One of our Promoters namely Gopal Sponge Power and Private Limited has been granted a relief ₹ 297,954/- against the total disputed amount of ₹398,826/-.
(4) Other than proceeding involving one of our Group Companies namely Vraj Metaliks Private Limited to which one of our Promoter namely Vijay Anand Jhanwar is also a party

There can be no assurance that these litigations will be decided in our favour or in favour of our Promoters/Directors and our Group Companies, respectively, and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases please refer the chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 309 of this Draft Red Herring Prospectus.

34. We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, results of operations, financial condition and cash flows.

We have entered into agreements with a bank for working capital facilities and term loan. As of June 30, 2023, we had total borrowings of ₹ 149.60 million, certain of which contain restrictive covenants, including requirements that we obtain consent from the lender prior to undertaking certain matters including such as launching a new scheme of expansion and incurring additional borrowing. As of the date of this Draft Red Herring Prospectus, we have received the consent required from our lender in connection with the Issue. Further, in terms of security, we are required to create a mortgage or charge over our movable and immovable properties. We may also be required to furnish additional security if required by our lenders. Additionally, these financing agreements also require us to maintain certain financial ratios such as current ratio, debt service coverage ratio and fixed asset coverage ratio. While we are in compliance with all such ratios as prescribed as per our financing agreements, we cannot assure you that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business. Further, there have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks. Certain of our financing agreements provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further, under certain of our financing agreements, the lender is entitled to charge the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our credit risk rating. This could result in a disruption in our operations, as we may not have sufficient vehicles to carry out our business activities.

35. We may be unable to comply with changes in environmental, health and safety, labour laws and other applicable regulations.

We are subject to various laws and regulations in relation to environmental protection, such as the Water Act, Air Act, as well as environmental laws and regulations, health and safety laws, and labour laws. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. For details on such regulations and policies applicable to our business, see "*Key Regulations and Policies in India*" beginning on page 193 of this Draft Red Herring Prospectus.

Laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air, soil and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could increase contingent costs, require considerable attention from the management, and adversely affect our reputation in the event we were found liable. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. Furthermore, in the event our manufacturing activities are shut down or suspended, we may continue to incur costs including those incurred to comply with regulations, appeal regulatory decisions, and compensate our workforce.

36. Our business prospects and continued growth depends on our ability to access financing at competitive rates and competitive terms, which amongst other factors is dependent on our credit rating.

We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates for our growth plans and cannot assure that we will obtain the desired credit ratings of our Company, in the future, which could have a material adverse effect on our business, results of operations and financial condition. Our business depends on our ability to obtain funds at competitive rates. The cost and availability of capital, amongst other factors, is also dependent on our current and future results of operations and financial condition, our ability to effectively manage risks, our brand and our credit ratings. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates if we fail to have favourable results of operations. While ratings reflect a rating agency's opinion of a company's financial strength, operating performance, strategic position, and ability to meet its obligations, currently, we have not obtained any credit ratings. Such absence of credit ratings could lead to high borrowing costs and limit our access to capital and lending markets and, as a result, could adversely affect our business. Post this Issue, our Promoters and Promoter Group will continue to hold majority shares in our Company.

37. We have had experienced negative cash flows from investing and financing in the recent past, and we may have negative cash flows in the future.

The following table sets forth net cash inflow/(outflow) from operating, investing and financing activities for three months period ended June 30, 2023 and Fiscals 2023, 2022 and 2021:

(₹ in million)

Particulars	June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash flow from operating activities	138.46	628.73	87.44	222.08
Net cash flow from/(outflow) investing activities	(51.40)	(403.68)	(13.59)	(60.01)
Net cash flow from/(outflow) financing activities	(86.25)	(225.19)	(72.15)	(161.49)
Net increase/(decrease) in cash and cash Equivalents	0.81	(0.14)	1.70	0.58

We cannot assure you that our net cash flows will be positive in the future. If our Company is not able to generate sufficient cash flows, our Company may not be able to generate sufficient amounts of cash flow to finance our projects, make new capital expenditure, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations. For further details, see "*Summary of Restated Consolidated Financial Statements*" and "*Management's Discussion and Analysis of Results of Operations and Financial Condition – Cash Flows"* beginning on pages 289 and 301 of this Draft Red Herring Prospectus, respectively.

38. We have certain contingent liabilities that have not been provided for in our Company's financials which if materialised, could adversely affect our financial condition.

Our contingent liabilities as on June 30, 2023 are as under:

(₹ in million)

Sr. No.	Particulars	As at June 30, 2023
1.	Tax Matters in Dispute	11.09
2.	Water Charges Penalty	1.98
3.	Corporate Guarantee provided to Vraj Metaliks Private Limited	250.00
4.	Demand of Energy Development Cess	23.95
5.	Demand of Electricity Duty	35.81
6.	LC/ BG issued for our benefit to SECL, NMDC, CECB	82.04

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled "*Restated Consolidated Financial Statements*" beginning on page 229 of this Draft Red Herring Prospectus.

39. We are dependent on our key management team and our success depends in large part upon our Promoters. The loss of or our inability to attract or retain such persons could materially adversely affect our business performance.

Our business and the implementation of our strategy is dependent upon our key management team, who oversee our day-to-day operations, strategy and growth of our business. There can be no assurance that we will be able to retain these personnel or find adequate replacements in a timely manner, or at all. We may not be able to hire and train replacement personnel immediately when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. Further, our competitors may offer compensation and remuneration packages beyond what we are offering to our key management team. If one or more members of our key management team are unable or unwilling to continue in their present positions, such persons would be difficult to replace in a timely and cost-effective manner, and our business, prospects, results of operations and cash flows could be materially adversely affected. For further details of the changes in KMPs and SMPs during the last financial year, see the section entitled "*Changes in the Key Managerial Personnel and Senior Managerial Personnel of our Company in the last 3 (three) years preceding the date of this Draft Red Herring Prospectus"* on page 218 under the chapter titled "*Our Management*" beginning on page 208, of this Draft Red Herring Prospectus.

The loss of key personnel or our inability to replace key personnel may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

40. Failure to procure and/ or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our Company has obtained insurance coverage in respect of certain risks. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. Further, there is no assurance that the insurance premium payable by us will be commercially viable or justifiable. For further details, please refer to the chapter titled "*Our Business*" on page 175 of this Draft Red Herring Prospectus.

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

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

In the ordinary course of business, we extend credit to our customers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. For the period ending on fiscal year 2021, 2022 and 2023 our trade receivables were ₹69.86 million, ₹118.34 million and ₹128.96 million constituting 2.40%, 2.86% and 2.50%, respectively, of revenue from operations. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

42. ***Certain of our Directors hold Equity Shares in our Company and are therefore, interested in our Company's performance in addition to their remuneration and reimbursement of expenses***.

Few of our Directors (including one of our Promoters) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. There can be no assurance that our Directors will exercise their rights as Shareholders to the benefit and best interest of our Company. For further details, see "*Annexure VII - Note 40 - Related Party Disclosure*" on page 275, under the chapter titled "*Restated Consolidated Financial Statements*" and "*Our Management*" on pages 229 and 208, respectively.

43. ***Our Directors and our Promoter, namely, Gopal Sponge and Power Private Limited have provided personal and corporate guarantees to certain loan facilities availed by us, which if revoked may require alternative arrangements guarantees, repayments of amounts due or termination of the facilities.***

Our Directors and our Promoter, namely, Gopal Sponge and Power Private Limited have provided personal and corporate guarantees, respectively in relation to certain loan facilities availed by us for further details, see the chapter titled "*Financial Indebtedness"* on page 288 of this Draft Red Herring Prospectus. In the event that any of these guarantees is revoked, the lenders for such facilities may require alternative guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders and as result may need to repay outstanding under such facilities or seek additional source of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial conditions.

44. ***Our business is dependent on the performance of the real estate, infrastructure and other related industries where our products are utilized. Uncertainty regarding the real estate market, infrastructure sector, economic conditions and other factors beyond our control could adversely affect demand for our products, our costs of doing business and our financial performance.***

Our products are primarily used in the real estate, infrastructure and related sectors. Adverse conditions in or uncertainty about these markets, or the economy could adversely impact our end-customers' confidence or financial condition, causing the reduction of demand for our products or delay purchasing or payment for those products. The performance of these sectors, and consequently the demand for our products in these sectors, are dependent on economic and other factors such as government policies, regulations and budgetary allocations as well as investments made in these industries and sectors. The financial performance of the end users of our products and any adverse developments that affect the tile industry and the real estate, infrastructure and related sectors where our products are used may adversely affect our business, results of operations and financial condition.

45. ***We are heavily dependent on machinery for our operations and any disruption to the same may cause interruption in business.***

Our existing manufacturing plants are dependent on plant and machinery. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Any significant malfunction or breakdown of our machineries may entail significant repair and maintenance costs and cause delays in our operations. While our Company has not entered into any technical support service agreements for our machineries which are repaired, our Company has its own in-house maintenance team to service/ repair the machinery. Any failure to quickly redress any technical issue may increase our downtime which may affect our business, results of operations and financial condition. Further, while we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner, or if we are unable to repair the malfunctioning machinery promptly, our manufacturing operations may be hampered, which could have an adverse impact on our business, results of operations and financial condition.

46. ***Our Company has in the past entered into related party transactions and may continue to do so in the future.***

We have entered into and may in the course of our business continue to enter into transactions specified under "*Annexure VII- Note 40 - Related Party Disclosure"* on page 275, under the chapter titled "*Restated Consolidated Financial Statements*" beginning on page 229 of this Draft Red Herring Prospectus. While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our financial condition, cash flows and results of operations.

47. ***We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date of this Draft Red Herring Prospectus, we have not made any alternate arrangements for meeting our capital requirements for the objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "*Objects of the Issue*" beginning on page 84 of this Draft Red Herring Prospectus.

48. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "*Dividend Policy*" beginning on page 228 of this Draft Red Herring Prospectus.

49. ***Certain of our existing shareholders together may be able to exert substantial voting control over our Company after completion of the Issue, which may limit your ability to influence the outcome of matters submitted for approval of our shareholders.***

Following the completion of the Issue, certain of our existing shareholders will continue to hold majority of our post- Issue Equity Share capital. This concentration of ownership could limit your ability to influence corporate matters requiring shareholder approval. These existing shareholders will have the ability to significantly influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any assignment or transfer of our interest in any of our licenses. In addition, if our shareholders do not act together, such matters requiring shareholder approval may be delayed or not occur at all, which could adversely affect our business. Moreover, these shareholders are not obligated to provide any business opportunities to us. If such other shareholders invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, financial condition, cash flows and results of operations. We cannot assure you that our existing shareholders will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

50. ***Our Promoters will continue to retain a majority shareholding in us after the Issue, which will allow them to exercise significant influence over us.***

After the completion of the Issue, our Promoters will hold approximately [●] % of our post-Issue equity share capital. Accordingly, our Promoters will continue to have significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This concentration of ownership may also 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 the Promoters. Further, the Promoters' shareholding may limit the ability of a third party to acquire control of our Company. The interests of our Promoters as our Company's controlling shareholders, could conflict with our Company's interests or the interests of our shareholders. There is no assurance that the Promoters will not act or vote in a manner which may conflict with the best interests of the Company or that of minority shareholders.

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

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

52. ***Certain sections of this Draft Red Herring Prospectus contain information from an industry report obtained from CareEdge Advisory, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from the CareEdge Report, which has been prepared by CareEdge Advisory. The CareEdge 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 Issue. Given the scope and extent of the CareEdge Report, disclosures are limited to certain excerpts and the CareEdge Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. However, the CareEdge Report is prepared based on information as of specific date thereof and may no longer be current or reflect current trends. Certain information in the CareEdge Report is subject to limitations and is also based on estimates, projections, forecasts and assumptions. Investors should not place undue reliance on, or base their investment decision solely on this information. 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 CareEdge Report before making any investment decision regarding the Issue. For further details, see "*Industry Overview*" on page 106.

53. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.

Our restated summary statements of assets and liabilities, restated summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the period ended June 30, 2023 and Fiscals March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared in accordance with the Ind AS.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

54. The Issue Price, market capitalization to total income multiple, market capitalization to earnings multiple, price to earnings ratio and enterprise value to EBITDA ratio based on the Issue Price of our Company, may not be indicative of the market price of the Equity Shares on listing.

Our market capitalization (based on the upper end of the Price Band) to total income (Fiscal 2023) multiple [●] times; our market capitalization (based on the upper end of the Price Band) to earnings (Fiscal 2023) multiple is [●] times; our price to earnings ratio (based on Fiscal 2023 profit for the year) is [●] at the upper end of the Price Band. The Issue Price will be determined on the basis of assessment of market demand for the Equity Shares issued through a book-building process, and certain quantitative and qualitative factors as set out in the section titled "*Basis for Issue Price*" on page 98, and the Issue Price, multiples and ratios may not be indicative of the market price of the Equity Shares on listing or thereafter. Prior to the Issue, 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 Issue. 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 cannot be assured. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and international markets, regulatory amendments, strategic alliances, force majeure situations, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

55. Pursuant to listing of the Equity shares, we may be subject to pre-emptive surveillance measures like additional Surveillance Measures ("ASM") and Graded surveillance Measures ("GSM") by the Stock Exchanges in the order to enhance market integrity and safeguard the interest of the investors.

On and post the listing of equity shares, we may be subject to ASM and GSM by the Stock Exchange(s) and the Securities and Exchange Board of India. These measures have been introduced in order to enhance market integrity, and safeguard the interest of investors and to alert and advise investors to be extra cautious and carry out necessary due diligence while dealing in such securities.

The criteria for shortlisting any scrip trading on the Stock Exchange(s) under the ASM is based on an objective criteria as jointly decided by SEBI and the Stock Exchanges(s) which include market based dynamic parameters such as high low variations, client concentration, close to close price variation, market capitalization, volume variation, delivery percentage, number of unique PANs and price to equity ratio. A scrip is typically subjected to GSM measures where there is an abnormal price rise that is not commensurate with the financial heath and fundamentals of a company which inter alia includes factors like earnings, book value, fixed assets and net worth to the equity ratio etc. The price of our equity shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, the performance of our competitors, change in the estimates of our performance or any other political or economic factor. The occurrence of any of the above-mentioned factors may trigger the parameters identified by SEBI and the Stock Exchange(s) for the placing securities under the GSM and ASM framework.

In the event of our Equity Shares are covered under such Pre-emptive surveillance measures implemented by SEBI and the Stock Exchange(s), we may be subject to certain additional restrictions in the relation to trading of our Equity Shares such as limiting trading frequency (for example trading either allowed in a week or a month) higher margin requirements of settlement on a trade for trade basis without netting off requirement of settlement on gross basis or freezing price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

EXTERNAL RISKS

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions, where some of our revenue from operations is generated. 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 and regional 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, global economic uncertainty and liquidity crisis, volatility in exchange currency rates. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevailing 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. ***Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, 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 materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory 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 or states to who we sell our products could have a negative effect on us. Further, the ongoing Russia-Ukraine conflict may also have adverse impact on our supply chain. However, the long-term risks associated with the conflict is not clear as of the date of this Draft Red Herring Prospectus. 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. A worsening of the current outbreak of COVID-19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

58. ***Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which our Company operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to the Company and our business. In such instances, and including the instances mentioned below, our business, results of operations and prospects may be adversely impacted, to the extent that our Company is unable to suitably respond to and comply with any such changes in applicable law and policy. Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

Additionally, the Government of India has 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, the implementation of such laws could increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, companies can 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 GoI has announced the union budget for Fiscal 2024, pursuant to which the Finance Bill, 2023 ("Finance Bill"), has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. Our Company cannot predict whether any amendments made pursuant to the Finance Act, 2023 would have an adverse effect on our business, financial condition and results of operations. Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

There can be no assurance that the GoI will not implement new regulations and policies requiring the Company to obtain approvals and licenses from the GoI 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 our Company operate may be time consuming as well as costly for the Company 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, our Company 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 unfavourable changes to the laws and regulations applicable to the Company could also subject to the additional liabilities on the Company.

Our Company is unable to determine the impact of any changes in or interpretations of existing, or the promulgation of, new, laws, rules and regulations applicable to the Company and its business. If that was to occur it could result in the Company, our business, operations or group structure being deemed to be in contravention of such laws and/or may require it to apply for additional approvals. Our Company may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for the Company to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

59. 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 further 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 favourable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

60. Political changes could adversely affect economic conditions in India.

Our Company is incorporated in India and derives the majority of its revenue from operations in India and the majority of its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

61. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India 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 wages, costs of rent 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 customers, 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 products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, there can be no assurance that Indian inflation levels will not worsen in the future.

62. ***A third-party could be prevented from acquiring control of us post this Issue, 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 Issue. 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.

SECTION III: INTRODUCTION

THE ISSUE

The following table summarises the details of the Issue:

Particulars	Number of Equity Shares
Issue of Equity Shares (1)(2)	Up to [●]* Equity Shares, aggregating to ₹ 1,710.00 million
The Issue consists of:	
A) QIB Portion (3) (4)(5)	Up to [●]* Equity Shares aggregating up to ₹ [●] million
of which:	
(i) Anchor Investor Portion	Up to [●]* Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●]* Equity Shares
Of which:	
(a) Available for allocation to Mutual Funds (5% of the Net QIB Portion)	Up to [●]* Equity Shares
(b) Balance of the Net QIB Portion for all QIBs including Mutual Funds	Up to [●]* Equity Shares
B) Non-Institutional Portion(4)(5)(6)(7)	Not less than [●]* Equity Shares aggregating up to ₹[●] million
Of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size between ₹ 2,00,000 to ₹ 10,00,000	[●] Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 10,00,000	[●] Equity Shares
C) Retail Portion (4)(5)(6)(7)	Not less than [●]* Equity Shares aggregating up to ₹[●] million
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue (as at the date of this Draft Red Herring Prospectus)	24,721,750 Equity Shares
Equity Shares outstanding after the Issue	[●]* Equity Shares
Utilisation of Net Proceeds	For information about the use of the Net Proceeds, please see "*Objects of the Issue*" on page 84 of this Draft Red Herring Prospectus

**Subject to finalization of the Basis of Allotment.*

(1) *The Issue has been authorised by a resolution by our Board of Directors dated December 20, 2023 and a resolution of our Shareholders dated December 21, 2023.*

(2) *Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of up to [●] Equity Shares aggregating up to ₹ 340.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to a minimum of at least 25% of the post-Issue paid-up Equity Share capital of our Company being offered to the public.*

(3) *Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion shall be accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion is available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors 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 back to the Net QIB Portion. 5% of the Net QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion (excluding Anchor Investor Portion) will be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids having being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Issue Procedure" on*

page 363 of this Draft Red Herring Prospectus.

(4) *Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Issue, Equity Shares shall be allocated in the manner specified in "Terms of the Issue" on page 352 of this Draft Red Herring Prospectus.*

(5) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or a combination of categories, as applicable, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to applicable law.*

(6) *Allocation to Bidders in all categories, other than Anchor Investor Portion, Retail Individual Portion and Non-Institutional Portion, shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Bidders 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. One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹1,000,000 and the unsubscribed portion in either of the above subcategories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The Allocation to each Non-Institutional Investor shall not be less than the minimum application size viz. ₹200,000, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see "Issue Procedure" on page 363 of this Draft Red Herring Prospectus.*

(7) *SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.*

For details, including grounds for rejection of Bids, refer to "*Issue Structure*" and "*Issue Procedure*" beginning on page 359 and 363 respectively. For details of the terms of the Issue, see "*Terms of the Issue*" on page 352.

SUMMARY OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

The summary financial information presented below should be read in conjunction with the Restated Consolidated Financial Statements, the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 229 and 289, respectively.

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RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Particulars	Period Ended	Year ended		
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
ASSETS				
Non- Current Assets				
Property, Plant & Equipment	483.71	496.46	545.42	604.55
Right-of-Use assets	32.95	33.06	33.47	33.88
Capital Work in Progress	21.36	1.94	1.94	1.57
Investments accounted for using equity method	169.29	159.90	136.10	117.86
Financial Assets				
Investments	16.01	16.01	14.48	11.24
Other Financial Assets	38.26	38.26	28.16	37.86
Other Non Current Assets	132.83	71.31	15.14	7.53
Total	**894.42**	**816.94**	**774.72**	**814.50**
Current Assets				
Inventories	332.43	317.10	319.30	224.91
Financial Assets				
Trade Receivables	61.10	128.96	118.34	69.86
Cash & Cash equivalents	3.45	2.64	2.78	1.08
Bank Balances other than (ii) above	348.48	86.83	36.91	32.95
Loans	134.91	355.91	0.57	0.57
Other Financial Assets	3.41	1.61	1.23	1.19
Other Current Assets	164.96	201.34	249.82	114.21
Current Tax Assets (Net)				
Total	**1,048.74**	**1,094.39**	**728.96**	**444.78**
Total Assets	**1,943.16**	**1,911.32**	**1,503.67**	**1,259.27**
EQUITY & LIABILITIES				
Equity				
Equity Share Capital	49.44	49.44	49.44	49.44
Other Equity	1,518.98	1,355.64	817.88	524.43
Total Equity	**1,568.42**	**1,405.08**	**867.32**	**573.88**
Liabilities				
Non- Current Liabilities				
Financial Liabilities				
Borrowings	55.93	79.91	170.92	282.40
Lease Liabilities	14.14	14.14	14.15	14.15
Provisions	6.78	6.78	5.32	3.73
Deferred Tax Liabilities (Net)	25.49	25.45	25.25	20.19
Total	**102.35**	**126.28**	**215.63**	**320.46**
Current Liabilities				
Financial Liabilities				
Borrowings	93.67	149.92	254.22	175.41
Lease Liabilities	1.57	1.57	1.57	1.57

Particulars	Period Ended	Year ended		
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Trade Payables				
Total outstanding dues of micro enterprises & small enterprises	0.35	2.38	0.11	0.39
Total outstanding dues of creditors other than micro enterprises & small enterprises	75.51	132.60	78.88	119.28
Other Financial Liabilities	28.86	25.36	23.23	31.86
Other Current Liabilities	38.14	30.91	27.80	32.23
Provisions	0.51	0.51	0.47	0.37
Current Tax Liabilities (Net)	33.77	36.71	34.43	3.83
	272.38	**379.95**	**420.72**	**364.94**
Total Equity & Liabilities	**1,943.16**	**1,911.32**	**1,503.67**	**1,259.27**

RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

Particulars	Period Ended	Year ended		
	June 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Revenue from Operations	1,056.78	5,156.71	4,140.43	2,907.06
Other Income	10.40	17.50	3.40	2.26
Total Income (I+II)	**1,067.18**	**5,174.21**	**4,143.84**	**2,909.32**
Expenses				
Cost of materials consumed	692.69	3,754.62	3,143.15	2,132.39
Purchase of Stock in Trade	1.98	60.40	53.99	18.21
Changes in inventories of finished goods, WIP and Stock in trade	(13.85)	10.60	(12.07)	34.03
Employee Benefits Expense	16.46	72.93	66.34	55.72
Finance Costs	6.03	29.88	39.49	59.83
Depreciation & Amortisation expenses	14.47	64.42	71.82	72.66
Other Expenses	141.81	491.39	409.23	392.41
Total Expenses	**859.58**	**4,484.23**	**3,771.95**	**2,765.25**
Share of Profit of associates	**9.38**	**28.86**	**13.42**	**14.45**
Profit/(loss) before Exceptional Items and Tax (III-IV+V)	**216.98**	**718.84**	**385.31**	**158.51**
Exceptional Items				
Profit/(loss) before Tax (VI-VII)	**216.98**	**718.84**	**385.31**	**158.51**
Tax Expense				
Current Tax	53.60	178.06	95.09	39.30
Deferred Tax	0.04	0.81	3.17	9.36
Total Tax Expense	**53.64**	**178.87**	**98.26**	**48.66**
Profit/(loss) after Tax (VIII-IX)	**163.34**	**539.97**	**287.04**	**109.85**
Other Comprehensive Income/(Loss)				
Items that will not be reclassified to profit or Loss				
Remeasurement of defined benefit obligation	-	0.74	0.23	0.02
Income Tax credit/(expense) for defined benefit obligation	-	(0.19)	(0.06)	0.00
Fair Valuation of investment in Equity Shares through OCI	-	1.50	3.24	0.93
Income Tax credit/(expense) for Revaluation of investments	-	(0.34)	(0.74)	(0.21)
Fair value adjustments in investment of Vraj Metaliks in Equity Shares of Chhattisgarh Steel & Power Ltd through OCI		(4.98)	4.78	(14.19)
Income Tax credit/(expense) for Revaluation of investments	5	1.14	(1.09)	3.25
Share of Other Comprehensive Income in associates	-	(0.08)	0.05	0.05
Total Other Comprehensive Income/(loss) net of taxes	**-**	**(2.21)**	**6.40**	**(10.17)**
Total Comprehensive Income/(loss) for the year (X+XI)	**163.34**	**537.76**	**293.45**	**99.68**
Earnings/(loss) per Share				
Basic	33.04	109.21	58.05	22.22
Diluted	33.04	109.21	58.05	22.22

RESTATED STATEMENT OF CASH FLOWS

(₹ in million)

Particulars	Period Ended	Year Ended		
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Cash Flow from Operating Activities				
Profit/(Loss) for the Year before share of profit/(loss) from Investments accounted using equity method	207.60	689.98	371.89	144.06
Adjustments for				
Depreciation & Amortisation Expense	14.47	64.42	71.82	72.66
Finance Cost	6.03	29.88	39.49	59.83
Interest Income	(10.35)	(16.90)	(3.26)	(2.09)
Profit/Loss on Sale of Property, Plant & Equipment	-	(0.03)	0.11	(0.09)
Operating Profit Before Working Capital Changes	**217.74**	**767.34**	**480.04**	**274.37**
Decrease/(Increase) in Inventories	(15.34)	2.21	(94.40)	13.84
Decrease/(Increase) in Trade Receivables	67.85	(10.61)	(48.49)	(21.34)
Decrease/(Increase) in Loans and Advances	0.07	(0.23)	(0.01)	(0.07)
Decrease/(Increase) in Other current & Non Current Assets	(25.14)	(7.69)	(143.21)	20.88
Decrease/(Increase) in Other Financial Assets	(1.80)	(10.49)	9.67	(17.47)
Increase/(decrease) in Other Current Liabilities	7.23	3.10	(4.42)	28.89
Increase/(decrease) in Other Financial Liabilities	3.50	2.13	(8.62)	23.82
Increase/(decrease) in Trade Payables	(59.12)	55.99	(40.68)	(68.77)
Increase/(decrease) in Provisions	-	2.25	1.92	1.29
Cash generated from/(used in) operations	**195.00**	**804.00**	**151.80**	**255.44**
Income Taxes Paid	(56.54)	(175.27)	(64.36)	(33.36)
Net Cash from/(used in) Operating Activities	**138.46**	**628.73**	**87.44**	**222.08**
Cash Flow from Investing Activities				
Payments for Property Plant & Equipment	(1.62)	(15.61)	(12.64)	(37.92)
Payment for Projects (Work In Progress)	(19.42)	-	(0.38)	(1.57)
Proceeds from sale of Property Plant & Equipment	-	0.60	0.25	0.11
Investment in other Companies	-	(0.03)	-	(3.93)
Change in Intercorporate Deposits	220.93	(355.11)	-	-
Fixed/restricted deposits with banks (placed)/realised (net)	(261.64)	(49.92)	(3.96)	(18.80)
Interest Received	10.35	16.39	3.13	2.09
Net Cash from/(used in) investing activities	**(51.40)**	**(403.68)**	**-13.59**	**(60.01)**
Cash Flow from Financing Activities				
Repayment of Long Term Borrowings	(23.98)	(91.01)	(144.98)	(305.91)
Receipt of Long Term Borrowings	-	-	33.50	167.69
Proceeds/(Repayments) of short-term borrowings (net)	(56.25)	(104.31)	78.81	36.56
Repayment of Lease Liability	(0.39)	(1.57)	(1.57)	(1.57)
Interest Paid	(5.63)	(28.31)	(37.92)	(58.25)
Net Cash from/(used in) financing activities	**(86.25)**	**(225.19)**	**(72.15)**	**(161.49)**
Net increase/(decrease in Cash and Cash Equivalents	**0.81**	**(0.14)**	**1.70**	**0.58**
Cash & Cash Equivalents at the beginning of the period	2.64	2.78	1.08	0.50
Cash & Cash Equivalents at the end of the period	3.45	2.64	2.78	1.08

GENERAL INFORMATION

Our Company was originally incorporated as **"**Phil Ispat Private Limited**"** as a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated June 16, 2004 issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh. Thereafter, pursuant to special resolution passed by the shareholders of our Company at the extraordinary general meeting held on September 29, 2023, the name of our Company was changed to **"**Vraj Iron & Steel Private Limited**"** and a fresh certificate of incorporation pursuant to change of name dated October 30, 2023 was issued by Registrar of Companies, Chhattisgarh. Thereafter, our Company was converted to a public limited company, pursuant to a special resolution passed by the shareholders of our Company at the extraordinary general meeting held on October 31, 2023 and the name of our Company was changed to ***"Vraj Iron & Steel Limited"*** and a fresh certificate of incorporation consequent upon conversion to a public limited company dated November 10, 2023 was issued to our Company by the Registrar of Companies, Chhattisgarh. The Corporate Identify Number of the Company is U27101CT2004PLC016701.

REGISTERED OFFICE OF OUR COMPANY

Vraj Iron and Steel Limited
First Floor, Plot No 63& 66,
Ph No 113, Mother Teresa Ward No. 43,
Jalvihar Colony, Raipur,
Chhattisgarh, India, 492001
Tel No: +91-771-4059002
Email: info@vrajtmt.in
Investor Grievance ID: info@vrajtmt.in
Website: www.vrajtmt.in

For details relating to changes in our registered office, see "History and Certain Corporate Matters - Changes in Registered Office" on page 201 of this Draft Red Herring Prospectus.

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate office.

Corporate Identification Number: U27101CT2004PLC016701
Registration Number: 016701

ADDRESS OF REGISTRAR OF COMPANIES
Our Company is registered with the Registrar of Companies, Chhattisgarh, which is situated at the following address:
1st Floor, Ashok Pingley Bhawan,
Municipal Corporation, Nehru Chowk,
Bilaspur-495001, Chhattisgarh.

Board of Directors of our Company

As on the date of this Draft Red Herring Prospectus, our Board of Directors is as set out below:

Name of Director	Designation	DIN	Address
Vijay Anand Jhanwar	Chairman and Managing Director	00826103	Bungalow No. 4, Las Vista Company, VIP Road, Amlidih, Raipur Chhattisgarh – 492001.
Prasant Kumar Mohta	Whole-Time Director	06668452	D 1 Devendra Nagar, Section 1, Raipur, Chhattisgarh - 492001.
Praveen Somani	Whole-Time Director	09297084	Duplex 2, Babji Park Colony, Ring Road no.2 Bilaspur, Civil Line, Rajendra Nagar, Bilaspur, Chhattisgarh – 495001.
Sanjeeta Mohta	Non-Executive Independent Director	07786544	Mohta House, E 1, Anupam Nagar, Behind TV Tower, Raipur, PIN: 492007, Chhattisgarh, India.

Name of Director	Designation	DIN	Address
Sumit Deb	Non-Executive Independent Director	08547819	H. No.8-3-678/21, 3rd Floor, Leela Mansion, Navodaya Colony, Yousufguda, Hyderabad, PIN: 500073, Telangana, India.
Pramod Kumar Vaswani	Non-Executive Independent Director	01627359	Vaswani Vatika, Near Gaurav Garden, VIP Road, Amlihdih, Raipur, Chhattisgarh – 49200.

For further details of our Directors, see "*Our Management*" on page 208 of this Draft Red Herring Prospectus.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Priya Namdeo
First Floor, Plot No 63& 66,
Ph No 113, Mother Teresa Ward No. 43,
Jalvihar Colony, Raipur,
Chhattisgarh, India, 492001
Tel No: +91-771-4059002
Email: info@vrajtmt.in

Investor grievances

Bidders are advised to contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related grievances such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non-receipt of funds by electronic mode, etc. For all Issue-related queries and for redressal of complaints, Investors may also write to the BRLM.

All Issue-related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or first Bidder, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, the Bid amount paid on submission of the Bid cum Application Form and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centers, as the case may be, quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Bid was submitted, and the ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

All grievances relating to the UPI mechanism may be addressed to the Registrar to the Issue with a copy to the relevant Sponsor Bank or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centers, as the case may be, quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Bid was submitted, and the UPI ID of the UPI ID Linked Bank Account in which the amount equivalent to the Bid Amount was blocked.

All grievances relating to Bids submitted through the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

The Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned above.

BOOK RUNNING LEAD MANAGER

Aryaman Financial Services Limited
60, Khatau Building, Ground Floor,
Alkesh Dinesh Modi Marg, Fort,
Mumbai – 400 001
Maharashtra, India
Tel: +91 22 6216 6999
Email: ipo@afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Website: www.afsl.co.in
Contact Person: Vatsal Ganatra/Deepak Biyani
SEBI Registration No: INM000011344

STATEMENT OF RESPONSIBILITIES

Aryaman Financial Services Limited is the sole Book Running Lead Manager to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by Aryaman Financial Services Limited and hence, a statement of inter-se allocation of responsibilities is not required.

LEGAL COUNSEL TO THE ISSUE

Messrs. Kanga and Company
Advocates & Solicitors
Readymoney Mansion
43, Veer Nariman Road
Mumbai – 400 001
Tel No: +91 22 6623 0000
Email: chetan.thakkar@kangacompany.com
Contact Person: Chetan Thakkar

STATUTORY AUDITORS TO OUR COMPANY

M/s. Amitabh Agrawal & Co., Chartered Accountants
109, Wallfort Ozone,
Fafadih Chowk, Raipur, Chhattisgarh-492001
Tel: +91-98931 21111/+91-8839128744
Email: amitabhagl@yahoo.com
Contact person: Amitabh Agrawal and Amar Sinha
Membership No.: 451734
Peer Review Number: 015171
Firm Registration Number: 006620C

Changes in statutory auditors during the last 3 (three) years

Except as stated below, there have been no changes in the Statutory Auditors of the Company in the last 3 (three) years:

Name of Statutory Auditor	Particulars of change	Date of change
M/s. Natwar Vinod and Co., Chartered Accountants	Resigned as statutory auditors of the Company on account of their pre-occupation with other professional assignments	September 15, 2023
M/s. Amitabh Agrawal & Co., Chartered Accountants	Appointment as Statutory Auditors of the Company	September 30, 2023

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited
S62, 6th Pinnacle Business Park,
Mahakali Caves Road, Next to Ahura Centre,
Andheri East, Mumbai – 400093
Maharashtra, India
Tel: +91 22-6263 8200
Fax: +91 22-6263 8299
Email: ipo@bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Babu Rapheal C.
SEBI Registration Number: INR000001385

BANKERS TO OUR COMPANY
HDFC Bank Limited
Near Express Highway Bridge,
Devendra Nagar,
Raipur, Chhattisgarh – 492001
Tel: +91-0771-4216401
Email: Bhawani.agrawal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Bhawani Agrawal

SYNDICATE MEMBERS

The Syndicate Member(s) will be appointed prior to filing of the Red Herring Prospectus with the RoC.

BANKERS TO THE ISSUE

The Bankers to the Issue will be appointed prior to filing of the Red Herring Prospectus with the RoC.

DESIGNATED INTERMEDIARIES

ESCROW COLLECTION BANK, PUBLIC ISSUE ACCOUNT BANK, REFUND BANK AND SPONSOR BANK

The Sponsor Bank/Refund Bank/Escrow Collection Bank, Public Issue Account Bank shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

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.

SELF CERTIFIED SYNDICATE BANKS ELIGIBLE AS SPONSOR BANKS FOR UPI MECHANISM

The list of SCSBs through which Bids can be submitted by the UPI Bidders using the UPI Mechanism, including details such as the eligible Mobile Applications and UPI handle which can be used for such Bids, is available on the website of the SEBI, and may be updated from time to time or at such other website as may be prescribed by SEBI from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website.

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 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders 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 Investors and RIBs) 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 www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time or any such other website as may be prescribed by SEBI 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 www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

REGISTERED BROKERS

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Bidders can submit the ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centers.

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 BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

REGISTRAR AND SHARE TRANSFER AGENTS (RTAs)

The list of the RTAs 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/Markets/PublicIssues/RtaDp.aspx and https://www.nseindia.com/products/consent/equities/ipos/asba-procedures.htm, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

In terms of SEBI circular no. CIR/CFD/ POLICYCELL/11/2015 dated November 10, 2015, Bidders can submit Bid cum Application Forms through CDPs who are depository participants registered with SEBI and have furnished their details to Stock Exchanges for acting in such capacity.

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

COLLECTING RTAs

In terms of SEBI circular no. CIR/CFD/ POLICYCELL/11/2015 dated November 10, 2015, Bidders can submit Bid cum Application Forms through Collecting RTAs who are registrars and transfer agents registered with SEBI and have furnished their details to Stock Exchanges for acting in such capacity.

The list of Collecting RTAs, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com and http://www.nseindia.com, respectively, as updated from time to time.

CREDIT RATING

As this is an Issue consisting only of Equity Shares, there is no requirement to obtain credit rating for the Issue.

GREEN SHOE OPTION

No Green Shoe Option is contemplated under this Issue.

BROKERS TO THE ISSUE

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

DEBENTURE TRUSTEE

As this is an Issue consisting of Equity Shares, the appointment of a debenture trustee is not required for the Issue.

IPO GRADING OF THE ISSUE

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

EXPERTS

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

Our Company has received written consent dated December 23, 2023, from our Statutory Auditors, M/s. Amitabh Agrawal and Co., Chartered Accountants, who hold a valid peer review certificate, to include its name as required under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of (i) the examination report dated December 23, 2023 on the Restated Consolidated Financial Statements; and (ii) the Statement of Special Tax Benefits dated December 24, 2023 included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Further, our Company has received written consent dated December 25, 2023, from Frontline Consultants Private Limited, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their TEV Report dated December 20, 2023 in relation to the expansion project of the Company for setting up of 350 TPD Sponge Iron unit having installed capacity of 1,15,500 MTPA along with 15 MW WHRB based Captive Power Plant and 15T X 3 Nos Induction Furnace Division having installed capacity of 1,53,000 MTPA along with Continuous Casting Machine (CCM) in the existing premises of the Company located at Bilaspur Division in Village Dighora, Tehsil: Takhatpur, District Bilaspur, Chhattisgarh, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

TRUSTEES

As this is an Issue consisting of Equity Shares, the appointment of trustees is not required.

MONITORING AGENCY

Our Company will appoint the monitoring agency for monitoring the utilization of the Net Proceeds in compliance with Regulation 41 of the SEBI ICDR Regulations, prior to filing of the Red Herring Prospectus with the RoC. For details, see "*Objects of the Issue – Monitoring of utilization of funds*" on page 96 of this Draft Red Herring Prospectus.

APPRAISING AGENCY

None of the objects for which the Net Proceeds will be utilized have been appraised by any agency. Accordingly, no appraising entity has been appointed in relation to the Issue.

FILING

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, as specified in Regulation 25(8) of SEBI ICDR 105Regulations and circular SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by SEBI. A copy of this Draft Red Herring Prospectus will also be filed with SEBI at:

Securities and Exchange Board of India

Corporation Finance Department
Division of Issues and Listing
Plot No.C4-A, 'G' Block
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400051, Maharashtra

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be filed with the RoC at its office and through the electronic portal at https://www.mca.gov.in/mcafoportal/login.do. For details of the address of the RoC, see "*Address of the Registrar of Companies*" on page 62.

BOOK BUILDING PROCESS

The book building, in context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company in consultation with the BRLM, and advertised in [●] editions of the widely circulated English national daily newspaper [●] and [●] editions of the widely circulated Hindi national daily newspaper [●] (Hindi being the regional language of Chhattisgarh, where our Registered Office is located) at least 2 (two) Working Days prior to the Bid/Issue Opening Date and was made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company, in consultation with the BRLM, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

(1) the Company;

(2) the BRLM;

(3) the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;

(4) the Registrar to the Issue;

(5) the Escrow Collection Banks/ Bankers to the Issue;

(6) the Sponsor Bank(s);

(7) the SCSBs; and

(8) the Registered Brokers.

All potential Bidders (excluding Anchor Investors) are mandatorily required to utilize the ASBA process to participate in the Issue by providing details of their bank account in which the corresponding Bid Amount which will be blocked by the SCSBs. UPI Bidders can also participate in the Issue through the UPI Mechanism under the ASBA process by either (a) providing the details of their ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders 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 Bidders can revise their Bids during the Bid /Issue Period and withdraw their Bids on or before the Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than the Anchor Investors), in the Issue will be on a proportionate basis. However, allocation to the Anchor Investors will be on a discretionary basis. For allocation to the Non-Institutional Bidders, the following shall be followed:

(a) One-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹ 200,000 and up to ₹ 1,000,000;

(b) Two-thirds of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹ 1,000,000.

Provided that the unsubscribed portion in either of the sub-categories specified under clauses (a) or (b), may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.

Each Bidder by submitting a Bid in the Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

For further details, see "*The Issue*", "*Terms of the Issue*" and "*Issue Procedure*" on pages 55, 352, and 363, respectively of this Draft Red Herring Prospectus.

Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for the Issue. In this regard, our Company has appointed the BRLM to manage the Issue and procure subscriptions to the Issue.

The Book Building Process under the SEBI ICDR Regulations is subject to change from time to time and Bidders are advised to make their own judgment about an investment through the Book Building Process prior to submitting a Bid in the Issue.

For further details on the method and procedure for Bidding, see "*Issue Structure*" and "*Issue Procedure*" on pages 359 and 363, respectively of this Draft Red Herring Prospectus.

Bidders should note that the Issue is also subject to (i) filing of the Prospectus by the Company with the RoC; and; (ii) the Company obtaining final listing and trading approvals from the Stock Exchanges, which the Company shall apply for post-Allotment.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Terms of the Issue*" and "*Issue Procedure*" on pages 352 and 363, respectively.

UNDERWRITING AGREEMENT

After the determination of the Issue Price, but prior to the filing of the Red Herring Prospectus or the Prospectus with the RoC, as applicable, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. The extent of underwriting obligations and the Bids to be underwritten by each Underwriter shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein. The Underwriting Agreement is dated [●].

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before the filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

The above mentioned is indicative underwriting and will be finalized after determination of the Issue Price and actual allocation subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on a certificate given by the Underwriters), the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as merchant bankers with SEBI or as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●], approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

Notwithstanding the table above, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to the Equity Shares allocated to the Bidders procured by them in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC. The Underwriting Agreement shall list out the role and obligations of each Syndicate Member, and *inter alia* contain a clause stating that margin collected shall be uniform across all categories indicating the percentage to be paid as margin by the Bidders at the time of Bidding. The extent of underwriting obligations and the Bids to be underwritten in the Issue by the BRLM shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The Equity Share capital of the Company, as at the date of this Draft Red Herring Prospectus and after the proposed Issue is set forth below:

(in ₹ except share data or where indicated otherwise)

	Particulars	Aggregate Value at Face value (in ₹)	Aggregate Value at Issue Price (in ₹)
A.	**AUTHORISED SHARE CAPITAL#**		
	4,00,00,000 Equity Shares of ₹ 10 each	4,00,000,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	24,721,750 Equity Shares of ₹ 10 each	247,217,500	-
C.	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Issue of up to [●]* Equity Shares (1)(2)	[●]	[●]
	Which includes:		
	Issue of up to [●] * Equity Shares (1)	[●]	[●]
	The Issue comprises of:		
	A) QIB Portion		
	of which:		
	i Anchor Investor Portion	[●]	[●]
	ii Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●]	[●]
	of which:		
	(a) Available for allocation to Mutual Funds only (5% of the QIB Portion)	[●]	[●]
	(b) Balance for all QIBs including Mutual Funds	[●]	[●]
	B) Non-Institutional Portion		
	of which:		
	One-third of the Non-Institutional Portion available for allocation to Bidders with an application size between ₹ 200,000 to ₹ 1,000,000	[●]	[●]
	Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1,000,000	[●]	[●]
	C) Retail Portion	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of face value of ₹ 10 each*	[●]	
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	172,831,300	
	After the Issue	[●]	

**To be updated upon finalization of the Issue Price and subject to the Basis of Allotment.*

(1) *The Issue has been authorized by way of a resolution of our Board dated December 20, 2023 and by way of a special resolution of our Shareholders, dated December 21, 2023.*

(2) *Our Company, in consultation with the BRLM, may consider a Pre-IPO placement of up to* [●] *Equity Shares aggregating up to ₹ 340.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is undertaken, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.*

For details of changes to the Company's authorised share capital in the last ten (10) years, see "History and Certain Corporate Matters" on page 201

Notes to Capital Structure

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

A. **The following table sets forth the history of the Equity Share Capital of our Company:**

Date of allotment of Equity Shares	No. of Equity Shares Allotted	Face Value per Equity Share (in ₹)	Issue Price Per Equity Share (in ₹)	Nature of considera tion	Reasons/ Nature of allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Share Capital (in ₹)
Initial Subscription to MoA	20,000	10	10	Cash	Subscription to MOA (1)	20,000	200,000
March 25, 2007	193,750	10	100	Cash	Further Issue (2)	213,750	2,137,500
March 31, 2008	734,500	10	100	Cash	Further Issue (3)	948,250	9,482,500
March 10. 2009	292,000	10	100	Cash	Further Issue (4)	1,240,250	12,402,500
February 10,2010	394,000	10	50	Cash	Further Issue (5)	1,634,250	16,342,500
March 31, 2010	959,000	10	50	Cash	Further Issue (6)	2,593,250	25,932,500
March 30, 2011	1,240,000	10	10	Cash	Further Issue (7)	3,833,250	38,332,500
March 28, 2014	1,111,100	10	18	Cash	Further Issue (8)	4,944,350	49,443,500
September 29, 2023	19,777,400	10	Nil	Considerat ion other than cash	Bonus Issue (9)	24,721,750	247,217,500

Note 1

Date of Allotment: Initial subscription of MOA

Sr. No.	Name	No. of Equity Shares
1.	Pradeep Jha	10,000
2.	Praveen Jha	10,000
	Total	**20,000**

Note 2

Date of Allotment: March 25, 2007

Sr. No.	Name	No. of Equity Shares
1.	Sravasti Udyog Viniyog Private Limited	49,750
2.	Gloria Credit and Commerce Private Limited	71,000
3.	Sravasti Nidhi Private Limited	73,000
	Total	**193,750**

Note 3

Date of Allotment: March 31, 2008

Sr. No.	Name	No. of Equity Shares
1.	Gloria Credit & Commerce Private Limited	80,000
2.	Innovative Delcom Private Limited	120,000
3.	Perfect Tradecom Private Limited	93,500
4.	Rajlakshmi Vanijya Private Limited	31,000
5.	Satyam Tradecom Private Limited	63,000
6.	Sravasti Nidhi Private Limited	50,000
7.	Sravasti Udyog Viniyog Private Limited	47,000
8.	Ashok Gupta	9,500
9.	Kishiore Kediya	9,500
10.	Nirmal Kanti Ghosh	9,500
11.	Raj Kamal Agrawal	9,500
12.	Shio Ratan Khemka	9,500
13.	Awadh Kishore Bhagat	9,500
14.	Bhagwati Prasad Jhunjhunwala	9,500
15.	Jamuna Sankar	9,500
16.	Rita Devi Shankar	9,500
17.	Ratan Lal Sankar	9,500
18.	Baccharam Sharma	9,500
19.	Sunita Sharma	9,500
20.	Vinod Sharma	9,500
21.	Vikas Jain	9,500
22.	Neelam Jain	9,500
23.	Ajay Agarwal	9,500
24.	Anil Agarwal	9,500
25.	Rakesh Sankar	9,500
26.	Sanjiv Banerjee	9,500
27.	Ashoke Sankar	9,500
28.	Prakash Sankar	9,500
29.	Ghanshyam Shukla	9,500
30.	Pawan Kumar Sureka	9,000
31.	Pratima Jhunjhunwala	9,000
32.	Vidita Verma	9,000
33.	Pradeep Kumar Shukla	9,000
34.	Manoj Kumar Tiwari	5,000
	Total	**734,500**

Note 4

Date of Allotment: March 10, 2009

Sr. No.	Name	No. of Equity Shares
1.	Innovative Delcom Private Limited	20,000
2.	Sattyam Tradecom Private Limited	40,000
3.	Akriti Fashion Private Limited	15,000
4.	BlueBird Suppliers Private Limited	16,000

Sr. No.	Name	No. of Equity Shares
5.	Casino Securities Private Limited	51,000
6.	Fairdeal Vinimay Private Limited	12,000
7.	Falcon Securities Private Limited	54,000
8.	Fantasy Tie-Up Private Limited	15,500
9.	Garima Advisory Private Limited	9,000
10.	Glodenvalley Mercantile Pvt. Ltd	12,500
11.	Imperial Vinimay Private Limited	10,000
12.	Camellia Comotrade Private Limited	25,000
13.	Millennium Suppliers Private Limited	12,000
	Total	**292,000**

Note 5

Date of Allotment: February 10, 2010

Sr. No.	Name	No. of Equity Shares
1.	N.K Bhojani Private Limited	394,000
	Total	**394,000**

Note 6

Date of Allotment: March 31, 2010

Sr. No.	Name	No. of Equity Shares
1.	Sector Infrastructure Private Limited	164,000
2.	Goldy Residency Private Limited	86,000
3.	Himadri Dealcom	78,000
4.	Ultraplus Dealcom Private Limited	60,000
5.	Viewpoints Retail Private Limited	22,000
6.	Victor Dealers Private Limited	40,000
7.	Drishti Auto Parts & Accessories Private Limited	150,000
8.	Gita Bhojani	30,000
9.	Nimish Kumar Bhojani	29,000
10.	Sharad Kumar Thacker	41,000
11.	Manish Thacker	26,000
12.	Leena Thacker	17,000
13.	Ramnik Lal Thacker	20,000
14.	Dolly Thacker	68,000
15.	N.K Bhojani Private Limited	128,000
	Total	**959,000**

Note 7

Date of Allotment: March 30, 2011

Sr. No.	Name	No. of Equity Shares
1.	Dolly Thacker	150,000
2.	Gita Bhojani	150,000
3.	Leena Thacker	40,000

Sr. No.	Name	No. of Equity Shares
4.	Manish Thacker	50,000
5.	N.K.Bhojani Private Limited	2,00,000
6.	Nimish Kumar Bhojani	2,50,000
7.	Ramnik Lal Thacker	60,000
8.	Sharad Kumar Thakkar	250,000
9.	Tushar Thacker	90,000
	Total	**1,240,000**

Note 8

Date of Allotment: March 28, 2014

Sr. No.	Name	No. of Equity Shares
1.	V. A. Transport Private Limited	1,111,100
	Total	**1,111,100**

Note 9

Date of Allotment: September 29 ,2023

Sr. No.	Name	No. of Equity Shares
1.	Gopal Sponge & Power Private Limited	14,386,320
2.	V.A. Transport Private Limited	4,444,400
3.	Vijay Anand Jhanwar	793,340
4.	Kusum Lata Maheswari	153,340
	Total	**19,777,400**

2. Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.
3. Except as detailed below, our Company has not issued any Equity Shares for consideration other than cash since incorporation:

Date of the allotment	No. of Equity Shares	Face value (in ₹)	Issue Price (in ₹)	Reasons for allotment and Benefits accruing to the Company	Form of consideration	Person to whom the allotment was made
September 29,2023	19,777,400	10.00	N.A.	Bonus issue in the ratio of four Equity Shares for every one existing Equity Share held	N.A.	Please refer the table listed below

The bonus issue was in the ratio 4:1 (For every 1 (one) Equity Share held by our the then shareholders 4 (four) Equity Shares were allotted to them) on September 29, 2023. The bonus issue was authorised by a resolution passed in the Board meeting dated September 29, 2023 and a resolution passed by our Shareholders at the EGM dated September 29, 2023 and the following are the particulars of the bonus issue:

Sr. No.	Name	No. of Equity Shares
1.	Gopal Sponge & Power Private Limited	14,386,320
2.	V.A Transport Private Limited	4,444,400
3.	Vijay Anand Jhanwar	793,340
4.	Kusumlata Maheswari	153,340

Sr. No.	Name	No. of Equity Shares
	Total	19,777,400

4. As on date of this Draft Red Herring Prospectus, no Equity Shares have been allotted by our Company pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-234 of Companies Act, 2013.
5. As on date of this Draft Red Herring Prospectus, no Equity Shares have been issued out of capitalization of its revaluation reserves or unrealized profits by our Company
6. As on date of this Draft Red Herring Prospectus, no Equity shares have been allotted under any employee stock option scheme or employee stock purchase scheme.
7. Except the Bonus Issue as stated above in the "*Share Capital History of the Company*", our Company has not issued any Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus, which may be at a price lower than the Issue Price.
8. **Build-up of Promoters' shareholding in our Company:**

a) ***History of Equity Share capital held by our Promoters:***

As on the date of this Draft Red Herring Prospectus, our Promoters hold 2453,0045 Equity Shares, constituting 99.22% of the issued, subscribed and paid-up Equity Share capital of our Company. The build-up of shareholding of Promoters since incorporation is as follows:

Gopal Sponge and Power Private Limited

Date of Allotment / Transfer and Date when made Fully Paid up	No. of Equity Shares Allotted/ Transferred	Face Value per Equity Share (in ₹)	Issue/ Acquisition/ Transfer Price per Equity Share (in ₹)	Consideration	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post-Issue Paid up Capital
March 30, 2012	1,725,000	10.00	30.00	Cash	Transfer [(1)]	6.97%	[●]
April 05, 2012	321,750	10.00	30.00	Cash	Transfer [(2)]	1.30%	[●]
April 25, 2012	52,125	10.00	30.00	Cash	Transfer [(3)]	0.22%	[●]
April 25, 2012	65,700	10.00	25.00	Cash	Transfer [(4)]	0.26%	[●]
June 11, 2012	396,830	10.00	25.00	Cash	Transfer [(5)]	1.60%	[●]
November 25, 2012	1,035,175	10.00	17.00	Cash	Transfer [(6)]	4.19%	[●]
September 29, 2023	14,386,320	10.00	N.A	Consideration other than cash	Bonus Allotment	58.20%	[●]
Total	**17,982,900**					**72.74%**	

[(1)] *Transfer from Gita Bhojani (300,000 Equity Shares), N.K Bhojani Private Limited (1,088,000 Equity Shares), Nimish Kumar Bhojani (140,000 Equity Shares), Expert Material Handling Services (197,000 Equity Shares);*

[(2)] *Transfer from Manish Thacker (76,000 Equity Shares), Leena Thacker (57,000 Equity Shares), Ramnik Lal Thacker (80,000 Equity Shares), Tushar Thacker (108,750 Equity Shares;*

[(3)] *Transfer from Nimish Kumar Bhojani (52,125 Equity Shares);*

[(4)] *Transfer from Nimish Kumar Bhojani (65,700 Equity Shares);*

[(5)] *Transfer from Sharad Kumar Thacker (261,750 Equity Shares), Gita Bhojani (52,125 Equity Shares), Dolly Thacker (31,955 Equity Shares), Expert Material Handling services Pvt Ltd (51,000 Equity Shares);*

(6) *Transfer from Nimish Kumar Bhojani (588,425 Equity Shares), Sharad Kumar Thacker (446,750 Equity Shares).*

V.A. Transport Private Limited

Date of Allotment / Transfer and Date when made Fully Paid up	No. of Equity Shares Allotted/ Transferred	Face Value per Equity Share (in ₹)	Issue/ Acquisition/ Transfer Price per Equity Share (in ₹)	Consideration	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post-Issue Paid up Capital
March 28, 2014	1,111,100	10.00	18.00	Cash	Allotment	4.49%	[●]
September 29, 2023	4,444,400	10.00	Not Applicable	Consideration other than cash	Bonus Allotment	17.98%	[●]
Total	**5,555,500**					**22.47%**	

Vijay Anand Jhanwar

Date of Allotment / Transfer and Date when made Fully Paid up	No. of Equity Shares Allotted/ Transferred	Face Value per Equity Share (in ₹)	Issue/ Acquisition/ Transfer Price per Equity Share (in ₹)	Consideration	Nature of Transaction	% of Pre-Issue Paid up Capital	% of Post-Issue Paid up Capital
March 30, 2012	150,000	10.00	30.00	Cash	Transfer (1)	0.62%	[●]
November 11, 2013	48, 335	10.00	NIL	Consideration other than Cash	Transmission (2)	0.19%	[●]
September 29, 2023	793,340	10	Not Applicable	Consideration other than Cash	Bonus Allotment	3.2%	[●]
October 30, 2023	(30)	10	10	Cash	Transfer (3)	Negligible	[●]
Total	**991,645**					**4.01%**	**[●]**

(1) *Transfer from Dolly Thacker (150,000 Equity Shares);*

(2) *Transmission from Ram Gopal Jhanwar (48,335 Equity Shares);*

(3) *Transferred to Praveen Somani (10 Equity Shares), Prashant Kumar Mohta (10 Equity Shares) and Shriram Verma (10 Equity Shares) for minimum requirement of 7 shareholders at the time of conversion from Private Limited to Public Limited.*

9. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares.
10. None of the Equity Shares held by our Promoters are pledged.
11. Details of equity shareholding of the major shareholders of our Company**:**

i. Names of Equity Shareholders of the Company holding 1% or more of the paid-up capital of the Company aggregating to 80% or more of the paid-up share capital and the number of Equity Shares held by them as on the date of the filing of this Draft Red Herring Prospectus:

S. No.	Name of Equity Shareholders	No. of Equity Shares	% of Pre- Issue Equity Share Capital	% of Post-Issue Equity Share Capital
1.	Gopal Sponge and Power Private Limited	17,982,900	72.74%	[●]
2.	Vijay Anand Jhanwar	991,645	4.01%	[●]
3.	V.A. Transport Private Limited	5,555,500	22.47%	[●]
	Total	24,530,045	99.22%	[●]

ii. None of the Equity shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the DRHP are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.

iii. Set forth below is a list of shareholders holding 1% or more of the paid -up Equity Share capital of our Company, on a fully diluted basis, and the number of Equity Shares held by them, as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of Equity Shareholders	No. of Equity Shares	% of Pre- Issue Equity Share Capital	% of Post-Issue Equity Share Capital
1.	Gopal Sponge and Power Private Limited	3,596,580	72.74%	[●]
2.	Vijay Anand Jhanwar	198,335	4.01%	[●]
3.	V.A Transport Private Limited	1,111,100	22.47%	[●]
	Total	4,906,015	99.22%	

iv. Set forth below is a list of shareholders holding 1% or more of the paid -up Equity Share capital of our Company, on a fully diluted basis, and the number of Equity Shares held by them, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of Equity Shareholders	No. of Equity Shares	% of Pre- Issue Equity Share Capital	% of Post-Issue Equity Share Capital
1.	Gopal Sponge and Power Private Limited	3,596,580	72.74%	[●]
2.	Vijay Anand Jhanwar	198,335	4.01%	[●]
3.	V.A Transport Private Limited	1,111,100	22.47%	[●]
	Total	4,906,015	99.22%	

v. Set forth below is a list of shareholders holding 1% or more of the paid -up Equity Share capital of our Company, on a fully diluted basis, and the number of Equity Shares held by them, as of 10 (ten) days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of Equity Shareholders	No. of Equity Shares	% of Pre- Issue Equity Share Capital	% of Post-Issue Equity Share Capital
1.	Gopal Sponge and Power Private Limited	17,982,900	72.74%	[●]
2.	Vijay Anand Jhanwar	991,645	4.01%	[●]
3.	V.A Transport Private Limited	5,555,500	22.47%	[●]
	Total	24,530,045	99.22%	[●]

vi. The Company has not made any initial public offering of specified securities in the preceding 2 (two) years.

12. Except for the allotment of Equity Shares pursuant to the Issue and the Pre-IPO Placement, if any the Company presently does not intend or propose to alter its capital structure from the date of filing of the Draft Red Herring Prospectus until a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of 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 Equity Shares, or through a rights issue or further public issue of Equity Shares, or otherwise.

13. As on the date of the Draft Red Herring Prospectus, the Company has 7 (seven) equity shareholders.

14. **Details of Shareholding of our Promoters and members of Promoter Group in the Company**

The following is the Equity shareholding of our Promoter and Promoter Group as of the date of filing this Draft Red Herring Prospectus*:*

S. No.	Name of shareholders	No. of Equity Shares held	% of Pre-Issue Equity Shares Capital	% of Post- Issue Equity Shares
Promoters				
1.	Gopal Sponge and Power Private Limited	17,982,900	72.74%	[●]
2.	Vijay Anand Jhanwar	991,645	4.01%	[●]
3.	V.A. Transport Private Limited	5,555,500	22.47%	[●]
Promoter Group				
4.	Kusum Lata Maheshwari	191,675	0.78%	[●]
	Total	**24,721,720**	**99.99%**	[●]

15. Except as stated below, no Equity Shares were purchased or sold by the promoter group of the Company and/or by the directors of the Company and their relatives in the preceding 6 (six) months from the date of this DRHP.

Date of Allotment	No. of Equity Shares allotted to/acquired by Promoter Group and/or Directors and their relatives	Face Value (in ₹)	Issue Price (in ₹)	Nature of Acquisition	Name of Allottee/Transferor
September 29, 2023	19,777,400	10.00	N.A.	Consideration other than Cash	Allotment of 1,43,86,320 Equity Shares to Gopal Sponge & Power Private Limited, 44,44,400 Equity Shares to V.A Transport Private Limited, 7,93,340 Equity Shares to Vijay Anand Jhanwar, 1,53,340 Equity Shares to Kusum Lata Maheswari, by way of bonus in the ratio of 4:1.
October 30, 2023	(30)	10.00	10.00	Transfer	Transferred from Vijay Anand Jhanwar to Praveen Somani, 10 Equity Shares, Prashant Kumar Mohta ,10 Equity Shares and Shriram Verma 10 Equity Shares. *for minimum requirement of 7 shareholders at the time of conversion from Private Limited to Public Limited.*

The following is the Equity Shareholding pattern of our Company as on the date of the Draft Red Herring Prospectus*:

Category (I)	Category of Share holder (II)	Nos. of Share holders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid- up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV + (V)+(VI)	Share holding as a % total No. of shares (calculated as per SCRR, 1957 (VII) As a % of A+B+C2)	Number of voting rights held in each class of securities (IX)				No. 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)	No. of locked in shares (XII)		No. of shares pledged or otherwise encumbered (XIII)		No. of equity shares held in dematerialised form (XIV)
								No. of voting Rights			Total as a % of A+B+C							
								Class (Equity)	Class (Others)	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter & Promoter Group	4	24,721,720	-	-	24,721,720	99.99%	24,721,720	-	24,721,720	99.99%	-	-	-	-	-	-	24,721,720
(B)	Public	3	30	-	-	30	0.01%	30	-	30	0.01%	-	-	-	-	-	-	-
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		7	24,721,750	-	-	24,721,750	100%	24,721,750	-	24,721,750	100%	-	-	-	-	-	-	24,721,720

*The shareholding is as per the BENPOS dated December 22, 2023.

We state that the Equity Shares held by the Promoters and the members of the Promoter Group of the Company are dematerialised. The Equity Shares which are not dematerialised are held by the public shareholders of the Company.

16. There have been no financing arrangements wherein the Promoter Group, the Directors of our Company 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 financing entity during the period of 6 (six) months immediately preceding the date of filing of the Draft Red Herring Prospectus.

17. **Promoters' contribution and lock-in**

Details of Promoters' contribution locked in for 3 (three) years:

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue Equity Share capital, of our Company as on the date of this Draft Red Herring Prospectus, shall be locked in for a period of 3 (three) years from the date of Allotment as minimum Promoter's contribution ("**Minimum Promoter's Contribution**") and the shareholding of the Promoters in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of 1 (one) year from the date of Allotment.

The Equity Shares which are being locked in for 3 (three) years from the date of Allotment are as follows:

Promoters	No. of Equity Shares Locked in	Face Value per Equity Share (in ₹)	Issue/ Acquisition Price per Equity Share (in ₹)	Date of Allotment/ Acquisition and when made fully paid-up*	Nature of Allotment/ Transfer	Consideration (Cash/other than cash)	Percentage of post-Issue paid-up capital
Gopal Sponge and Power Private Limited	[●]	[●]	[●]	[●]	[●]	[●]	[●]
V.A. Transport Private Limited	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Vijay Anand Jhanwar	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]

**Subject to finalization of the Basis of Allotment*

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "Details of Shareholding of our Promoters, members of the Promoter Group in the Company" on page 79.

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as the Minimum Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Minimum Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in period 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.

In this connection, please note that:

(i) The Equity Shares offered for Minimum Promoter's Contribution do not include (i) Equity Shares acquired in the 3 (three) immediately preceding years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets, (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution.

(ii) The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding 1 (one) year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm; and

(iv) The Equity Shares offered for Minimum Promoter's Contribution are not subject to any pledge or any other encumbrance.

Details of Promoters' contribution locked in for 1 (one) year

Unless provided otherwise under applicable law, pursuant to the SEBI ICDR Regulations, the Equity Shares held by our Promoters in excess of the Minimum Promoter's Contribution) shall be locked-in for a period of 1 (one) year from the date of Allotment or such other minimum lock-in period as may be prescribed under the SEBI ICDR Regulations.

Details of Lock-in of Equity Shares held by persons other than Promoters for 6 (six) months

The entire pre-issue capital held by persons other than the Promoters shall be locked-in for a period of 6 (six) months from the date of Allotment.

Details of Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner: There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.

Other requirements in respect of lock-in

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

(a) With respect to the Equity Shares locked-in for 1 (one) year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.

(b) With respect to the Equity Shares locked-in as Promoters' Contribution for 3 (three) years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Issue, which is not applicable in the context of this Issue.

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 to 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, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations. Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.

18. This is a fresh issue of Equity Shares and accordingly, no selling shareholders are involved in this Issue.

19. **Equity Shareholding of Directors and Key Managerial Personnel and Senior Managerial Personnel in our Company:**

S. No.	Name of Equity Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
Directors				
1.	Vijay Anand Jhanwar (Managing Director of the Company)	991,645	4.01%	[●]
2.	Praveen Somani	10	Negligible	[●]

S. No.	Name of Equity Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital
3.	Prashant Kumar Mohta	10	Negligible	[●]
Key Managerial Personnel and Senior Managerial Personnel				
1.	Shriram Verma	10	Negligible	[●]
	Total	**991,675**	**4.01%**	[●]

20. Our Company, our Promoters, our Directors and the BRLM have not entered into buyback arrangements and / or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

21. There are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus and all Equity Shares were fully paid up as on the date of allotment. The Equity Shares to be issued or transferred pursuant to the Issue shall be full paid up at the time of allotment.

22. Neither the BRLM viz. Aryaman Financial Services Limited nor its associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus. However, the associates and affiliates of BRLM and the Syndicate Members, if any may subscribe to the Issue, in the Non-Institutional Portion, and such subscription may be on their own account or on behalf of their clients.

23. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, our Promoters, the members of our Promoter Group or our Directors, 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, except for fees or commission for services rendered in relation to the Issue.

24. There will be no 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 the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or the application moneys have been refunded to the Anchor Investors or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription, etc., as the case may be.

25. All Equity Shares of the Company held by the Promoters are in dematerialised form.

26. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into Equity Shares as on the date of this Draft Red Herring Prospectus.

27. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Issue shall be reported to the Stock Exchanges within 24 hours of such transactions.

28. The Promoters and members of our Promoter Group will not participate in this Issue and will not receive any proceeds from the Issue.

29. At any given time, there shall be only one denomination of the Equity Shares of our Company, unless otherwise permitted by law.

OBJECTS OF THE ISSUE

Issue of up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), aggregating up to ₹ 1,710 million.

The Issue Proceeds & the Net Proceeds

The Issue Proceeds

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

(₹ in million)

Sr. No.	Particulars	Amount
1	Gross Proceeds of the Issue	1,710
2	Less: Issue related expenses [1 & 2]	[●]
	Net Proceeds [2]	[●]

[1] *The Issue related expenses are estimated expenses and are subject to change.*
[2] *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

Requirement of funds

Our Company proposes to utilise the Net Proceeds in the following manner (collectively referred to as the "Objects"):

1) Funding for Capital Expenditure towards the "Expansion Project" at Bilaspur Plant:
   a) Repayment or prepayment of borrowings from HDFC Bank obtained by our Company for the capital expenditure towards the "Expansion Project" at Bilaspur Plant; and
   b) Capital expenditure towards the "Expansion Project" at Bilaspur Plant.
2) General Corporate Purposes.

In addition to the aforementioned objects, our Company intends to strengthen its capital base and expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among other things, enhancing the visibility of our brand and our Company among our existing and potential customers.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

Utilization of Net Proceeds and Schedule of Deployment

The Net Proceeds are proposed to be utilised and are currently expected to be deployed in accordance with the schedule set forth below:

(₹in million)

Particulars	Total Estimated Cost	Amount deployed / to be deploy from Internal Accruals (Refer Notes)	Amount which will be financed from Net Proceeds (Refer Notes)	Deployment in FY 2023-24 (Refer Notes)	Deployment in FY 2024-25 (Refer Notes)
"Expansion Project" at Bilaspur Plant	1,645	350	1,295	850	795
General Corporate Purposes*	[●]	Nil	[●]	[●]	[●]
Total	[●]	**350**	[●]	[●]	[●]

** To be determined on finalisation of the Issue Price and updated in the Prospectus. The amount utilised for General Corporate Purposes shall not exceed 25% of the Gross Proceeds of the Issue.*

Notes:

1) *M/s. Amitabh Agrawal & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated December 24, 2023, has certified that the Company had deployed ₹ 502.34 million as on December 22, 2023 from the Internal Accrual and financing facility from HDFC Bank.*

2) *Deployment in FY 2023-24 as mentioned above includes the amount deployed till December 22, 2023.*

3) *M/s. Amitabh Agrawal & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated December 24, 2023, has certified that the total Internal Accrual as on June 30, 2023 is ₹2,024.77 million and out of which ₹ 174 million is utilized for the Expansion Project at Bilaspur Plant as on December 22, 2023. The balance amount of ₹ 176 million shall be deploying in the FY 2023-24 & FY 2024-25.*

4) *M/s. Amitabh Agrawal & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated December 24, 2023, have certified that the Company has a sanction limit of ₹ 850 million from the HDFC Bank for the Expansion Project at Bilaspur Plant and out of which ₹ 328.50 million is utilized as on December 22, 2023. The Company may withdraw balance amount of upto ₹ 521.50 million until the receipt of net proceeds of the Issue.*

5) *The amount spent / to be spend from HDFC Bank for the Expansion Project at Bilaspur Plant, upto the date of the receipt of net proceeds of the Issue shall be repaid out of the Net Proceeds.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects of the Issue, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Means of finance

The entire proposed expenditure will be met from the Net Proceeds and from internal accruals. No amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

Details of the Objects of the Issue

1) Funding for Capital Expenditure towards the "Expansion Project" at Bilaspur Plant

We currently operate through two manufacturing plants which are located at Raipur and Bilaspur in Chhattisgarh spread across 52.93 acres. Our product offerings such as Sponge Iron, TMT Bar, MS Billets and by-products Dolochar, Pellet and Pig Iron cater to a mix of customers that consist of industrial customers and end-users. We sell our products directly as well as through brokers / dealers.

As of March 31, 2023, the aggregate installed capacity of our manufacturing plants was 231,600 tons per annum ("TPA") (comprising of intermediate and final products). Our manufacturing plant at Raipur also includes a captive power plant with an aggregate installed capacity of 5 MW Waste Heat Recovery Based (WHRB) power plant as of March 31, 2023. We are also in the process of increasing the capacities of our existing manufacturing plants and captive power plant, which is expected to increase our aggregate installed capacity (comprising of intermediate and final products) from 231,600 TPA to 500,100 TPA and captive power plants aggregate installed capacity from 5 MW to 20 MW. These proposed expansions are expected to become operational in FY 2024-25 and FY 2025-26. Details for the installed capacities & proposed expansion are as below:

Particulars	Unit of Measurement	Existing Installed Capacity	Proposed Expansion Project	Total Capacity after proposed Expansion
Bilaspur Plant				
TMT Bars	TPA	-	-	**-**
Sponge Iron	TPA	60,000	115,500	**175,500**
MS Billets	TPA	-	153,000	**153,000**
Captive Power Plant	MW	-	15	**15**
Raipur Plant				
TMT Bars	TPA	54,000	-	**54,000**
Sponge Iron	TPA	60,000	-	**60,000**
MS Billets	TPA	57,600	-	**57,600**
Captive Power Plant	MW	05	-	**05**

Cost of Expansion Project at Bilaspur Plant

(₹in million)

Particulars	Estimated Cost
Land & Site Development	Nil
Building & Civil Works	283
Plant & Machinery and other Equipments	1,314
Preoperative Expenses	48
Total	**1,645**

*Note: The fund requirements for the capital expenditure for expansion project at Bilaspur Plant are based on the TEV report dated December 20, 2023 issued by Frontline Consultants Pvt. Ltd. ("**TEV Report**").*

Land & Site Development

Bilaspur Plant of the Company is located at Village: Dighora, Tehsil: Takhatpur, Distt: Bilaspur, Chhattisgarh with the existing capacity for Sponge Iron Plant of 60,000 Tonnes per Annum (TPA). The current management is operating the Bilaspur Plant since 2012 and the requisite government approvals for operating the steel plant have been obtained. The company proposes this expansion plant in the existing land area of 33.66 acres. in the plant premises which already acquired by the Company. Hence, no additional cost is considered for the Land & Site Development under the Expansion Project.

Building & Civil Works

The Building and Civil works costs are estimated at ₹ 282.70 million of which ₹ 95.70 million, ₹ 82 million, ₹ 105 million is towards Sponge Iron Plant, Captive Power Plant and Billet Plant, respectively. The details of the costs estimated are entailed below:

Sponge Iron Plant

(₹in million)

Sr. No.	Supplier Description	Order Equipments	Type	Value	Date
1	Yuvraj Construction	Civil Work Foundation	Quotation	27.50	7-May-23
2	Yuvraj Construction	Labour Quarters	Quotation	5.00	10-Dec-23
3	Self & Drolia	Steel TMT Bars	Estimate / Quotation	18.00	10-Dec-23
4	Yuvraj Construction	Road & Infrastructure	Quotation	18.00	10-Dec-23
5	Nuvoco Vista & Others	Cement	Quotation	7.50	15-May-23
6	Arora Fuels & Self	Diesel & Electricity	Quotation	4.20	10-Dec-23
7	Yadav Engg	Plant Sheeting & Canopy (turnkey)	Quotation	13.00	10-Dec-23
8	Nature Care	Green Belt Development	Quotation	2.50	10-Dec-23
	Total :-			**95.70**	

Captive Power Plants

(₹in million)

Sr. No.	Supplier Description	Order Equipments	Type	Value	Date
1	Yuvraj Construction	Turnbine Building	Quotation	22.50	7-May-23
2	Self & Drolia	Steel TMT	Estimate / Quotation	7.50	10-May-23
3	Nuvoco Vista & Others	Cement	Quotation	10.00	15-May-23
4	Yuvraj Construction	Water Reservoir	Quotation	18.00	10-Dec-23
5	Yadav Engg	Water Pipelines	Quotation	10.00	10-Dec-23
6	Yadav Engg	Plant Sheeting & Truss	Quotation	10.00	10-Dec-23
7	Yuvraj Construction	Misc Civil Works	Quotation	4.00	10-Dec-23
	Total :-			**82.00**	

Billet plant

(₹in million)

Sr. No.	Supplier Description	Order Equipments	Type	Value	Date
1	Yuvraj Construction	Civil Work for Foundations	Quotation	18.00	10-Dec-23
2	Yuvraj Construction	Overhead Tank & Water Storage Tank	Quotation	18.00	10-Dec-23
3	Yuvraj Construction	Cooling Tower	Quotation	9.50	10-Dec-23
4	Self & Drolia & Nuvoco Vista	TMT & Cement	Estimate / Quotation	18.00	10-Dec-23
5	Yadav Engg	Shed & Structure	Quotation	37.50	10-Dec-23
6	Yuvraj Construction	Labour Quarter	Quotation	4.00	10-Dec-23
	Total :-			**105.00**	

Plant & Machinery and other Equipments

The Plant & Machinery and other Equipments costs are estimated at ₹ 1,314.39 million of which ₹533.16 million, ₹535.33 million, ₹245.90 million is towards Sponge Iron Plant, Captive Power Plant and Billet Plant respectively. The details of the costs estimated are entailed below:

Sponge Iron Plant

(₹ in million)

Sr. No.	Supplier Description	Order Equipments	Type	Value	Date
1	Shape machine Tools Private Limited	Kiln Spares - 350 TPD	PO	27.50	3-May-23
2	Chitlangia Trading Corporation	Spherical Roller Bearings for Kiln	PO	4.57	25-May-23
3	Simplex Castings Ltd.	Supply of 350 TPD Kiln	PO	64.05	18-May-23
4	Rotocast Industries Limited	Slip Seal Segment - Kiln/Cooler	PO	1.39	5-Jul-23
5	Mechtech Engineers	Vibrating Screens & Crushers	PO	6.60	12-Jul-23
6	Elex India Pvt. Ltd.	ESP for - 350 TPD DRI Plant	PO	10.90	12-Jul-23
7	Electro Magnetic Industries	Parmanent Magnetic Concentrator, Suspension Magnet, Meganetic Pully	PO	2.65	22-Jul-23
8	R.K. Engineering Corporation	Gear Box, Couplings & Accessories for 350 TPD Project	PO	16.70	31-Jul-23
9	R.K. Engineering Corporation	Geared Motors Couplings	PO	3.90	31-Jul-23
10	Bemci Industries (P) Ltd.	10 TPH Wet Scrapper Conveyor & Electrical Slip Rings - 350 TPD DRI	PO	3.00	29-Aug-23
11	Vamsee Engineering Solutions	Hydraulics & Pneumatics Systems	PO	1.50	29-Aug-23
12	Supercool Cooling Towers & Erectors	FRP Counter Flow Induced Draft Cooling Tower - Double Cell	PO	1.15	1-Sep-23
13	VT Corp Pvt. Ltd.	F.D. Cooler for Flue Gas Volume 84000 Nm3/hr - 8 Bank	PO	13.80	16-Sep-23
14	Super Castings (Bombay) Pvt. Ltd.	HK-40 & SS -310 Casting Items for 350 TPD Kiln	PO	9.97	16-Sep-23
15	Kay International Pvt. Ltd.	Rotary Twin Lobe Compressor Model - 1020WC for 350 TPD Kiln	PO	1.60	16-Sep-23
16	Rotocast Industries Limited	Nose Ring Segments (Inlet/Outlet), Stack Cap Segments (Lower/Upper)	PO	3.47	16-Sep-23
17	Global Associates	KSB Make - Cold Well, Hot Well, Equipment Cooling	PO	1.65	23-Sep-23

Sr. No.	Supplier Description	Order Equipments	Type	Value	Date
		Water Pumps & ABC Pumps			
18	Evergreen Engineering Works	Coal Injector - 12 TPH for 350 TPD Kiln	PO	0.58	29-Sep-23
19	Subtleweigh Electric (India) Pvt. Ltd.	LT Panels, AC Drives, PLC Instrumentation & Weigh Feeders	PO	27.10	30-Sep-23
20	OMM Engineering	Kiln Cooler Erection & Alignment Works	PO	16.43	15-Jul-23
21	ETC Electric	Siemens Make - Motors -62 Nos.	PO	11.20	26-Oct-23
22	Soli & Enviro Industries Pvt. Ltd.	Complete Bag Filter Assembly	PO	12.40	26-Oct-23
23	Ria Enterprises	Oil Pump for Central Burner	PO	0.17	31-Oct-23
24	Batliboi Enviromental	ID FAN	PO	1.40	17-Oct-23
25	Sinha BMH System	Conveyour Systems	PO	10.30	19-Dec-23
26	FS Curtis	Screw Compressor	PO	3.80	19-Dec-23
27	ETC Electric	Insulated Bearing Motors	PO	0.85	19-Dec-23
28	ETC Electric	Bag Filter Motors	PO	1.80	19-Dec-23
29	Ria Enterprises	Process Fan - Sell Air Fans,CB Fans, ABC Fans, Nose Cooling Fans & Sealing Air Fans	PO	0.63	31-Oct-23
30	DRI Technologies Private Limited	Engineering Consultancy Services	PO	3.10	26-Apr-23
31	VP Cranes	Boom Crane	PO	1.40	9-Oct-23
32	OSR Cranes	Crane Charges 200 MT	PO	3.80	14-Dec-23
33	Chandu Hiring Co	Crane Charegs 50 MT	PO	1.28	19-Dec-23
34	Prestige Metallics Pvt. Ltd	M.S.Plates	PO	10.32	22-Aug-23
35	Rajendra Steel	M.S.Plates	PO	9.05	22-Aug-23
36	Ramdev Traders	High Mast - 350 Watt & 150 Watt	PO	0.83	12-Aug-23
37	Nandan Steels And Power Limited	Sturctural Steel for Equipments	PO	32.19	27-Jul-23
38	Mecgale	Ash Handling Systems	Quotation	5.00	30-Nov-23
39	Yadav Engineering	Coal & Sponge Iron Shed	Quotation	26.50	10-Dec-23
40	Yadav Engineering	Plant Sheeting	Quotation	8.00	10-Dec-23
41	LP Yadav/Om Engineering	Fabrication/Erection	Quotation	44.80	10-Oct-23
42	Pending Steel Order	Steel	Quotation	20.00	10-Dec-23
43	S R Engineering	Conveyor Belt	Quotation	12.06	8-Nov-23
44	Shree Salasar Refractories	Kiln Castable	Quotation	40.49	10-Nov-

Sr. No.	Supplier Description	Order Equipments	Type	Value	Date
	Suppliers				23
45	Trisha Refratech	Anchor Bolts	Quotation	5.18	20-Nov-23
46	SOLANKI FREEZCO	Air Conditioning System	Quotation	3.60	10-Dec-23
47	Assoicated Cargo Movers	Tranportation Charges	Quotation	20.00	10-Dec-23
48	Hydra 2 Nos	Rajat Equipments	Quotation	4.00	19-Dec-23
49	Loader 2 Nos	Kesar Earth Solutions	Quotation	10.00	19-Dec-23
50	JCB 1 No	G.K. (JCB)	Quotation	2.50	19-Dec-23
51	Hywa 2 Nos	Jaika Automobiles	Quotation	8.00	19-Dec-23
	Total :-			**533.16**	

Captive Power Plants

(₹in million)

Sr. No.	Supplier Description	Order Equipments	Type	Value	Date
1	Pressels Private Limited	1 x 38 TPH WHRB Boiler	PO	90.00	15-May-23
2	Siemens Limited	16.5 MW Steam Turbine Generator Set	PO	87.50	24-May-23
3	Enexio Power Cooling Solutions India Pvt. Ltd.	4 Cell Air Cooled Condenser for 1 x 15 MW Captive Power Plant	PO	83.00	14-Jul-23
4	New Tech Engineering Construction Co.	New Chimeny Construction	PO	8.50	3-Aug-23
5	KSB Limited	Complete Boiler Feed Pumps	PO	9.20	31-Aug-23
6	Fluid Technologies	Complete Water Treatement Plant	PO	9.10	1-Sep-23
7	Lachhman Electronics	Complete NGR Panel	PO	0.84	12-Sep-23
8	S.R. Engineering	15000 KVA Power Transformer & 3000 KVA Auxiliary Transformer	PO	12.50	8-Sep-23
9	Supercool Cooling Towers & Erectors	FRP Cooling Tower - SFCF -F3100 -2	PO	1.23	31-Oct-23
10	Deepsikha Enterprises	Air Comperssor, Air Dryer, Line Filter & Air Receiver Tank	PO	7.07	26-Oct-23
11	Karm Sales & Services Private Limited	1010 x 2 DG Set	PO	11.80	7-Nov-23
12	Manju Sales	11 KVA HT Panel	PO	5.76	22-Nov-23
13	SUPINCO AUTOMATION PVT.LTD	DCS System	PO	6.00	21-Nov-23
14	Cranoist Material Handling Equipments	EOT Crane	PO	2.55	7-Nov-23
15	Shaktipunj Engineers (P) Ltd	Consultant	PO	2.50	5-May-23
16	Pennar Industries Limited	2 x 10.5 TPH Boiler	PO	96.00	19-Dec-23
17	Nipun Planners & Infrastructure Pvt. Ltd.	Engineering Services	PO	5.20	28-Sep-23

Sr. No.	Supplier Description	Order Equipments	Type	Value	Date
18	Vidya Electrical	33 KVA Line	Quotation	25.00	10-Dec-23
19	ETC Electric	Cables	Quotation	10.00	10-Dec-23
20	SOLANKI FREEZCO	Air Conditioning System	Quotation	2.08	10-Dec-23
21	Associated Cargo Movers	Transportation Charges	Quotation	5.00	10-Dec-23
22	K P Grandsons	Boiler Erection & Steam Pipeline	Quotation	12.00	10-Dec-23
23	Neolite Insulation	Insulation	Quotation	10.00	10-Dec-23
24	Switchyard	Vidhya Electricals	Quotation	10.00	10-Dec-23
25	Lighting & Earthing	Vidhya Electricals	Quotation	7.50	10-Dec-23
26	Ash Conveying	S.R.Engineering	Quotation	5.00	10-Dec-23
27	Ash Silo	Yuvraj Construction	Quotation	10.00	10-Dec-23
	Total :-			**535.33**	

Billet Plant

(₹in million)

Sr. No.	Supplier Description	Order Equipments	Type	Value	Date
1	Electrotherm India	15 MT x 3 Melting Shop with Casteer & Transformer	Quotation	132.80	20-Oct-23
2	Sun Engineering	EOT Crane (2*40 MT + 2 * 10 MT)	Quotation	20.00	10-Dec-23
3	Electro Megnatic Industries	Magnet	Quotation	2.00	10-Dec-23
4	Global Assoicates	Pumps & Motors	Quotation	5.00	10-Dec-23
5	R.K.Engineering	Electrical Panels	Quotation	5.00	10-Dec-23
6	R.K.Engineering	Capacitor Bank (APFC)	Quotation	10.00	10-Dec-23
7	Yadav Engineering	Erection & Commissioning	Quotation	10.00	10-Dec-23
8	ETC Electric	HT & LT Cables	Quotation	12.00	10-Dec-23
9	Yadav Engineering	Pipeline Along with Material	Quotation	10.00	10-Dec-23
10	SSS Engineering	Laddles	Quotation	5.00	10-Dec-23
11	PMP Machine Tools	Billet Shearing Machine	Quotation	5.00	10-Dec-23
12	Batala Lathe House	Workshop	Quotation	5.00	10-Dec-23
13	Deepshikha Enterprises	Air Compressor	Quotation	5.00	10-Dec-23
14	Absstem Industrial Solutions Ltd	Oxygen Plant	Quotation	10.60	2-Nov-23
15	Rajet Engineering	Hydra & Crane	Quotation	6.00	19-Dec-23
16	Rajput Roadlines	Transport Cost	Quotation	2.50	10-Dec-23
	Total :-			**245.90**	

Pre-Operative Expenses and Contingencies

We have estimated a total amount of ₹ 48 million (i.e 3% of the total cost of Building & Civil works and Plant & Machinery) towards Pre-Operative Expenses and Contingencies. The same would include increase in cost of machines, minor delays / changes to proposed structure set up etc. The quotations received from the above suppliers are valid as on the date of this Draft Red Herring Prospectus. Further we have given order and have started the work for some of the Building & Civil Works and plant and machinery. However, we have not entered into any definitive agreements with the rest of the suppliers and there can be no assurance that the abovementioned suppliers would be engaged to eventually provide the services at the same costs. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals. Please refer "*Risk Factor–If we are unable to successfully implement our Expansion Project, including Captive Power Plant, our results of operations and financial condition could be adversely affected.*" on page 29 of this Draft Red Herring Prospectus. We do not intend to purchase any second-hand equipment in relation to this Object.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed construction of building civil works, or in the entities from whom we have obtained quotations for the plant & machinery in relation to such activities.

Proposed schedule of implementation of the Expansion Project

The proposed schedule of activities as per TEV Report dated December 20, 2023 issued by Frontline Consultants Private Limited, in respect of the Expansion Project are as follows:

Proposed schedule for expansion of Sponge Iron Plant

Sr. No.	Particulars	Timelines	
		Start Date	Completion Date
1	Purchase of Land	Acquired	Acquired
2	Application for Requisite Approvals	Acquired	Acquired
3	Construction of Building & Structure Completion	Commenced	September 30, 2024
4	Placing of orders of Plant & Machinery and other Assets	Commenced	June 30, 2024
5	Delivery of Plant & Machinery and other Assets	Jan 01, 2024	August 31, 2024
6	Erection and Commissioning	April 01, 2024	October 31, 2024
7	Trial Run	November 15, 2024	December 31, 2024
8	Commercial Production	January 01, 2025	

Proposed schedule for Captive Power Plant

Sr. No.	Particulars	Timelines	
		Start Date	Completion Date
1	Purchase of Land	Acquired	Acquired
2	Application for Requisite Approvals	Acquired	Acquired
3	Construction of Building & Structure Completion	Commenced	June 30, 2024
4	Placing of orders of Plant & Machinery and other Assets	Commenced	June 30, 2024
5	Delivery of Plant & Machinery and other Assets	March 01, 2024	August 31, 2024
6	Erection and Commissioning	April 01, 2024	September 30, 2024
7	Trial Run	November 15, 2024	December 31, 2024
8	Commercial Production	January 01, 2025	

Proposed schedule for MS Billets Plant

Sr. No.	Particulars	Timelines	
		Start Date	Completion Date
1	Purchase of Land	Acquired	Acquired
2	Application for Requisite Approvals	Acquired	Acquired
3	Construction of Building & Structure Completion	April 01, 2024	June 30, 2024
4	Placing of orders of Plant & Machinery and other Assets	April 01, 2024	November 30, 2024

Sr. No.	Particulars	Timelines	
		Start Date	Completion Date
5	Delivery of Plant & Machinery and other Assets	September 01, 2024	January 31, 2025
6	Erection and Commissioning	October 01, 2024	February 28, 2025
7	Trial Run	March 01, 2025	March 31, 2025
8	Commercial Production	April 01, 2025	

Means of finance

Of the aggregate ₹ 1,645 million estimated towards this Object, we intend to fund ₹ 1,295 million from the Net Proceeds. Additional payments of ₹ 350 million towards this Object are intended to be funded through our existing, identifiable internal accruals. M/s. Amitabh Agrawal & Co., Chartered Accountants, our Statutory Auditors, by way of their certificate dated December 24, 2023, has certified that the total Internal Accrual as on June 30, 2023 is ₹ 2,024.77 million. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders.

Infrastructure

The Company's current management is operating the Bilaspur Plant since 2012 and has the requisite infrastructure for operating the steel plant. The Company has proposed the expansion plant in the existing land area only within the Bilaspur Plant. The major raw material such as Coal & Iron Ore will be transported through railway rakes up to the nearest railway station (Bilha) and then to the site through road by covered trucks. Further the Company has proposed for making setting up of 15 MW of Captive Power Plant (CPP) which will produce additional Power. For expansion, the Company will take necessary steps to ensure availability of sufficient water for industrial use. As the Company is already in this line of business it will not have any problem in recruiting the necessary technical and administrative personnel to ensure smooth operations of proposed expansion. Moreover, the Bilaspur Plant is situated in a village Area and as such availability of labours will not be a problem. Raw material & finished products will be transported by rail & road. The existing road is adequate to cater to the additional traffic due to the Expansion Project.

Working Capital

After commencement of the commercial projection for the Expansion Project, we will fund the working capital requirement for the enhanced capacity from our owned funds. The Statutory Auditors of the Company, M/s. Amitabh Agrawal & Co., Chartered Accountants, vide their certificate dated December 24, 2023 have confirmed that the Company's Owned Funds as on June 30, 2023 aggregates to ₹ 1,568.42 million.

Government approvals

In relation to the Expansion Project, we are required to obtain approvals, from certain governmental or local authorities from time to time. The Company has already obtained Environmental Clearance from MOEFCC, New Delhi and Consent to Establish from the Chhattisgarh Environment Conservation Board for beginning this Expansion Project. Post completion of construction the project the Company shall apply for other relevant approvals applicable at such stage from time to time.

Our Company undertakes to file necessary applications with the relevant authorities for obtaining all requisite approvals as applicable, at the relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation may be extended and our Company will undertake the required corporate actions as mentioned under "*Variation in Objects*" on page 97 of this Draft Red Herring Prospectus. For further details on the pending applications in relation to the Proposed Project, see "*Risk Factor – If we are unable to successfully implement our Expansion Project, including Captive Power Plant, our results of operations and financial condition could be adversely affected..*" on page 29 of this Draft Red Herring Prospectus.

Funding for Capital Expenditure towards the "Expansion Project" at Bilaspur Plant

As indicated above, our Company proposes to utilise a portion of the Net Proceeds towards the "Expansion Project" at Bilaspur Plant during Fiscal 2024 and 2025 proposed to be financed by our Company using the Net Proceeds aggregates to ₹ 1,295 million:

Accordingly, our Company proposes to utilise ₹ 1,295 million of Net Proceeds for funding the Capital Expenditure in the following manner:

a) Repayment or prepayment of borrowings from HDFC Bank obtained by our Company for the capital expenditure towards the "Expansion Project" at Bilaspur Plant during the Fiscal 2025. The current outstanding is ₹ 328 million and which may go upto ₹ 850 million. For details, please see "Repayment or prepayment of borrowing from HDFC Bank" as given below; and

b) Utilising an amount of upto ₹ 967 million for the capital expenditure towards the "Expansion Project" at Bilaspur Plant during the Fiscal 2025.

The overall total funding from the Net Proceeds for Capital Expenditure towards the "Expansion Project" at Bilaspur Plant including repayment or prepayment of borrowings from HDFC Bank shall remain ₹ 1,295 million.

Repayment or prepayment of borrowings from HDFC Bank obtained by our Company for the capital expenditure towards the "Expansion Project" at Bilaspur Plant

Our Company have sanction limit of ₹ 850 million from the HDFC Bank for the Expansion Project at Bilaspur Plant. As of December 22, 2023, we have drawn down and utilised ₹ 328 million of HDFC Bank loan facility for incurring capital expenditure towards the "Expansion Project" at Bilaspur Plant. In the due course of time, our Company may draw down further funds from HDFC Bank loan facility. In such further drawn-down prior to the completion of the Issue, our Company may utilise the Net Proceeds towards prepayment or repayment of such additional indebtedness availed by us, subject to such loans being utilised for capital expenditure towards the "Expansion Project" at Bilaspur Plant and the capital expenditure from the Net Proceeds reduce to such extent.

The repayment or prepayment will reduce debt servicing cost and enable utilization of the internal accruals for further investment in business growth and expansion. Given the nature of the borrowing and the terms of prepayment or repayment, the aggregate outstanding borrowing amount may vary from time to time. Further, the amount outstanding under such borrowing as well as the sanctioned limits is dependent on several factors and may vary with our business cycle with multiple intermediate drawdowns, repayments and enhancement of sanctioned limits.

Further in accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained a certificate dated December 24, 2023 from M/s. Amitabh Agrawal & Co., Chartered Accountants, our Statutory Auditors, certifying the utilization of above mentioned HDFC loan was availed and utilized ₹ 328 million as on December 22, 2023, for the "Expansion Project" at Bilaspur Plant. A full detail of the HDFC sanction limit, which shall be repaid out of the Net Proceeds, is given below:

(₹ in million)

Date of Sanction	Nature of borrowing	Amount sanctioned	Amount outstanding (As on Dec 22, 2023)	Interest Rate (In % p.a.)	Repayment Schedule / tenor	Prepayment penalty / conditions	Purpose
August 18, 2023	WCTL	850	328	8.75%	108 months	N.A.	Expansion Project at Bilaspur Plant

The amount spent / to be spend from HDFC Bank for the Expansion Project at Bilaspur Plant, upto the date of the receipt of net proceeds of the Issue shall be repaid out of the Net Proceeds.

Further, our Company confirms that the borrowing was neither directly nor indirectly transferred to any Promoter, Promoter Group, or KMPs as on date of this Draft Red Herring Prospectus.

Financing of the capital expenditure proposed to be incurred towards the "Expansion Project" at Bilaspur Plant

To the extent the Capital Expenditure is not already financed through the loan mentioned hereinabove, our Company intends to utilise upto ₹ 967 million of the Net Proceeds towards financing the capital expenditure towards the "Expansion Project" at Bilaspur Plant during the Fiscal 2025. The details of the Expansion Project of our Company in Bilaspur and the estimated costs proposed to be funded from the Net Proceeds are described above.

2) General Corporate Purposes

We propose to deploy ₹ [●] million, aggregating to [●]% of the Gross Proceeds of the Issue towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, reduce consolidated debt levels, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, including excess amount, if any, as mentioned in this Draft Red Herring Prospectus, shall not exceed 25% of the Gross Proceeds of the Issue.

ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●] million, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in million)*	% of Total Expenses*	% of Total Issue Size*
1	Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[●]	[●]%	[●]%
2	Brokerage and Selling Commission (1)(2)(3)(4)	[●]	[●]%	[●]%
3	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]%	[●]%
4	Advertisement and Marketing Expenses	[●]	[●]%	[●]%
5	Stock Exchange Fees, Regulatory and other Expenses	[●]	[●]%	[●]%
Total		**[●]**	**[●]%**	**[●]%**

** To be incorporated in the Prospectus after finalization of the Issue Price.*

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

Portion for Retail Individual Bidders#	*[●] % of the Amount Allotted (plus GST)*
Portion for Non-Institutional Bidders#	*[●] % of the Amount Allotted (plus GST)*

#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

No additional uploading/processing charges shall be payable by the Company to the SCSBs on the Bid cum Application Forms directly procured by them. 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.

2) *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 Brokers / RTAs / CDPs and submitted to SCSBs for blocking, would be as follows.*

Portion for Retail Individual Bidders#	*₹ [●]/- per ASBA Form (plus GST)*
Portion for Non-Institutional Bidders#	*₹ [●]/- per ASBA Form (plus GST)*

#based on valid Bid cum Application Forms.

3) *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), RTAs and CDPs would be as follows:*

Portion for Retail Individual Bidders#	*[●] % of the Amount Allotted (plus GST)*
Portion for Non-Institutional Bidders#	*[●] % of the Amount Allotted (plus GST)*

#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

4) *Bidding/uploading Charges payable to members of the Syndicate (including their Sub-Syndicate Members), Registered Brokers, CRTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are procured by them and submitted to SCSB for blocking, would be ₹ [●] per valid application. The selling commission and Bidding Charges payable to the Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.*

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022; applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Member shall not be able to accept Bid cum Application Form above ₹500,000 and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Member to SCSB a special Bid cum Application Form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / Sub-Syndicate Member along with SM code & Broker code mentioned on the Bid cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹500,000 will not be eligible for brokerage.

The processing fees for applications made by UPI 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/CIR/P/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 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April20, 2022and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The Issue expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

Appraisal and Bridge Loans

The Objects have not been appraised by any banks, financial institutions or agency. Further, except as mentioned above, our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be utilised from the Net Proceeds.

Monitoring of Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilization of Net Proceeds prior to the filing of the Red Herring Prospectus, as the Issue size exceeds ₹ 1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be uploaded onto our website.

Interim Use of Funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds with in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for any buying, trading or otherwise dealing in any equity or equity linked securities of any listed company or for any investment in the equity market.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules and Regulation 59 and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the Objects of the Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders and our Company shall include the requisite explanation in the director's report in relation to such variation. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. Pursuant to the Companies Act, the Promoter will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

Other Details and Confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to the Promoters, members of the Promoter Group, the Directors, or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement / agreements with the Promoter, the Directors, and the Key Managerial Personnel in relation to the utilization of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Issue as set out above.

We confirm that the audited standalone financial statements of our Company for past 3 (three) full financial years immediately preceding the date of filing of offer document have been provided on our website in accordance with the ICDR Regulations.

BASIS FOR ISSUE PRICE

The Price Band, Floor Price and Issue Price will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. The financial information included herein is derived from our Restated Consolidated Financial Statements. Investors should also refer to "*Our Business*", "*Risk Factors*", "*Restated Consolidated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 175, 29, 229 and 289, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

- Integrated and well-established manufacturing setup
- Manufacturing plants are strategically located, supported by robust architecture, leading to cost efficiencies and a stable supply chain
- Quantity and Average price of Coal procured by the company
- Diversified product mix with strong focus on value added products
- Experienced Promoter, Board, and management team
- Consistent track record of growth and financial performance

For more details on qualitative factors, refer to chapter *"Our Business-Our Strengths"* on page 176 of this Draft Red Herring Prospectus.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Statements. For more details on financial information; investors, please refer the chapter titled "*Financial Information*" on page 229 of this Draft Red Herring Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1) Basic and Diluted Earnings / Loss Per Share ("EPS") as adjusted for changes in capital:

Year ended March 31,	Basic & diluted	
	EPS (in ₹)	Weights
2023	21.84	3
2022	11.61	2
2021	4.44	1
Weighted Average	**15.53**	
For the three months period ended June 30, 2023*	6.61	

** Not Annualized*

Notes:

a. The face value of each Equity Share is ₹10 each

b. Basic Earnings per share = Restated Consolidated Net profit after tax attributable to equity shareholders / Weighted average number of equity shares outstanding during the period/year.

c. Diluted Earnings per share = Restated Consolidated Net profit after tax attributable to equity shareholders / Weighted average number of potential equity shares outstanding during the period/year.

d. 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.

e. Pursuant to a resolution of our shareholders dated September, 29 2023 the Members of Company in their extra ordinary general meeting has approved 4:1 bonus shares on fully paid equity shares having face value of ₹10 per share through capitalization of free reserves of the Company. The above bonus is retrospectively considered for the computation of weighted average number of equity shares outstanding during the period, in accordance with IND AS 33.

f. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Consolidated Financial Statements beginning on page 229 of this Draft Red Herring Prospectus.

2) Price/Earning ("P/E") ratio in relation to price band of ₹ [●] to ₹ [●] per Equity Share of ₹ 10 each:

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic and diluted EPS for Fiscal 2023	[●]	[●]

Industry P/E ratio

Particulars	P/e Ratio
Highest	68.80
Lowest	4.9
Industry Average	20.1

Notes: The industry high, low and average has been considered from the Capital Market, Volume XXXVIII/23 Dec 25,2023 – Jan 07, 2024. Industry "Steel – Medium / Small)

3) Return on Net worth (RoNW)

Year ended March 31,	RoNW (%)	Weight
2023	38.43%	3
2022	33.10%	2
2021	19.14%	1
Weighted Average	**33.44%**	
For the three months period ended June 30, 2023*	10.41 %	

** Not Annualised*

Notes:

a. Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth x Weight) for each year] / [Total of weights]

b. Return on Net Worth (%) = Net profit after tax as restated, attributable to the owners of the Company /Net worth as restated as at period/year end.

c. "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, miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, foreign currency translation reserve, write-back of depreciation as at period /year end.

4) Net Asset Value (NAV)

Financial Year	NAV (₹)*
NAV as at March 31, 2023	284.18
NAV as at June 30, 2023	317.22
After the Issue:	
(a) At Floor Price	[●]
(b) At Cap Price	[●]
Issue Price (₹)	[●]

**The Company has issued bonus shares in the ratio of 4:1 on September 29, 2023. Net Asset Value after considering this bonus Issue is ₹ 63.44/- per share as on the date of the Draft Red Herring Prospectus.*

Notes:

a. Issue Price per Equity Share will be determined on conclusion of the Book Building Process.
b. Net asset value per share= Net worth as restated / Number of Equity Shares as at period/ year end.

5) Key Performance Indicators

1) Key Performance Indicators

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 20 2023 and the Audit Committee has confirmed that it has verified and audited details of all the KPI's pertaining to the Company that have been disclosed to earlier investors at any point of time during the Stub period and three years period prior to the date of filing of this Draft Red Herring Prospectus, if any. During the stub period and three years period prior to the date of filing of this Draft Red Herring Prospectus, no fresh allotment was made.

(₹ in million, except percentages and ratios)

Particulars	June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from Operations	1,056.78	5,156.71	4,140.43	2,907.06
EBITDA [(1)]	237.47	813.14	496.61	291.00
EBITDA Margin (%) [(2)]	22.47%	15.77%	11.99%	10.01%
Restated profit for the period / year	163.34	539.97	287.04	109.85
Restated profit for the period / year Margin (%) [(3)]	15.46%	10.47%	6.93%	3.78%
Return on Equity ("RoE") (%)* [(4)]	10.41%	38.43%	33.10%	19.14%
Return on Capital Employed ("RoCE") (%)* [(5)]	13.62%	48.97%	37.69%	27.66%
Net Debt[(6)]/ EBITDA Ratio	0.62	0.28	0.85	1.57

**Not Annualised*

Notes:

[(1)] EBITDA is calculated as restated profit for the period / year plus tax expense plus depreciation and amortization plus finance costs plus exceptional items.

[(2)] EBITDA Margin is calculated as EBITDA divided by revenue from operations.

[(3)] Restated profit for the period / year margin is calculated as restated profit for the period / year divided by revenue from operations.

[(4)]RoE is calculated as Net profit after tax divided by Closing Equity.

[(5)]RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Net worth plus Long-term debt and Short- term debt and deferred tax liabilities.

[(6)]Net debt is calculated as short-term debt plus long term debt less cash and cash equivalent.

We shall continue to disclose these KPIs, on a half yearly basis, for a duration that is at least the later of (i) two years after the listing date; and (ii) the utilization of the issue proceeds disclosed in the objects of the issue section of the Prospectus. We confirm that the ongoing KPIs would be certified by the statutory auditor of our Company

Explanation for the Key Performance Indicators

Revenue from operations: *Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company.*

EBITDA: *EBITDA is calculated as Restated profit / loss for the period plus tax expense plus depreciation and amortization plus finance costs and any exceptional items. EBITDA provides information regarding the operational efficiency of the business of our Company.*

EBITDA margin: *EBITDA Margin the percentage of EBITDA divided by revenue from operations and is an indicator of the operational profitability of our business before interest, depreciation, amortization, and taxes.*

Restated profit for the period / year: *Restated profit for the period / year represents the profit / loss that our Company makes for the financial year or during the a given period. It provides information regarding the profitability of the business of our Company.*

Restated profit for the period / year margin: *Restated profit for the period / year Margin is the ratio of Restated profit for the period / year to the total revenue of the Company. It provides information regarding the profitability of the business of our Company as well as to compare against the historical performance of our business.*

Return on Equity ("RoE")*: RoE refers to Restated profit for the period / year divided by Equity for the period. Equity is calculated as closing balance of the total equity at the end of the period. RoE is an indicator of our Company's efficiency as it measures our Company's profitability. RoE is indicative of the profit generation by our Company against the equity contribution.*

Return on Capital Employed ("RoCE")*: RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed by the Company for the period. RoCE is an indicator of our Company's efficiency as it measures our Company's profitability. RoCE is indicative of the profit generation by our Company against the capital employed.*

Net Debt/ EBITDA: *Net Debt to EBITDA is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. It shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.*

2) Comparison of Key Performance Indicators with listed Industry Peers

Following are the Indian listed companies that are engaged in a business similar to that of our Company. Below is the industry comparison of Key Performance Indicators.

(₹ in million, except percentages and ratios)

Particulars	Vraj Iron and Steel Limited	Godawari Power and Ispat Limited	Sarda Energy and Minerals Limited	Shyam Metalics and Energy Limited
Revenue from Operations	5,156.71	57,530.40	42,119.00	126,101.8
EBITDA [(1)]	813.14	12,367.60	11,100.00	14,860.30
EBITDA Margin (%)	15.77%	21.50%	26.35%	11.78%
Restated profit for the period / year	539.97	7,933.60	6,039.80	8,484.10
Restated profit for the period / year Margin (%)	10.47%	13.79%	14.34%	6.73%
Return on Equity ("RoE") (%)	38.43%	21.98%	18.83%	13.06%
Net Debt / EBITDA Ratio	0.28	(0.19)	1.32	0.30

3) Comparison of Accounting ratios with listed Industry Peers

Following are the Indian listed companies that are engaged in a business similar to that of our Company. Below is the industry comparison of Accounting Ratios.

(₹ in million, except percentages and ratios)

Particulars	CMP*	EPS	RONW (%)	NAV per share (₹)	EBITDA Margin	Revenue from Operations (₹ in Million)	Face Value (₹)
Vraj Iron & Steel Limited	[●]	21.84	38.15%	286.27	15.77%	5,156.71	10.00
Godawari Power and Ispat Limited	688.10	61.16	20.31%	277.09	21.50%	57,530.40	5.00
Sarda Energy and Minerals Limited	248.00	169.94	17.71%	967.72	26.35%	42,119.00	1.00
Shyam Metalics and Energy Limited	572.05	33.26	11.85%	280.79	11.78%	126,101.8	10.00

** CMP for our Company shall be considered as Issue Price*

***Source: www.bseindia.com.*

Notes:

(i) The figures of Vraj Iron and Steel Limited are based on Restated financial statements for the year ended March 31, 2023.

(ii) Current Market Price (CMP) is the closing price of peer group scripts as on December 21, 2023. The figures for the peer group are based on the consolidated audited financials for the year ended March 31, 2023.

4) Past Transfer(s) / Allotment(s)

There has been no issuance of Equity Shares or convertible securities, (excluding the shares issued under issuance of bonus shares), during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s)), in a single transaction or multiple transactions.

There have been no secondary sales / acquisitions of Equity Shares or any convertible securities, excluding the shares acquired / sold via gift deed, (where promoter / promoter group entities or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction) equivalent to or exceeding 5% of the fully diluted paid-up share capital of the Company(calculated based on the pre-Issue capital before such transaction(s)), whether in a single transaction or a group of transactions during the 18 months preceding the date of the this Draft Red Herring Prospectus.

Further we had not undertaken any primary / new issuance of Equity Shares or any convertible securities during the period of preceding three years from the date of this Draft Red Herring Prospectus except for issuance of equity shares on bonus issue as disclosed in the section entitled "*Capital Structure*" on page 71 of this Draft Red Herring Prospectus and there have been no secondary sales / acquisitions of Equity Shares or any convertible securities (where promoter / promoter group entities or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction) during the period of preceding 3 years from the date of this Draft Red Herring Prospectus, excluding the shares acquired / sold via gift deed.

Weighted average cost of acquisition ("WACA"), IPO Floor Price and Cap Price

Since there are no such transaction to report to under (a), (b) and (c) above, comparison of Weighted Average Cost of Acquisition (WACA) with IPO Floor Price & Cap Price is not possible.

Past Transactions	WACA	IPO Floor Price – ₹ [●]	IPO Cap Price– ₹ [●]
WACA of Primary issuance*	Nil	NA	NA
WACA of Secondary transactions**	Nil	NA	NA

**Excluding the shares issued under issuance of bonus shares*

*** Excluding the shares acquired / sold for for minimum requirement of 7 shareholders at the time of conversion from Private Limited to Public Limited.*

5) The Issue price is [●] times of the face value of the Equity Shares.

The Issue Price of ₹ [●] has been determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the above qualitative and quantitative parameters. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is [●] times of the face value. Investor should read the abovementioned information along with the section titled *"Risk Factors"* on page 29 of this Draft Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the section titled *"Financial Information"* on page 229 of this Draft Red Herring Prospectus. The trading price of the Equity Shares could decline due to the factors mentioned in section titled *"Risk Factors"* on page 29 of this Draft Red Herring Prospectus and an investor may lose all or part of his investment.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE HOLDING COMPANY, ASSOCIATE AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS, IN INDIA.

To,

The Board of Directors
Vraj Iron and Steel Limited,
(Formerly known as Vraj Iron and Steel Private Limited & Phil Ispat Private Limited)
First floor, Plot No 63& 66,
Ph No 113 Mother Teresa,
Ward No. 43, Jalvihar Colony,
Raipur, Chhattisgarh, India, 492001.

Proposed Initial Public Offer of equity shares ("IPO") of Vraj Iron and Steel Limited (the "Issuer"/ "Company").

1. This report is issued in accordance with the terms of our engagement letter dated November 17, 2023.

2. The accompanying Statement of Possible Special Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "the Statement") under the Income-tax Act, 1961 as amended by the Finance Act, hereinafter referred to as the Direct & Indirect Taxes has been prepared by the management of the Company in connection with the proposed offer.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on December 23, 2023 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with the Standards on Auditing, the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2019)" issued by the Institute of Chartered Accountants of India.

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

6. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Act and the Regulations in connection with the offering.

Inherent Limitations

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

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

Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of Income Tax Regulations and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We shall not be liable to the Company for any claims, liabilities or expenses arising from facts and disclosure in statement of tax benefits determined to have resulted primarily from bad faith or intentional misrepresentation. We will not be liable to any other person in respect of this Statement.

Opinion

8. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as on the date of signing of this report, to the Company and its shareholders in accordance with the Income Tax Regulations. Considering the matter referred to in point no. 7 above, we are unable to express any opinion or provide any assurance as to whether:

   - The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
   - The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

9. 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 Offering to be filed by the Company with the Securities and Exchange Board of India, concerned stock exchanges. Accordingly, this report should not be reproduced or used for any other purpose without our prior written consent.

For Amitabh Agrawal & Co.
Chartered Accountants
Firm Registration Number: 006620C

Amitabh Agrawal
Partner
Mem No: 075315

UDIN: 23075315BJYVGM5786

Place: Raipur
Date: December 24, 2023

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, IT's ASSOCIATE AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS, IN INDIA.

A. SPECIAL TAX BENEFITS TO THE COMPANY

The Issuer Company ("Vraj Iron and Steel Limited") is not entitled to any special tax benefits under the Direct Tax Laws and Indirect Tax Laws, as applicable in India.

B. SPECIAL TAX BENEFITS TO THE ASSOCIATE

The Associate Company ("Vraj Metaliks Private Limited") is not entitled to any special tax benefits under the Direct and Indirect Tax Laws, as applicable in India.

C. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Issuer Company are not entitled to any special tax benefits under the Direct and Indirect Tax Laws, as applicable.

Note:

1) These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income Tax Regulation. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which are based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

2) The special tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences 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.

3) The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
   - the Company or its shareholders will continue to obtain these benefits in future;
   - the conditions prescribed for availing the benefits have been/ would be met with; and
   - The revenue authorities/courts will concur with the view expressed herein.

4) The above views are based on the existing provisions of laws which are subject to change from time to time.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, the industry-related information contained in this section is derived from a report titled "Industry Report on Steel Industry" dated December 26, 2023 prepared by CareEdge Advisory. We commissioned CareEdge Advisory for the said report, and paid for such report for an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Issue. For further details and risks in relation to commissioned reports, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus contains information from an industry report obtained from CareEdge Advisory, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate" beginning on page 49 of this Draft Red Herring Prospectus. Unless otherwise stated, all financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statements. We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Statements or otherwise be subject to an examination, audit or review by our auditors or any other expert. Some of the information in this section, including information with respect to our plans and strategies, contain forward – looking statements that involve risks and uncertainties. You should read the section entitled "Forward Looking Statements" on page 21 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements, and the section entitled "Risk Factors" on page 29 of this Draft Red Herring Prospectus for a discussion of certain risks that may affect our business, financial condition or results of operations. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular year refers to such information for the relevant financial year.

*Unless noted otherwise, the information in this section is derived from a report titled "**Industry Report on Steel**" dated December 26, 2023 prepared by CareEdge Advisory (the "**CareEdge Report**"). We commissioned CareEdge Advisory for the said report, and paid for such report for an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Issue. CareEdge Advisory was appointed by our Company pursuant to an engagement letter dated October 27, 2023 for the purpose of preparation of the CareEdge Report. The data included herein includes excerpts from the CareEdge Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue) that have been left out or changed in any manner. A copy of the CareEdge Report shall be available on the website of our Company at www.vrajtmt.in.*

CareEdge Advisory has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Unless otherwise indicated, financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Industry 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 their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information.

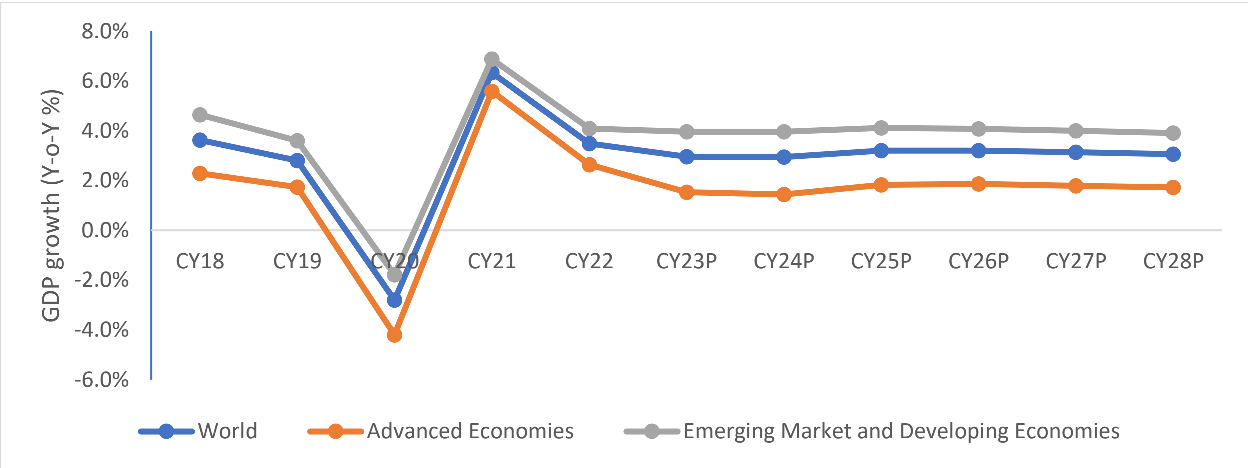
The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. For further details, see "Certain Conventions, Presentation of Financial, Industry and Market Data — Industry and Market Data" on page 19. Also, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus contains information from an industry report obtained from CareEdge Advisory, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 49.

Economic Outlook

1.1 Global Economy

As per the International Monetary Fund (IMF)'s World Economic Outlook growth projections released in October 2023, the global economic growth for CY22 stood at 3.5% on a year-on-year (y-o-y) basis, down from 6.3% in CY21 due to disruptions resulting from the Russia-Ukraine conflict and higher-than-expected inflation worldwide. On the other hand, the global economic growth for CY23 is projected to slow down further to 3.0% and 2.9% in CY24, attributed to compressing global financial conditions, expectant steeper interest rate hikes by major central banks to fight inflation, and spill-over effects from the Russia-Ukraine conflict, with gas supplies from Russia to Europe expected to remain tightened. For the next 4 years, the IMF projects world economic growth in the range of 3.0%-3.2% on a y-o-y basis.

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection;
Source: IMF – World Economic Outlook, October 2023

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY19	CY20	CY21	CY22	CY23P	CY24P	CY25P	CY26P	CY27P	CY28P
India	3.9	-5.8	9.1	7.2	6.3	6.3	6.3	6.3	6.3	6.3
China	6.0	2.2	8.5	3.0	5.0	4.2	4.1	4.1	3.7	3.4
Indonesia	5.0	-2.1	3.7	5.3	5.0	5.0	5.0	5.0	5.0	5.0
Saudi Arabia	0.8	-4.3	3.9	8.7	0.8	4.0	4.2	3.3	3.3	3.1
Brazil	1.2	-3.3	5.0	2.9	3.1	1.5	1.9	1.9	2.0	2.0
Euro Area	1.6	-6.1	5.6	3.3	0.7	1.2	1.8	1.7	1.5	1.3
United States	2.3	-2.8	5.9	2.1	2.1	1.5	1.8	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (October 2023)

Advanced Economies Group

The major advanced economies registered GDP growth of 2.6% in CY22, down from 5.6% in CY21, which is further projected to decline to 1.5% in CY23. This forecast of low growth reflects increased central bank interest rates to fight inflation and the impact of the Russia-Ukraine war. About 90% of advanced economies are projected to witness decline GDP growth in CY23 compared to CY22. In addition, this is further expected to decline to 1.4% in CY24.

One of the major countries from this group is the **United States**. The United States registered GDP growth of 2.1% in CY22 compared to 5.9% in CY21. Whereas, growth for CY23 and CY24 is projected at 2.1% and 1.5%, respectively. Among advanced economies group, private consumption has been stronger in the United States than in the euro area. The business investments have also been robust in the second quarter, in addition, the general government fiscal stance of United States is expected to be expansionary in CY23. However, the unemployment rate is expected to rise coupled with declining wages and savings. With this, the GDP growth is expected to soften in near term.

Further, the **Euro Area** registered GDP growth of 3.3% in CY22 compared to 5.6% in CY21. For CY23 and CY24, the growth is projected at 0.7% and 1.2%, respectively. There is divergence in GDP growth across the euro area. Wherein, Germany is expected to witnesses slight contraction in growth due to weak interest rate sensitive sector and slow trading demand. On the other hand, the GDP growth for France has been revised upwards on account of growing industrial production and external demand.

Emerging Market and Developing Economies Group

For the emerging market and developing economies group, GDP growth stood at 4.1% in CY22, compared to 6.9% in CY21. This growth is further projected at 4.0% in CY23 and CY24. About 90% of the emerging economies are projected to make positive growth. While the remaining economies, including the low-income countries, are expected to progress slower.

Further, in **China**, growth is expected to pick up to 5.0% with the full reopening in CY23 and subsequently moderate in CY24 to 4.2%. The property market crisis and lower investment are key factors leading to this moderation. Whereas, **India** is projected to remain strong at 6.3% for both CY23 and CY24 backed by resilient domestic demands despite external headwinds.

The **Indonesian** economy is expected to register growth of 5% both in CY23 and CY24 with a strong recovery in domestic demands, a healthy export performance, policy measures, and normalization in commodity prices. In CY22, **Saudi Arabia** was the fastest-growing economy in this peer set with 8.7% growth. The growth is accredited to robust oil production, non-oil private investments encompassing wholesale and retail trade, construction and transport, and surging private consumption. Saudi Arabia is expected to grow at 0.8% and 4.0% in CY23 and CY24, respectively. On the other hand, **Brazil** is expected to project growth of 3.1% in CY23 driven by buoyant agriculture and resilient services in the first half of CY23.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the Nominal GDP has been estimated to be at USD 3.4 trillion for CY22 and is projected to reach USD 5.4 trillion by CY27. India's expected GDP growth rate for coming years is almost double compared to the world economy.
Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6% in the period of CY24-CY28, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7% share in the global economy, with China [~18%] on the top followed by the United States [~15%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country.

Despite Covid-19's impact, high inflationary environment and interest rates globally, and the geopolitical tensions in Europe, India has been a major contributor to world economic growth. India is increasingly becoming an open economy as well through growing foreign trade. Despite the global inflation and uncertainties, Indian economy continues to show resilience. This resilience is mainly supported stable financial sector backed by well-capitalized banks and export of services in trade balance. With this, the growth of Indian economy is expected to fare better than other economies majorly on account of strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners.

1.2 Indian Economic Outlook

1.2.1 GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's real GDP grew by 9.1% in FY22 and stood at ~Rs. 149 trillion despite the pandemic and geopolitical Russia-Ukraine spillovers. In Q1FY23, India recorded 13.1% y-o-y growth in real GDP, largely attributed to improved performance by the agriculture and services sectors. Following this double-digit growth, Q2FY23 witnessed 6.2% y-o-y growth, while Q3FY23 registered 4.5% y-o-y growth. The slowdown during Q2FY23 and Q3FY23 compared to Q1FY23 can be attributed to the normalization of the base and a contraction in the manufacturing sector's output.

Subsequently, Q4FY23 registered broad-based improvement across sectors compared to Q3FY23 with a growth of 6.1% y-o-y. The investments, as announced in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure, have augmented growth and encouraged private investment through large multiplier effects in FY23. Supported by fixed investment and higher net exports, real GDP for full-year FY23 was valued at ~Rs. 160 trillion registering an increase of 7.2% y-o-y.

Furthermore, in Q1FY24, the economic growth accelerated to 7.8%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum was maintained in the Q2FY24 with GDP growth at 7.6%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24. On the supply side, a significant improvement in manufacturing and construction activities supported growth. Overall, the economy expanded by 7.7% in H1FY24 compared to 5.3% in H2FY23.

GDP Growth Outlook

- Driven by resilience in urban demand and the front loading of the government's capital expenditure, the H1FY24 witnessed a strong growth. While festive cheer will support urban demand in Q3FY24, the outlook for rural demand revival remains clouded amid monsoon deficiency and likely hit to the agricultural production.
- The recent announcements of various relief measures such as LPG price reduction and extension of Pradhan Mantri Garib Kalyan Anna Yojna (PMGKAY) are expected to provide some cushion and so far, investment demand has remained robust. However, there could be some moderation in H2FY24 as both the government and private sector may restrain their capital spending ahead of the general elections. Despite some expected moderation in the H2FY24, India's overall GDP growth for FY24 is expected to remain on a firm footing.
- Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments.
- External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential.

Taking all these factors into consideration, in December 2023, the RBI in its bi-monthly monetary policy meeting forecasted a real GDP growth of 7.0% y-o-y for FY24.

Table 2: RBI's GDP Growth Outlook (Y-o-Y %)

FY24P (complete year)	Q3FY24P	Q4FY24P	Q1FY25P	Q2FY25P	Q3FY25P
7.0	6.5	6.0	6.7%	6.5%	6.4%

Note: P – Projected; Source: Reserve Bank of India

1.2.2 Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.
- The **agriculture sector** was holding growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than the previous year which affected the agricultural performance. Whereas FY20 witnessed growth on account of improved production. During the pandemic-impacted period of FY21, the agriculture sector was largely insulated as timely and proactive exemptions from COVID-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops.

However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

Further, in Q1FY23 and Q2FY23, the agriculture sector recorded a growth of 2.4% and 2.5%, respectively, on a y-o-y basis. Due to uneven rains in the financial year, the production of some major Kharif crops, such as rice and pulses, was adversely impacted thereby impacting the agriculture sector's output. In Q3FY23 and Q4FY23, the sector recorded a growth of 4.7% and 5.5%, respectively, on a y-o-y basis.
Overall, the agriculture sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y in FY23, garnering ~Rs. 22 trillion. In Q1FY24, this sector expanded at a slower pace of 3.5% compared to a quarter ago. This further stumbled to 1.2% in Q2FY24. Overall, H1FY24 registered a 2.4% growth with weakest monsoon experience caused by El Nino conditions.

Going forward, rising bank credit to the sector and increased exports will be the drivers for the agriculture sector. However, a deficient rainfall may impact the reservoir level weighing on prospects of rabi sowing.

- The **industrial sector** witnessed a CAGR of 6.3% for the period FY16 to FY19. From March 2020 onwards, the nationwide lockdown due to the pandemic significantly impacted industrial activities. In FY20 and FY21, this sector felt turbulence due to the pandemic and recorded a decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of the economy and resumption of industrial activities, it registered 11.6% y-o-y growth in FY22, albeit on a lower base.

The industrial output in Q1FY23 jumped 9.4% on a y-o-y basis. However, in the subsequent quarter, the sector witnessed a sharp contraction of 0.5% due to lower output across the mining, manufacturing, and construction sectors. This was mainly because of the poor performance of the manufacturing sector, which was marred by high input costs. In Q3FY23, the sector grew modestly by 2.3% y-o-y. The growth picked up in Q4FY23 to 6.3% y-o-y owing to a rebound in manufacturing activities and healthy growth in the construction sector. Overall, the industrial sector is estimated to be valued at ~Rs. 45 trillion registering 4.4% growth in FY23.
The industrial sector grew by 5.5% in Q1FY24, while Q2FY24 growth was up by 13.2% owing to positive business optimism and strong growth in new orders supported manufacturing output. The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing (as captured by IIP numbers), industries such as pharma, non-metallic mineral products, rubber, plastic, metals, etc., witnessed higher production growth during the quarter. The construction sector (13% growth in Q2FY24) benefited from poor rainfall during August and September and higher implementation of infrastructure projects. This was reflected in robust cement and steel production and power demand in Q2FY24. Overall, H1FY24 picked up by 9.3% with manufacturing and construction activities witnessing significant acceleration.

Forthcoming, despite the consumer market thriving in festive season in the second half of this fiscal, RBI monetary tightening could potentially curb credit growth and discretionary spending among urban households. Also, lagging rural consumption and election related capex hurdles in early 2024 is likely to pose slowdown in industrial segment, while this segment is signaling overall resurgence.

- The **services sector** recorded a CAGR of 7.1% for the period FY16 to FY20, which was led by trade, hotels, transport, communication, and services related to broadcasting, finance, real estate, and professional services. This sector was the hardest hit by the pandemic and registered an 8.2% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in FY22.

In Q1FY23 and Q2FY23, this sector registered a y-o-y growth of 16.3% and 9.4%, respectively, on a lower base and supported by a revival in contact-intensive industries. Further, the services sector continued to witness buoyant demand and recorded a growth of 6.1% y-o-y in Q3FY23. Supported by robust discretionary demands, Q4FY23 registered 6.9% growth largely driven by the trade, hotel, and transportation industries. Overall, benefitting from the pent-up demand, the service sector was valued at ~Rs. 80 trillion and registered growth of 9.5% y-o-y in FY23.
Whereas in Q1FY24, the services sector growth jumped to 10.3%. Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate, and professional services. Trade, hotels, and transport sub-sectors expanded at a healthy pace gaining from strength in discretionary demand. The service sector growth in Q2FY24 moderated to 5.8% partly due to the normalization of base effect and some possible dilution in discretionary demand. Considering these factors, service sector marked 8% growth in H1FY24.

With this performance, steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit are expected to support the services sector.

Table 3: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

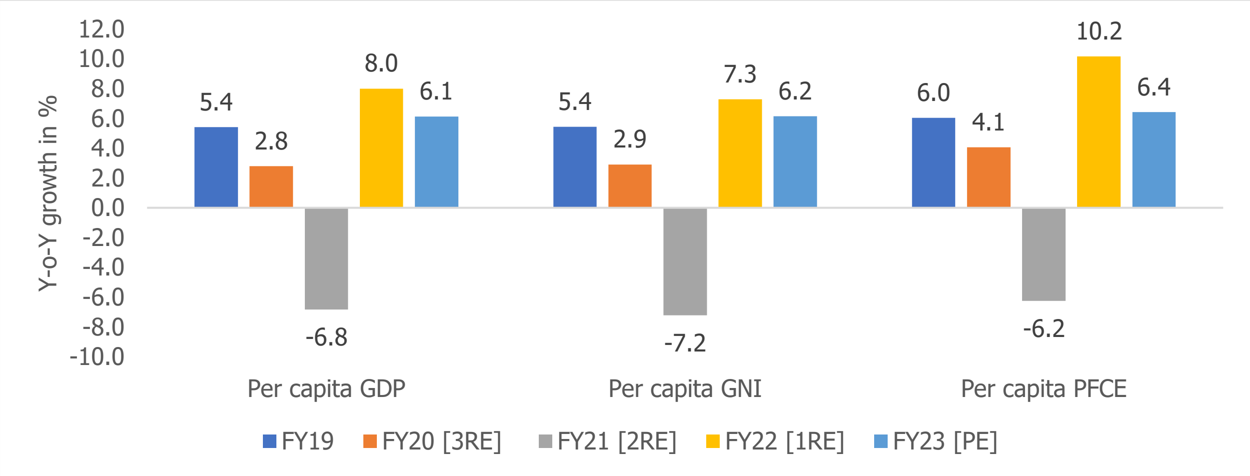
At constant Prices	FY18	FY19	FY20 (3RE)	FY21 (2RE)	FY22 (1RE)	FY23 (PE)	H1FY23	H1FY24
Agriculture, Forestry & Fishing	**6.6**	**2.1**	**6.2**	**4.1**	**3.5**	**4**	**2.4**	**2.4**
Industry	**5.9**	**5.3**	**-1.4**	**-0.9**	**11.6**	**4.4**	**4.3**	**9.3**
Mining & Quarrying	-5.6	-0.8	-3	-8.6	7.1	4.6	5.1	7.6
Manufacturing	7.5	5.4	-3	2.9	11.1	1.3	0.9	9.3
Electricity, Gas, Water Supply & Other Utility Services	10.6	7.9	2.3	-4.3	9.9	9	10.3	6.4
Construction	5.2	6.5	1.6	-5.7	14.8	10	10.7	10.5
Services	**6.3**	**7.2**	**6.4**	**-8.2**	**8.8**	**9.5**	**12.6**	**8.0**
Trade, Hotels, Transport, Communication & Broadcasting	10.3	7.2	6	-19.7	13.8	14	20.1	6.6
Financial, Real Estate & Professional Services	1.8	7	6.8	2.1	4.7	7.1	7.8	9.0
Public Administration, Defence and Other Services	8.3	7.5	6.6	-7.6	9.7	7.2	12.6	7.7
GVA at Basic Price	**6.2**	**5.8**	**3.9**	**-4.2**	**8.8**	**7**	**8.6**	**7.6**

Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate;
Source: MOSPI

Per capita GDP, Per Capita GNI and Per Capita PFCE

India has a population of about 1.4 billion with a young demographic profile. The advantages associated with this demographic dividend are better economic growth, rapid industrialization and urbanization.
Gross Domestic Product (GDP) per capita is a measure of a country's economic output per person. FY21 witnessed significant de-growth due to the pandemic. However, in FY22 the economy paved its way towards recovery and the per capita GDP grew by 8.0%. This growth was moderated to 6.1% due to the correction of base effect in FY23. The per capita Gross national income (GNI) also increased by 7.3% in FY22 and 6.2% in FY23. The per capita private final consumption expenditure (PFCE), which represents consumer spending, increased by 10.2% in FY22 and 6.4% in FY23.

Chart 2: Growth in Per Capita GDP, GNI and PFCE (Y-o-Y growth in %)

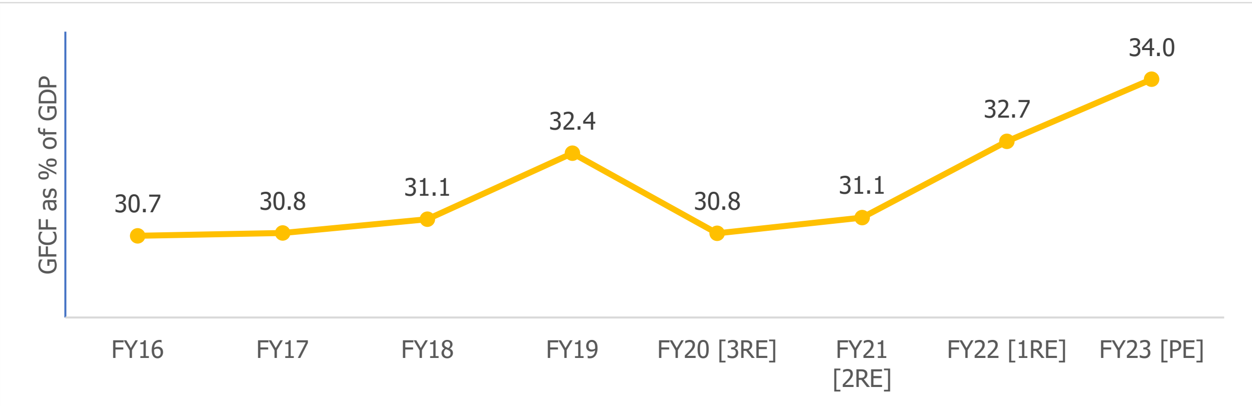


Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

1.2.3. Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 32.7%, which is the second-highest level in 7 years (since FY15). In FY23, the ratio of investment (GFCE) to GDP climbed up to its highest in the last decade at 34%, as per the advanced estimate released by the Ministry of Statistics and Programme Implementation (MOSPI).

Chart 3: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

1.2.4. Industrial Growth

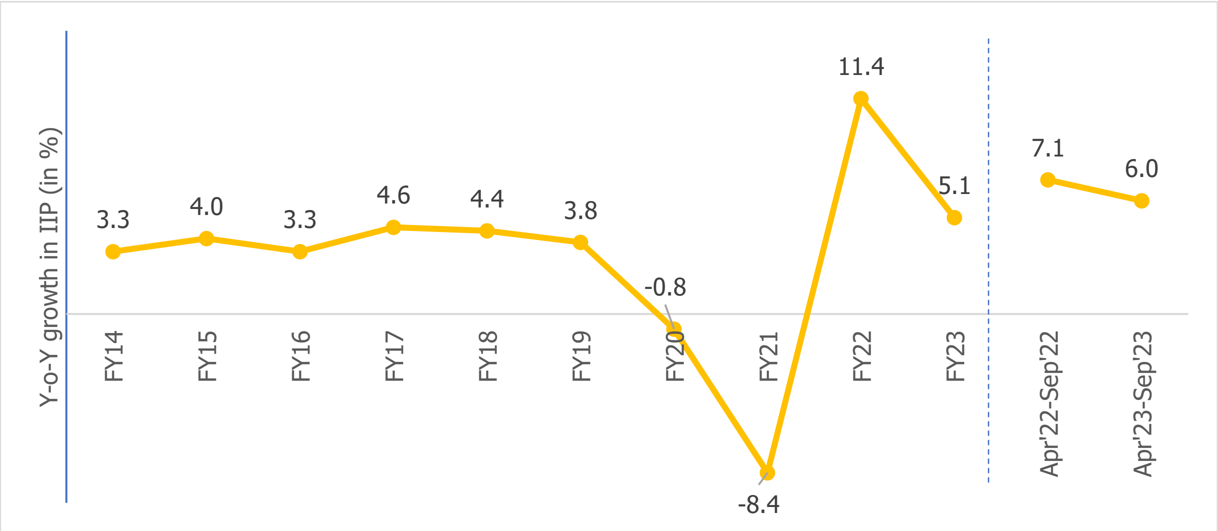
Improved Core and Capital Goods Sectors helped IIP Growth Momentum

The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by a low base of FY21. FY22 IIP was higher by 2.0%

when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway, it was still at very nascent stages.

During FY23, the industrial output recorded a growth of 5.1% y-o-y supported by a favorable base and a rebound in economic activities. The period April 2023 – September 2023, industrial output grew by 6.0% compared to the 7.1% growth in the corresponding period last year. So far in the current fiscal, while the infrastructure-related sectors have been doing well, slowing global growth and downside risks to rural demand have posed a challenge for industrial activity. Though the continued moderation in inflationary pressure offers some comfort, pain points in the form of elevated prices of select food items continue to persist.

Chart 4: Y-o-Y growth in IIP (in %)



Source: MOSPI

1.2.5. Consumer Price Index

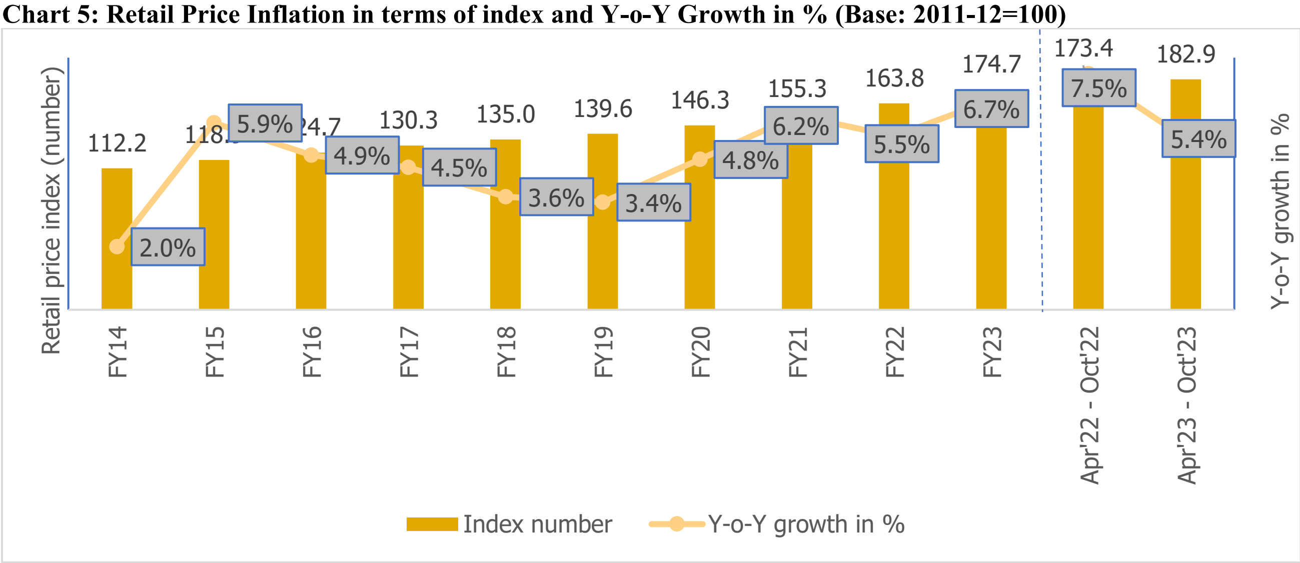
India's consumer price index (CPI), which tracks retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, consumer inflation started to upswing from October 2021 onwards and reached a tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail inflation came from a moderation in food inflation.

In the current fiscal FY24, the CPI moderated for two consecutive months to 4.7% in April 2023 and 4.3% in May 2023. This trend snapped in June 2023 with CPI rising to 4.9%. In July 2023, the CPI had reached the RBI's target range for the first time since February 2023 at 7.4% largely due to increased food inflation. This marked the highest reading observed since the peak in April 2022 at 7.8%. The notable surge in vegetable prices and elevated inflation in other food categories such as cereals, pulses, spices, and milk have driven this increase. Further, the contribution of food and beverage to the overall inflation had risen significantly to 65%, surpassing their weight in the CPI basket. In August 2023, the food inflation witnessed some moderation owing to government's active intervention. This was further moderated for second consecutive month in September 2023 to 5%, led by a sharp correction in vegetables prices and lower LPG prices. Helped by deflation in the fuel and light category, the retail inflation in October 2023 softened at 4.9%.

Overall, the declining trend in the headline as well as core inflation is comforting in the current fiscal. However, it remains to be seen if it sustains, given the weak prospects for the Kharif harvest and the expected hit to Rabi sowing amid lower reservoir levels in major agricultural states.

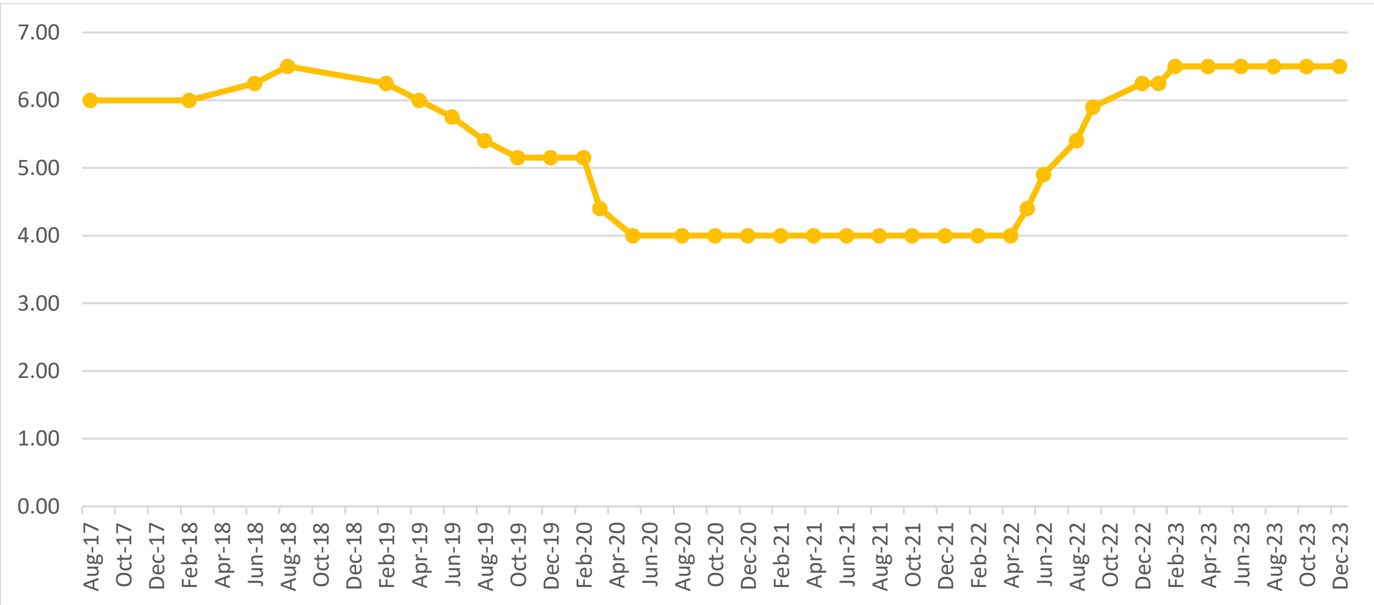
Chart 5: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)



Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. The RBI has increased the repo rates with the rise in inflation in the past year from 4% in April 2022 to 6.5% in January 2023.

Chart 6: RBI historical Repo Rate



Source: RBI

However, with the inflation easing over the last few months, RBI has kept the repo rate unchanged at 6.5% in the last five meetings of the Monetary Policy Committee. At the bi-monthly meeting held in December 2023, RBI projected inflation at 5.4% for FY24 with inflation during Q3FY24 at 5.6%, Q4FY24 at 5.2% Q1FY25 at 5.2% , Q2FY24 at 6.5% and Q3FY24 at 6.4%.

In a meeting held in December 2023, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

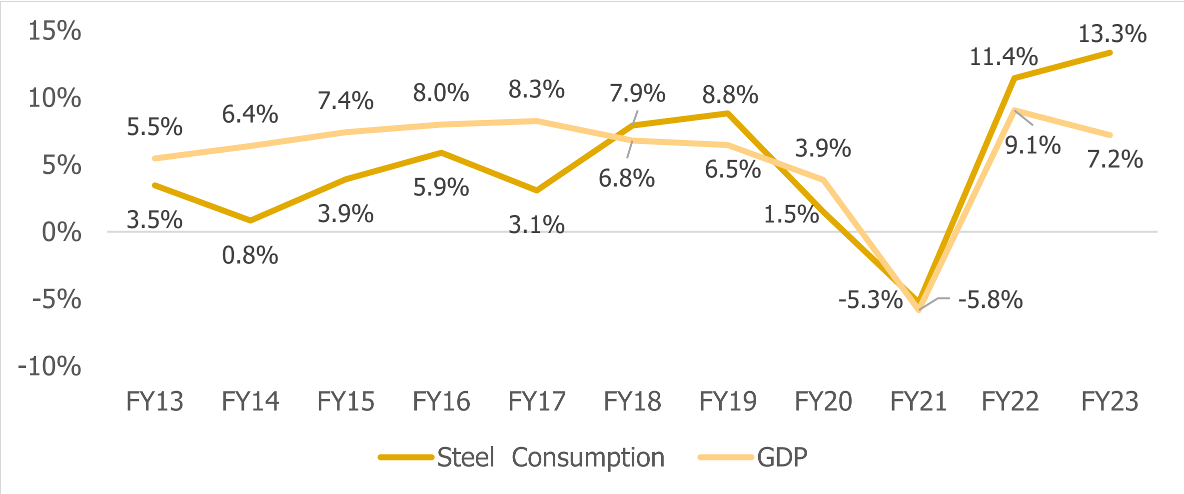
Further, the central bank continued to remain focused on the withdrawal of its accommodative stance. With domestic economic activities gaining traction, RBI has shifted gears to prioritize controlling inflation. While

RBI has paused on the policy rate front, it has also strongly reiterated its commitment to bringing down inflation close to its medium-term target of 4%. Given the uncertain global environment and lingering risks to inflation, the Central Bank has kept the window open for further monetary policy tightening in the future, if required.

1.2.6. Correlation of Steel Demand with GDP Growth

The steel demand in India is closely correlated to GDP growth as expansion in GDP leads to healthy growth in the construction and manufacturing as well as demand for housing, automobile, and railways, which in turn drives the steel consumption. While steel consumption growth lagged the GDP growth between FY13 to FY17, it has been broadly in line or higher than GDP growth since FY18, except in FY20.

Chart 7: Steel Demand Growth and GDP Growth (In percentage)



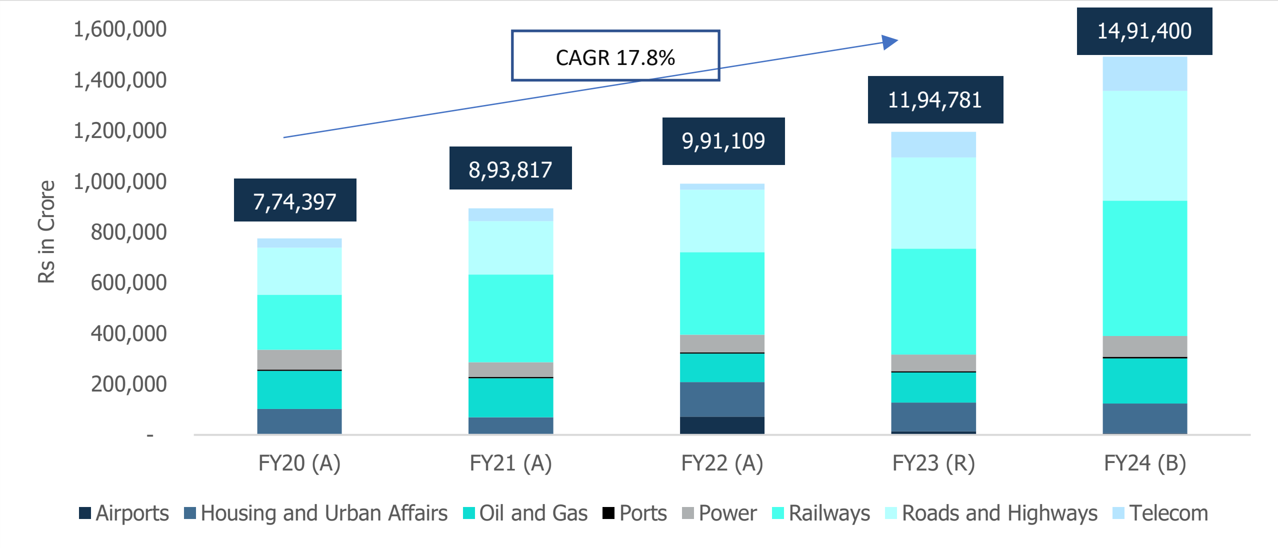
Source: CMIE

1.2.7. Budgetary Outlay Towards Infrastructure and Governmental Infra-Projects

One of the key drivers for economic growth is increased infrastructure investment thrust by the Government of India. In the Union Budget 2023-24, the government continued its focus on infrastructure development with budget estimates of capital expenditure towards infrastructure sector of Rs. 14,91,400 crores (including investments in PSUs) in 2023-24 (24.8% increase) over revised estimates of 2022-23.

Oil & Gas sector saw the highest increase in the budgetary allocation to Rs 1,77,908 crores followed by telecom to Rs.1,35,393. Allocation of airports has reduced to Rs 6,562 crores on account of sale of Air India and Privatization of Airports.

Chart 8: Key infrastructure sectors for Capital Expenditure in budget 2023-24



R - Revised, B - Budget

Source: Union Budget 2023-24 Analysis (includes Investment in PSU's)

Some of the key government infrastructure schemes includes:

- The 2023-24 budget by the Government highlights the impetus for growth by focusing on big public investment for modern infrastructure, which shall be guided by **PM Gati Shakti** and benefited by the synergy of multi-modal approach. It's a step towards economic growth as well as sustainable development and is driven by seven engines, namely, Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure. 100 critical transport infrastructure projects have been identified at an investment of Rs 75,000 crore including Rs 15,000 crore from private players. For the urban infrastructure in Tier – II and Tier – III cities, a corpus of Rs 10,000 crore has been set aside via establishment of Urban Infrastructure Development Fund.
- The Government has also announced plans for announced plans for **the National Monetization Pipeline (NIP)** and Development Finance Institution (DFI) to improve the financing of infrastructure projects. The NIP covering rural and urban infrastructure, entailed investments to the tune of Rs.111 lakh crores, which is being undertaken by the central government, state governments and the private sector during FY20-25.
- The government has helped the growth of urbanization through a number of schemes and projects, including the **Smart Cities Mission, the Atal Mission for Rejuvenation and Urban Transformation (AMRUT),** and the **Pradhan Mantri Awas Yojana (Urban)**.

Smart Cities Mission: Smart Cities Mission launched on 25 June 2015, is aimed at providing core infrastructure, clean and sustainable environment and a decent quality of life to their citizens through the application of 'smart solutions'. It is a transformational mission aimed to bring about a paradigm shift in the practice of urban development in the country. Under this mission, 100 smart cities have taken up projects across diverse sectors related to mobility, energy, water, sanitation, solid waste management, vibrant public spaces, social infrastructure, smart governance, etc. As on September 2023, about 6,000+ projects worth more than Rs. 1.1 lakh crore have been completed and the remaining projects will be completed by 30 June 2024.

AMRUT: Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched on 25th June 2015 in selected 500 cities and towns across the country. The Mission focuses on development of basic infrastructure, in the selected cities and towns, in the sectors of water supply; sewerage and septage management; storm water drainage; green spaces and parks; and non-motorized urban transport. A set of Urban Reforms and Capacity Building have been included in the Mission.

This mission has been subsumed under AMRUT 2.0, which was launched on 01st October, 2021 for the period of five years i.e. from the financial year 2021-22 to the financial year 2025-26, is designed to provide universal coverage of water supply through functional taps to all households in all the statutory towns in the country and coverage of sewerage/septage management in 500 cities covered in first phase of the AMRUT scheme.

PMAY: There is significant thrust on providing housing for all under the Pradhan Mantri Awaas Yojna (PMAY) by the government and the scheme has been getting steady allocation under the union budget. Further, the sustained efforts in sanctioning and completing a substantial number of houses under both PMAY-Urban and PMAY-Gramin schemes demonstrates the government's commitment towards promoting affordable housing and improving living conditions for individuals and families across the country.

1.2.8. Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of real GDP growth compared to other emerging economies. It is expected to grow at 6.3% in CY24 compared to the world real GDP growth projection of 3%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit, and GST collections have shown improvement in FY23. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

Further, as per the Indian Meteorological Department (IMD), the rainfall witnessed a deficit until September 2023. A drop in yield due to irregular monsoons and a lower acreage can lead to a demand-supply mismatch, further increasing the inflationary pressures on the food basket. Moreover, the consumption demand is expected to pick up in Q3FY24 due to the festive season. Going forward, the rising domestic demand will be driven by the rural economy’s performance and continual growth in urban consumption. However, high domestic inflation and global headwinds pose a downside risk to domestic demand.

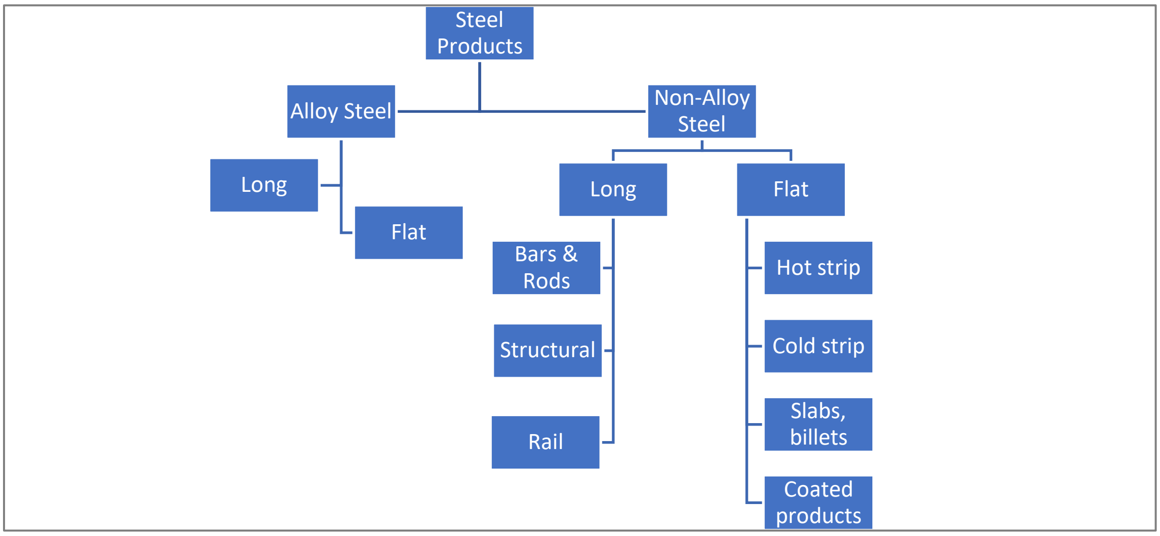
At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 10 lakh crores for FY24. The private sector’s intent to invest is also showing improvement as per the data announced on new project investments. However, volatile commodity prices and economic uncertainties emanating from global turbulence may slow down the improvement in private CapEx and investment cycle

2 Global Steel Industry

2.1 Overview of the Global Steel Industry

Steel is a paramount material in the fields of construction and engineering. It has widespread applications in industries such as automotive, construction, consumer goods, infrastructure, mechanical & medical equipment, packaging, and utensils, among others. Its popularity stems from its abundant availability, cost-effectiveness, exceptional strength and durability, ductility, and recyclability. According to the World Steel Association, there are over 3,500 different grades of steel produced worldwide, each possessing unique physical, chemical, and environmental properties to suit various applications.

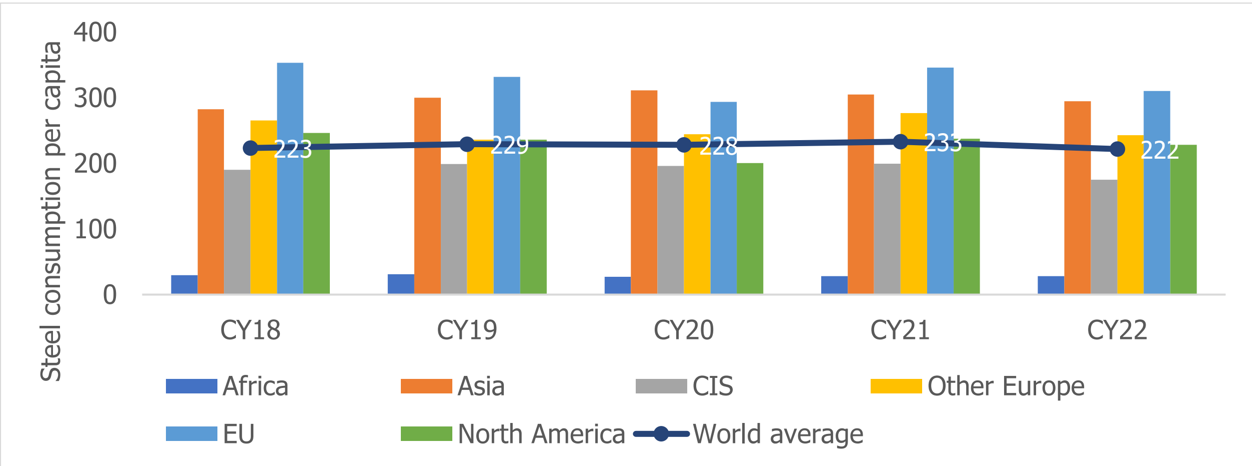
Chart 9 : Types of Steel Products



Source: Industry sources, CareEdge Research

Further, the global per capita consumption of steel has been on the rise. For instance, the consumption increased to 233 kg in 2021 from 223.2 kg in 2018. However, it decreased to 222 Kg in 2022 as the demand was affected by macroeconomic factors such as global slowdown and uncertainties due to the Russia-Ukraine war. Whereas the per capita consumption of EU 27 (Europe Union) was the highest at 310.3 kg in CY22, driven by high consumption in Germany, Italy, and France followed by Asia (294.7 kg) and Other Europe – The United Kingdom, Turkey, and Others (242.9 kg).

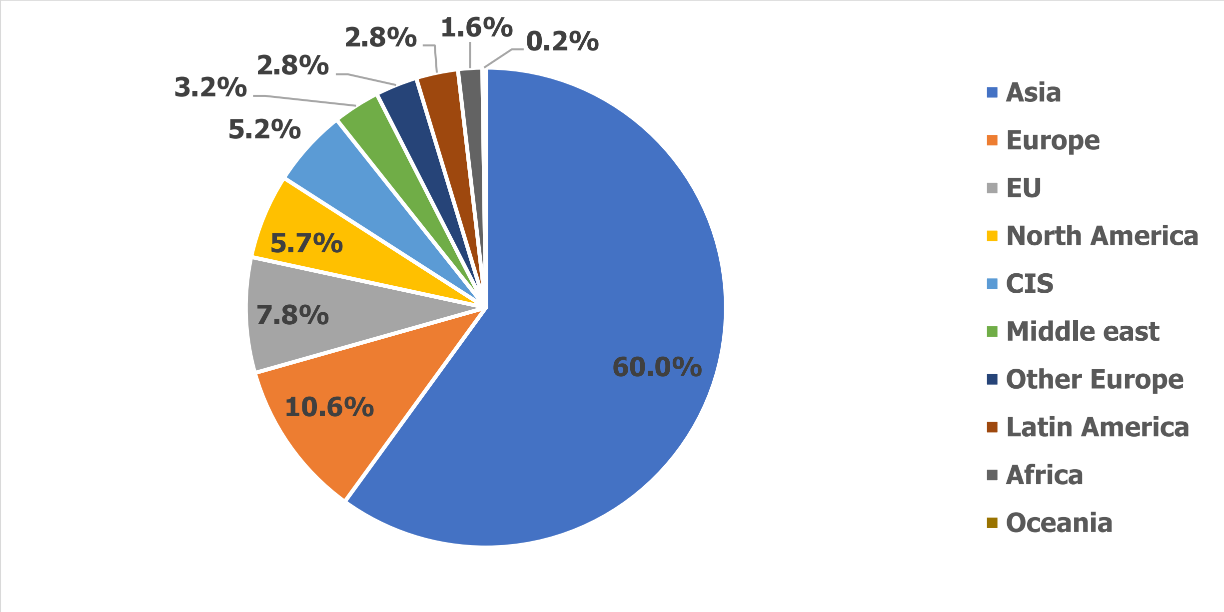
Chart 10: Global Per Capita Consumption (in kg)



Source: World Steel Association

Further, the global steel production capacity reached 2,452.7 million tonnes (MT) in CY22 with Asia accounting for the largest share of 60%. China holds a dominant position in steelmaking capacity, production, and consumption, boasting the highest steel production capacity globally, followed by India and Japan. Additionally, the European Union, North America, Latin America, the Middle East, and Oceania also contribute significantly to the global steel production capacity.

Chart 11: Region-wise Global Capacity in CY22 - 2,452.7 MT



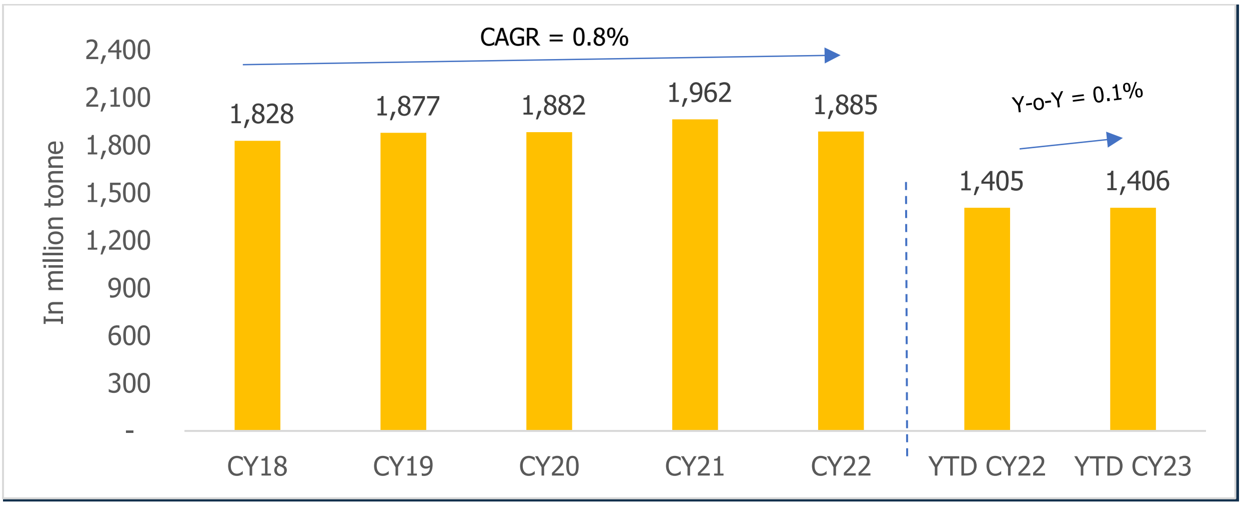
Source: Organisation for Economic Co-operation and Development (OECD)

2.2 Global Crude Steel Production

The global crude steel production has grown at a 5-year CAGR of about 0.8% to 1,885 MT in CY22 from 1,828 MT in CY18. However, it declined by ~4% y-o-y in CY22 from 1,962 MT in CY21 due to a slowdown in China, monetary tightening in the United States and Europe, inflationary pressures leading to increased input costs, and supply chain disruptions caused due to the Russia-Ukraine war.

During YTD CY23 (January 2023-September 2023), the production of global crude steel remained flat corresponding to the same period in CY22.

Chart 12: Global Crude Steel Production



Source: World Steel Association

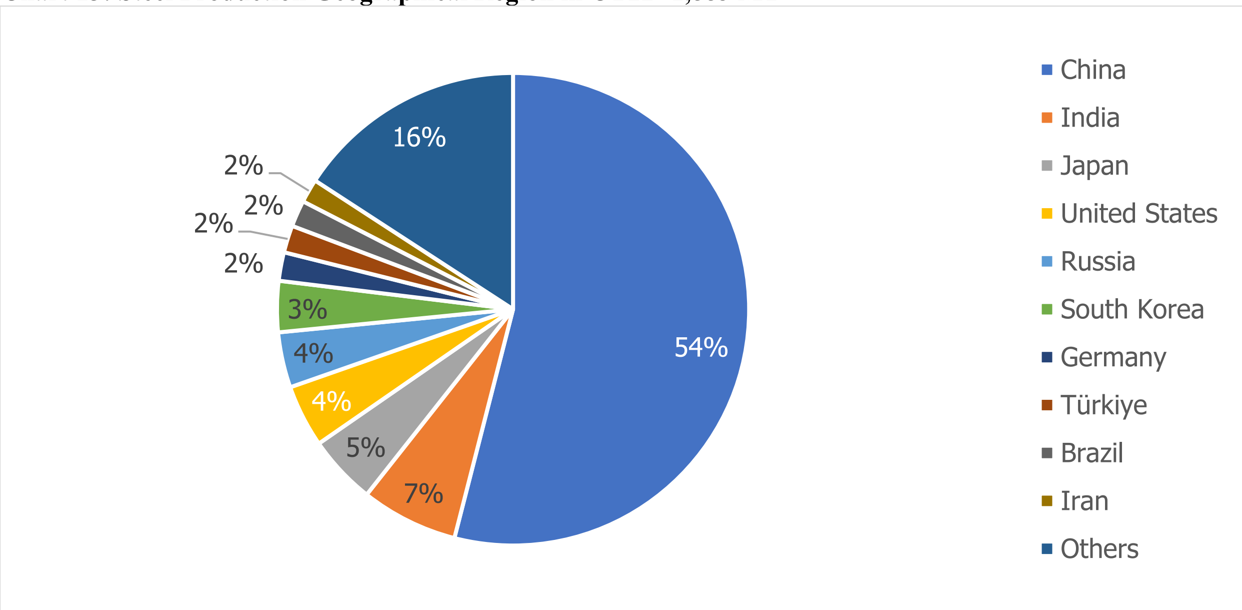
Note: YTD CY22 refers to the period from January 2022-September 2022

YTD CY23 refers to the period from January 2023- September 2023

Further, China continued to be the largest crude steel producer in CY22, accounting for 54% share. However, Chinese production declined by 2% y-o-y to 1,018 MT in CY22 as compared to 1,035 MT in the previous year due to lockdowns and restrictions enforced in the country due to the COVID-19 outbreak and a slowdown of its real estate market. China is also cutting down their production due to environmental concerns.

Whereas India was the second-largest producer of crude steel in CY22 with a 7% share, followed by Japan with a 5% share. The USA and Russia accounted for a 4% share each in the total production during CY22.

Chart 13: Steel Production Geographical Region in CY22- 1,885 MT



Source: World Steel Association

2.3 Global Finished Steel Consumption

Steel is used in industries like energy, construction, automotive, transportation, infrastructure, packaging, and machinery. There was a strong recovery in finished steel consumption post-COVID-19. In developed economies like the USA, Europe, Japan, and South Korea, the demand was driven by the automotive and durable goods sectors.

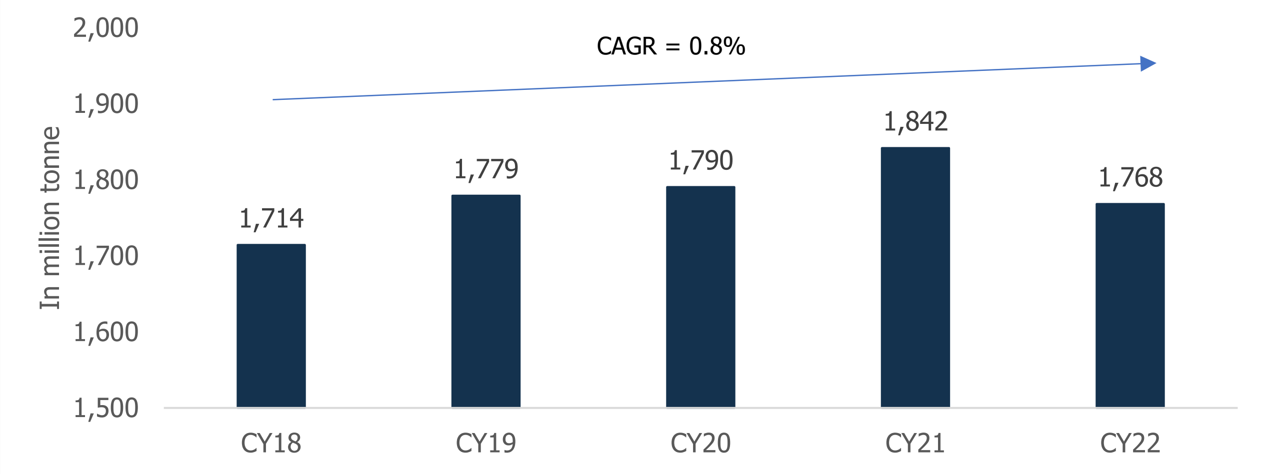
The global finished steel consumption has increased at a CAGR of nearly 0.8% from 1,714 MT in CY18 to 1,768 MT in CY22.

However, the global consumption of finished steel declined by 4% y-o-y in CY22, because global production was affected due to a slowdown in China, monetary tightening in the United States and Europe, inflationary pressures which raised input costs, and supply chain disruptions caused due to the Russia-Ukraine war.

Further, the finished steel consumption in China was reduced on account of movement restrictions and lockdowns brought on by COVID-19, environmental concerns, and the target to lower carbon emissions. However, government support is expected to aid in the recovery of demand with the resumption of construction and real estate activities.

Moreover, the consumption of finished steel in India has been robust given increased investments in infrastructure and policy support by the government. Despite the inflationary pressures and uncertainties around the global economy, India witnessed a healthy demand from auto, consumer durables, capital goods, and real estate sectors.

Chart 14: Global Steel Demand



Source: World Steel Association

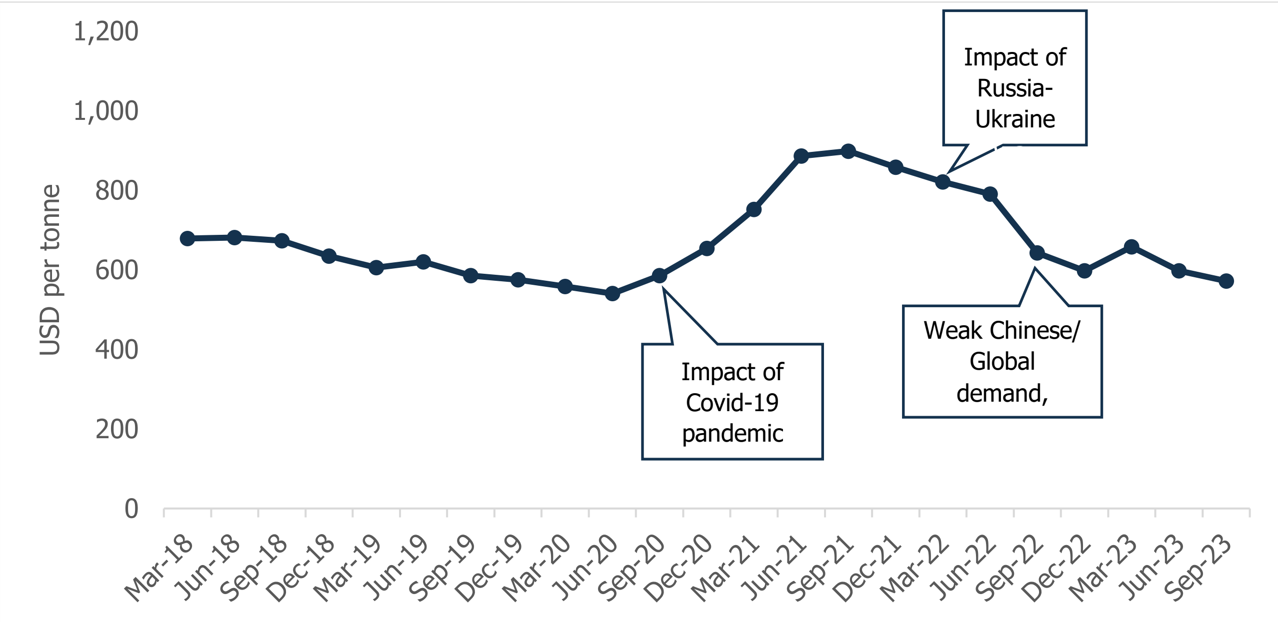
2.4 Trend in Global Steel Prices

The international steel prices remained in the range of USD 679 to USD 654 per tonne from March 2018 to December 2020. The prices started increasing in December 2020, primarily due to the supply disruptions caused by COVID-19 and high raw material prices. Escalated prices were further supported by the impact of the Russia-Ukraine war which commenced in February 2022.

Whereas the prices started declining post June 2022 and fell to pre-COVID levels of USD 597 per tonne in December 2022 given the weak demand from the largest consumer China due to lockdowns, COVID-19-related restrictions, and sluggish global demand. Also, the declining iron ore and coking coal prices have impacted international steel prices and caused the decline.

Post-December 2022, iron ore and steel prices started to rise as COVID-19 restrictions relaxed in China on expectations of demand recovery. However, the demand in China remains subdued, leading to correction in the global steel prices during March-September 2023. Accordingly, the global steel prices declined by 11% y-o-y and stood at USD 572 per tonne during the quarter ended September 2023.

Chart 15: Trend in International Steel Prices



Source: CMIE

2.5 Key Demand Drivers

- **Rapid Urbanization and Infrastructure Development:** The demand for steel is rising due to rapid urbanization in developing economies, further leading to infrastructure development including residential housing, commercial buildings, and transportation. This will drive construction and infrastructure-related projects, thereby increasing the usage of steel.
- **Growing Population:** The rising global population increases demand for various products, such as consumer goods, electronics, automobiles, etc., which, in turn, boosts the demand for steel. Additionally, growing disposable income and easy access to credit will also aid the growth in demand.
- **Government Investments in Infrastructure**: The investments in infrastructure by the governments in various countries will drive the demand for steel as it is essential in providing structural support. These investments provide job opportunities for individuals across the countries and contributes to the overall economic growth.
- **Thriving Automobile Sector:** The automobile sector is one of the major steel consumers globally. The steel demand is expected to be driven by the expanding global automobile industry, particularly in emerging countries. Furthermore, several countries are transitioning to electric vehicles (EVs). EVs require sizable investments in battery manufacturing, which heavily relies on steel. Thus, this transformation is likely to boost the steel demand in the auto industry.
- **Environment Sustainability Awareness:** There is a growing need for sustainable development leading to the shift toward renewable energy sources, such as solar panels and wind turbines, which require substantial usage of steel. This will increase the global consumption of steel.
- **Growing Demand for Reconstruction and Replacement**: The steel demand for replacement and maintenance activities is on the rise. There is a regular need to replace existing infrastructure, mainly water and transportation infrastructure, and industrial facilities to provide better facilities to the individuals across the economies.

2.6 Key Challenges

- **Global Slowdown:** According to the International Monetary Fund (IMF), the global economic growth for CY23 is estimated at 3%, down from 3.5% in CY22, a de-growth of about 14.3%. This is largely due to the turbulence in the financial sector, geopolitical tensions, supply chain disruptions, tightening monetary policies, persistent inflation, and hikes in interest rates. The slowdown is expected to continue in CY24 and the growth rate for the same is projected at 2.9%. The decline in economic activity may lead to reduction in steel consumption.
- **Availability of Raw Materials and Price Volatility:** The availability of raw materials, such as iron ore and coking coal, is critical in the steel industry. The supply chain disruptions caused by the onset of COVID-19 resulted in many fluctuations in the price trend of raw materials. Additionally, the prices were affected by the Russia-Ukraine war, impacting the steel industry operations and profitability of the players. Volatility in availability and price of raw materials may impact the steel producers in future.
- **Trade Barriers:** Tariffs, import restrictions on trade, and export bans by governments worldwide, may hamper the growth of the steel industry, causing disruptions in trade globally.
- **Environmental Concerns and Regulations:** The production of steel involves releasing high carbon emissions. Steel manufacturers are under pressure to adopt cleaner technologies and comply with rigid environmental regulations as governments globally strive to decrease their carbon footprint and fulfil climate change commitments.

  Moreover, the recent implementation of the Carbon Border Adjustment Mechanism (CBAM) – a tariff on carbon-intensive imports, which is aimed at preventing carbon leakage commenced in October 2023 by the European Union (EU), is likely to impact global trade market competitiveness. The first phase of CBAM will cover the iron & steel, cement, aluminium, fertilizer, electricity, and hydrogen sectors and the first reporting period for importers is 31st January 2024.

2.7 Impact of Russia-Ukraine War on World Steel Trade

In CY21, Russia and Ukraine collectively contributed around 5% to the global steel production, accounting for 10.5% of global steel exports. However, the ongoing war between these two countries – both significant steel exporters – has severely impacted steel trade in the region.

Since February 2022, the conflict has disrupted the supply chain, leading to commodity shortages and increased production & transportation costs. Several steel plants in Ukraine have ceased operations, while those still in operation face challenges in transportation. As a result, outbound shipments from Ukraine witnessed a significant year-on-year decline of 57.5% in CY22.

Furthermore, Russia faced export challenges due to sanctions imposed by more than 30 Western countries. Nevertheless, the impact on Russian steel exports has been somewhat mitigated by increased exports to China, India, and Turkey, as Russia has offered lower product prices compared to European regions. At the same time, outbound shipments of steel from Russia experienced a year-on-year decline of 34.3% in CY22. Additionally, according to the World Steel Association, domestic steel demand in Russia has been affected by the sanctions, particularly in key end-user sectors such as construction and automotive.

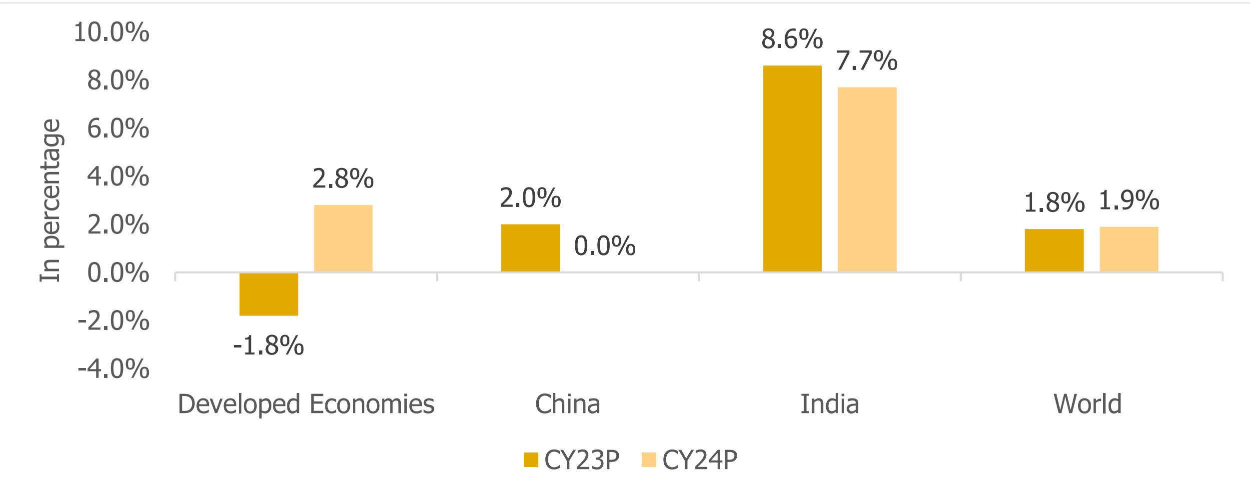
Several global steel companies have discontinued their business operations in Russia due to these challenges. These include ArcelorMittal (Europe), Hyundai Steel (Korea), Nippon Steel (Japan), Tata Steel (India), and Steel Dynamics Inc (USA), among others. As a result, Russia and Ukraine's crude steel production declined by 7.2% and 70.7% y-o-y, respectively, in CY22.

Moreover, the demand for steel in these regions has been improving in CY23 despite ongoing dynamics, majorly attributed to the construction sector in Ukraine. Whereas the Russian economy is expected to recover moderately due to government measures. However, the escalation of the war may impede trade and induce a decline in demand.

2.8 Outlook of Global Steel Consumption (CY23 & CY24)

The World Steel Association forecasts the steel demand to increase by 1.8% y-o-y to 1,814.5 MT in CY23 and 1.9% y-o-y to 1,849.1 MT in CY24 compared to a decline of 3.3% in CY22. This growth will be led by a recovery in manufacturing activities, stabilization in the property sector in China, and easing of supply chain bottlenecks. However, persistent inflation and high-interest rates will limit the demand recovery.

Chart 16: Steel Demand Growth Projections



Source: World Steel Association

Note: P denotes Projections

The steel demand in China, accounting for over half of the global consumption, is expected to grow by 2% in CY23 and remain flat in CY24. Whereas the Chinese steel demand contracted in CY22 due to lockdowns, leading to the deceleration of the Chinese economy. Additionally, challenges in real estate intensified in CY22 and put pressure on construction activities. However, the situation is expected to improve and a slight pickup in the real estate sector is likely on account of government support. Subsequently, government-supported infrastructure investments will support steel demand.

After witnessing a growth rate of 9.3% in CY22, the steel demand in India is estimated to grow by 8.6% in CY23 and 7.7% in CY24. The growth momentum is expected to stay healthy on account of robust demand from the construction, capital goods, and auto sectors. Besides, government initiatives such as the Production Linked Investment (PLI) Scheme will aid in the overall growth of the industry.

Moreover, developed economies including the European Union (27), the United States, Japan, and South Korea, witnessed a 6.4% decline in steel demand in 2022 due to the Russia-Ukraine war, high energy costs, and rising interest rates. The World Steel Association expects demand from developed economies to further decline by 1.8% in 2023 on account of tight monetary policies and high energy prices. However, the steel demand is expected to increase by 2.8% in 2024. The growth will be supported by the alleviation of the war impact and supply chain disruptions in the European Union & the United Kingdom and recovery in manufacturing & residential construction activities.

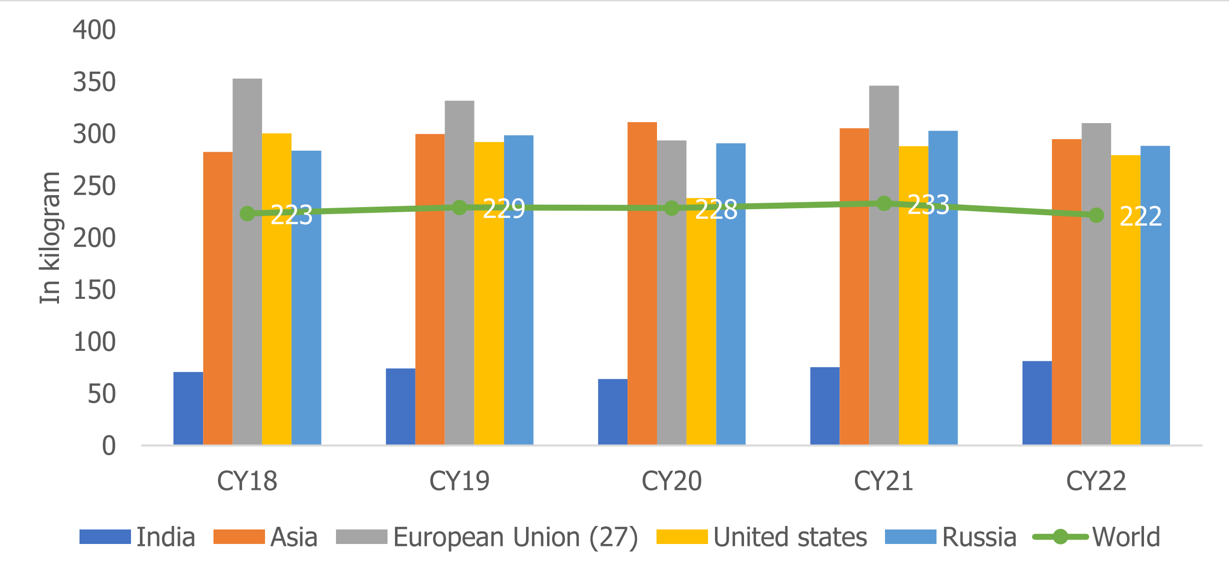
3 Domestic Steel Industry

3.1 Overview of the Indian Steel Industry

India is the second-largest steel producer in the world with an installed capacity of 161.3 MT in FY23. It is also the second-largest consumer of finished steel with a consumption of 120 MT in FY23. The Indian steel sector growth over the years has been attributed to the domestic availability of raw materials such as iron ore and cost-effective labour. Also, the industry has benefitted from domestic demands in sectors such as construction, real estate, and automobiles. Whereas the vast coastline has enabled exports and imports, making India one of the leading countries in the global steel industry.

Further, the per capita finished steel consumption in India was 81.1 kg in CY22, significantly lower than the world average of 222 kg per capita. The National Steel Policy 2017 envisages that per capita finished steel consumption will increase to 158-160 kg by FY31. In addition, steel has an output multiplier effect of 1.4x on GDP and an employment multiplier effect of 6.8x in India. Thus, the steel industry has significant domestic potential and is expected to play a key role in the future economic growth of the country.

Chart 17: Finished Steel Use Per Capita



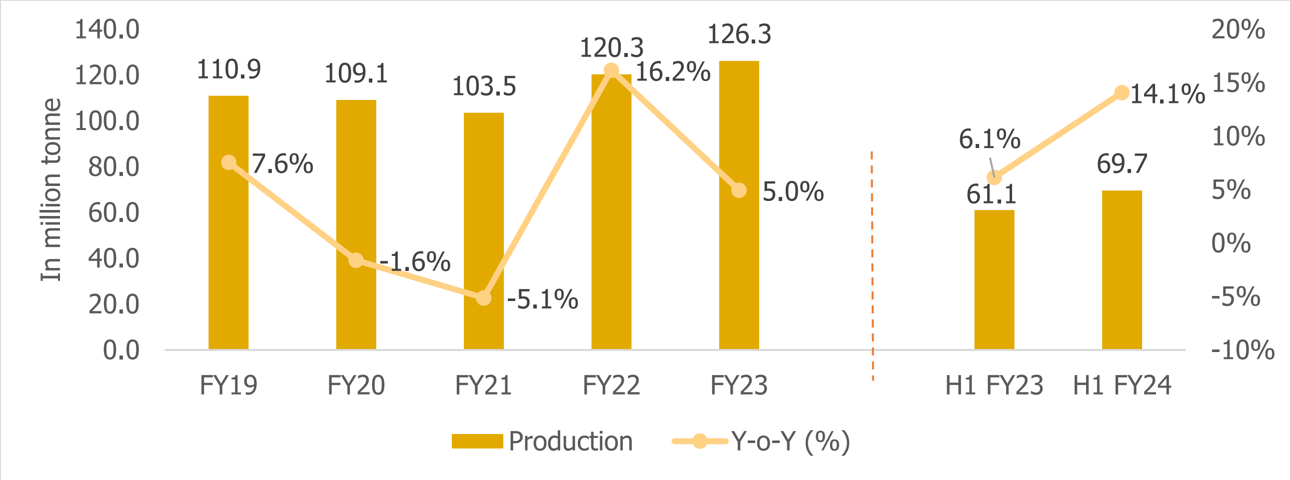
Source: World Steel Association

3.2 Domestic Crude Steel Production

The domestic crude steel production has grown at a CAGR of 3.3% in the past five years to reach 126.3 MT in FY23 from 110.9 MT in FY19. Large steel manufacturers' capacity utilization has been in the range of 80% to 90% in FY23 and most players have announced the expansion of crude steel capacities. The National Steel Policy 2017 envisages achieving 300 MT of production capacity from the current level of 153-157 MT to cater to the expected steel demand of 230 MT by FY31.

The crude steel production in India increased by 14.1% y-o-y to 69.7 MT in H1 FY24 (April 2023-September 2023) from 61.1 MT in H1 FY23 (April 2022-September 2022).

Chart 18: Domestic Crude Steel Production



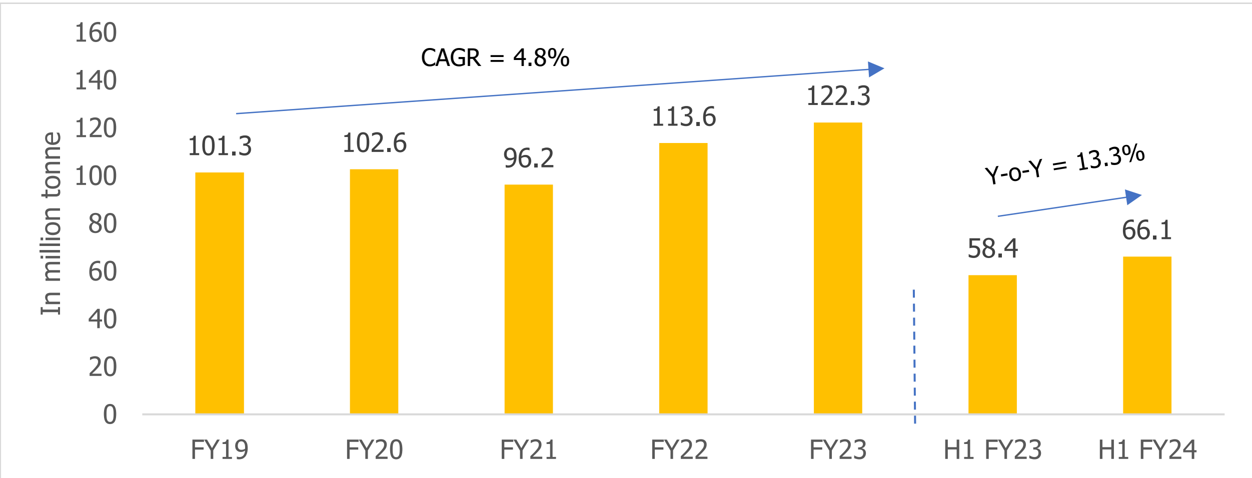
Source: CMIE
Note: H1 FY23 refers to the period from April 2022-September 2022
H1 FY24 refers to the period from April 2023- September 2023

3.3 Domestic Finished Steel Production and Consumption

In the last 5 years, the finished steel production has grown at a CAGR of 4.8% to 122.3 MT in FY23 from 101.3 MT in FY19. The growth in production has been supported by the rising domestic steel consumption due to increasing economic activities in the country. This is further supplemented by increased infrastructure and construction spending by the government and a rise in automobile and consumer durable demand, among others.

During H1 FY24, the production of finished steel grew by 13.3% on a y-o-y basis, backed by strong demand in the domestic market.

Chart 19: India's Finished Steel Production

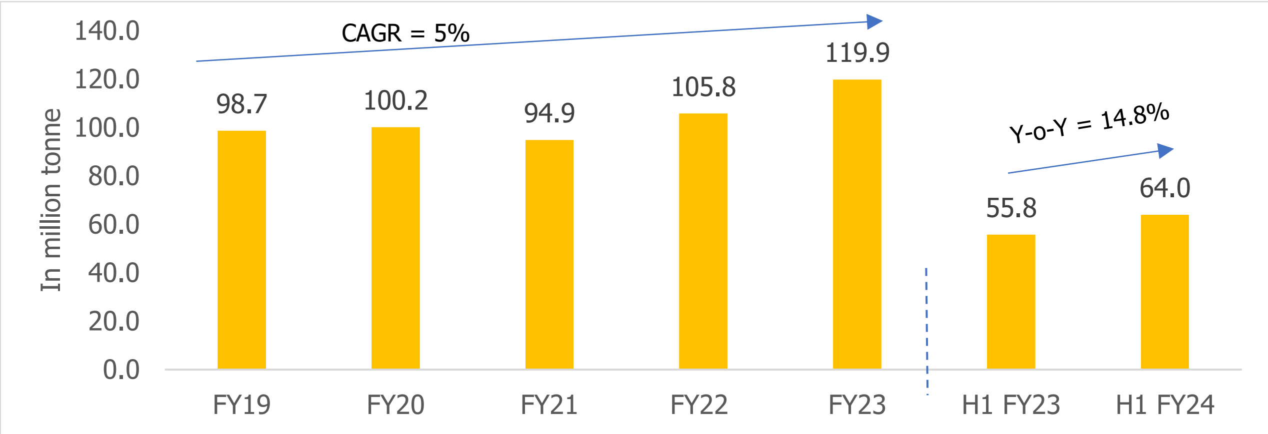


Source: CMIE
Note: H1 FY23 refers to the period from April 2022-September 2022
H1 FY24 refers to the period from April 2023- September 2023

The domestic finished steel consumption has increased at a CAGR of 5% to 119.9 MT in FY23 from 98.7 MT in FY19. After a steady increase in steel production, India witnessed a de-growth of 6.3% y-o-y in FY21 due to the outbreak of COVID-19. The rebound in domestic demand from the impact of COVID-19 in the previous financial years, continuous investment in infrastructure and policy support by the government, and pick-up in real estate construction during FY23 have led to an increase in consumption of finished steel to 119.9 MT, implying a y-o-y growth of 13.3%.

During H1 FY24, the consumption of finished steel reported a growth of 14.8% y-o-y on account of increased demand from the infrastructure and real estate sectors, mainly due to the pre-election year.

Chart 20: India's Finished Steel Consumption

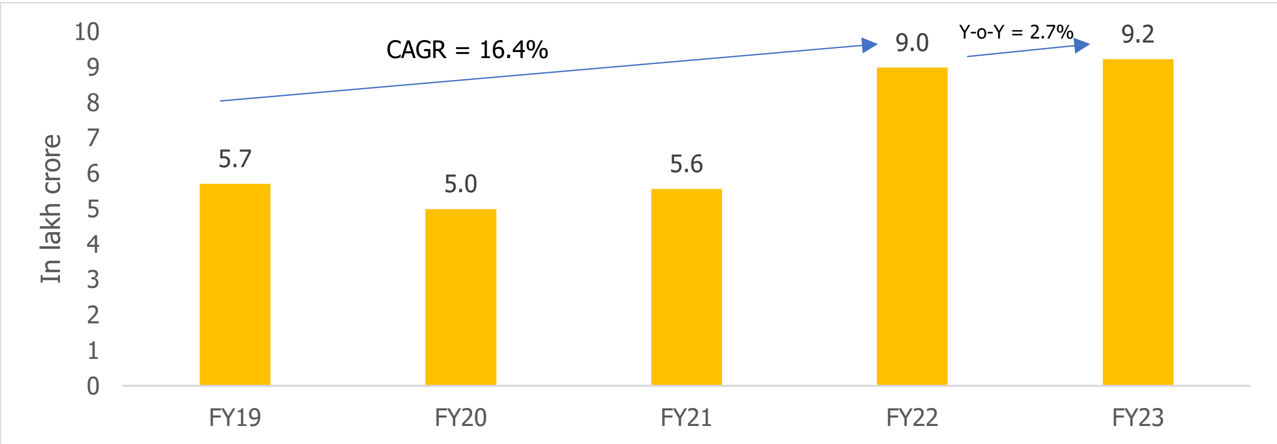


Source: CMIE
Note: H1 FY23 refers to the period from April 2022-September 2022
H1 FY24 refers to the period from April 2023- September 2023

Size of Industry in terms of Consumption in Value Terms

The steel industry in India has grown steadily with a CAGR of 16.4% from FY19-FY22 in value terms, driven by volume and realisation growth. The size of the industry reached Rs. 9 lakh crore in FY22 as the average prices of finished steel rose by 45% on a y-o-y basis. During FY23, the size of the industry stood at 9.2 lakh crore, indicating a growth of 2.7% y-o-y. This growth can be attributed to increased volumes of finished steel by 13.3% y-o-y and high prices of steel.

Chart 21: Finished Steel Industry Size



Note: Finished steel consumption (In tonne) and prices of average finished steel (Rs/tonne) have been considered for computing the size of the industry

3.4 Trend in Finished Steel Trade

Exports:

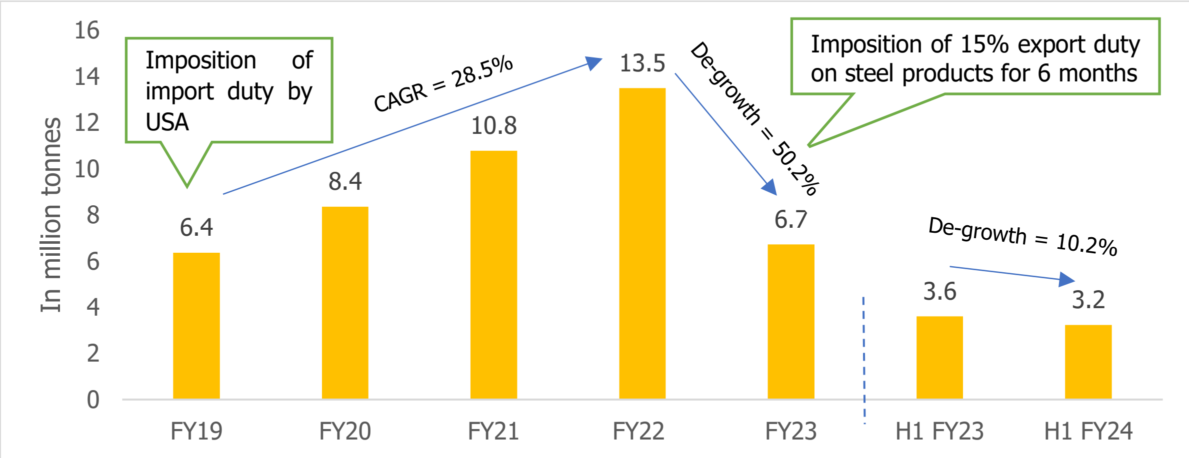
Finished Steel exports from India have contributed to the total offtake of steel, in addition to the domestic demand, supported by India's increasing capacity and production. For instance, exports increased at a CAGR of 28.5% over the period of 4 years from 6.4 MT in FY19 to 13.5 MT in FY22. In addition, India was a net steel exporter for three years FY20-FY22.

Further, exports witnessed a reversal in trend during FY23 after an upward trend of exports in 3 consecutive years, i.e., FY20, FY21, and FY22 and declined to 6.7 MT compared to 13.5 MT in FY22, a sharp fall of 50.2% y-o-y. This was mainly due to the imposition of a 15% export duty on steel products by the government from May 2022 to November 2022, which made exports from India less competitive. Exports were also impacted by weak international demand, continued geopolitical tensions, and inflationary headwinds globally.

Accordingly, the sharp reversal in the steel trade led to a withdrawal of export duty on steel products by the government in November 2022. Although the shipments have increased sequentially during the initial months post the export duty removal, export growth has been constricted due to the weak demand in European nations mainly in Italy, the UAE, and Belgium who are the top importers of Indian finished steel products. In addition, the decline in shipments to Spain, Germany, Turkey, and the USA has affected the overall outbound shipments.

Moreover, during H1 FY24, the exports plunged to 3.2 MT from 3.6 MT in H1 FY23, a de-growth of around 10% on a y-o-y basis. Also, India turned a net importer of steel during Q2 FY24 with increasing inbound shipments by about 8.2% y-o-y. Further, the exports dropped to 157 thousand tonnes in September 2023, the lowest in the last 5 years. Accordingly, the exports may not reach the highs achieved in FY22 due to sluggish global demand and an increase in steel exports from China due to slower than expected ramp up in local demand in CY23

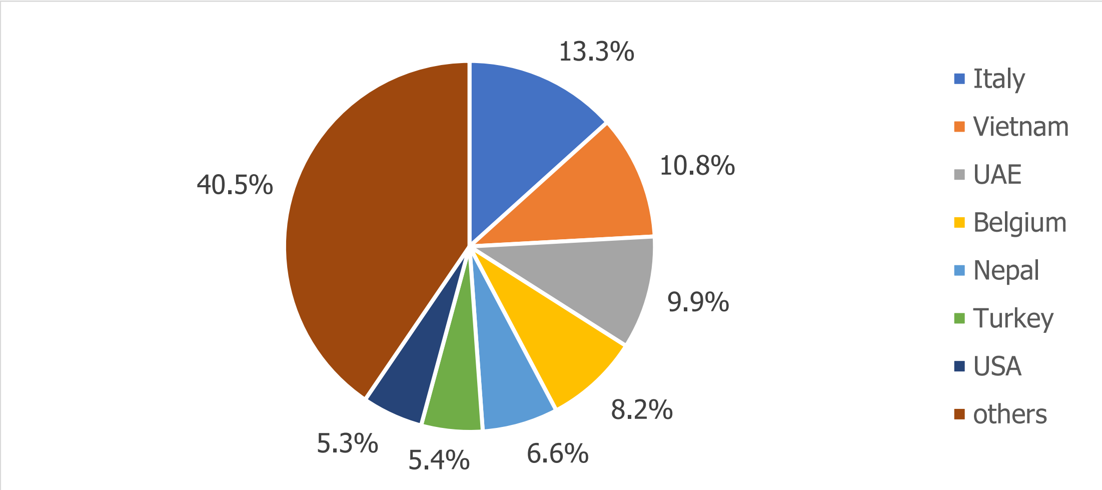
Chart 22: India's Finished Steel Exports



Source: CMIE

The exports to the top 5 countries (Italy, Vietnam, UAE, Belgium, and Nepal) accounted for 49% of the total outbound shipments from India during FY23. Italy, Belgium, and UAE continued to remain the leading export destinations from India. Among others, the shipments to the USA and Turkey constituted 5.3% of each of the total exports from India.

Chart 23: Country-Wise Exports of Finished Steel during FY23



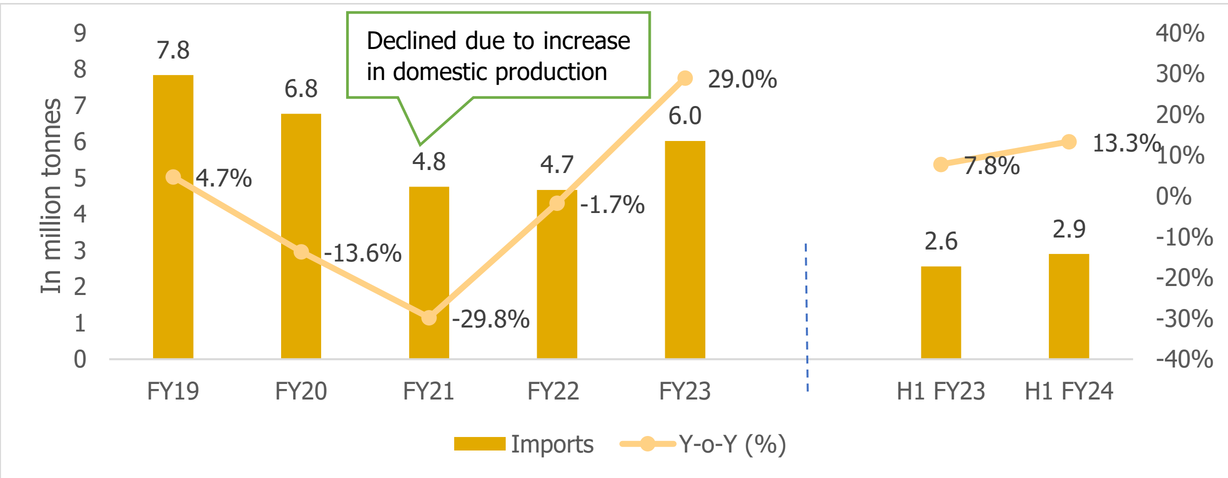
Source: CMIE

Imports:

India mainly imports special-grade steel used in end-user segments such as automobiles, defence, shipbuilding, power, railways, etc., and is witnessing good traction in the domestic market, leading to growth in imports.

The finished steel imports declined from 7.8 MT in FY19 to 4.7 MT in FY22. This is accredited to a healthy increase in domestic supply. However, during FY23, India's finished steel imports grew by 29% y-o-y to 6 MT due to the rise in low-cost imports from Russia. In H1 FY24, the finished steel imports have increased by 13.3% y-o-y to 2.9 MT.

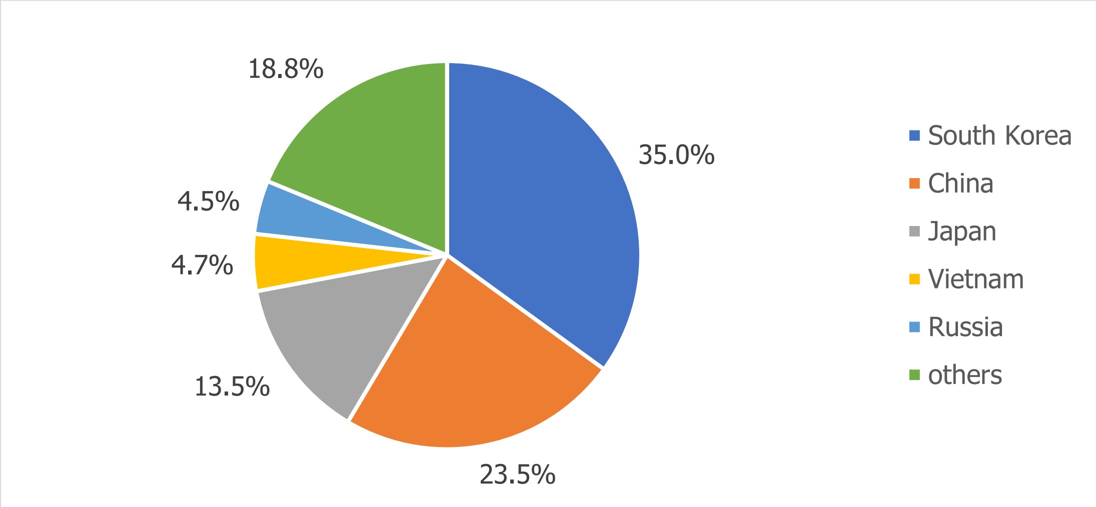
Chart 24: India's Finished Steel Imports



Source: CMIE

South Korea, China, and Japan continue to be the leading suppliers to India with a 72% share in the total imports of finished steel in FY23. The inbound shipments from Russia increased drastically by 544% in FY23 as compared to the previous year and accounted for a 4.5% share of the total imports to India. During 5M FY24 (April 2023 to August 2023), the imports from Russia decreased by 33% from 49,000 tonnes to 33,000 tonnes during 5M FY23 (April 2022 to August 2022).

Chart 25: Country-Wise Imports of Finished Steel during FY23



Source: CMIE

3.5 Price Trends

Trend in Finished Steel Prices

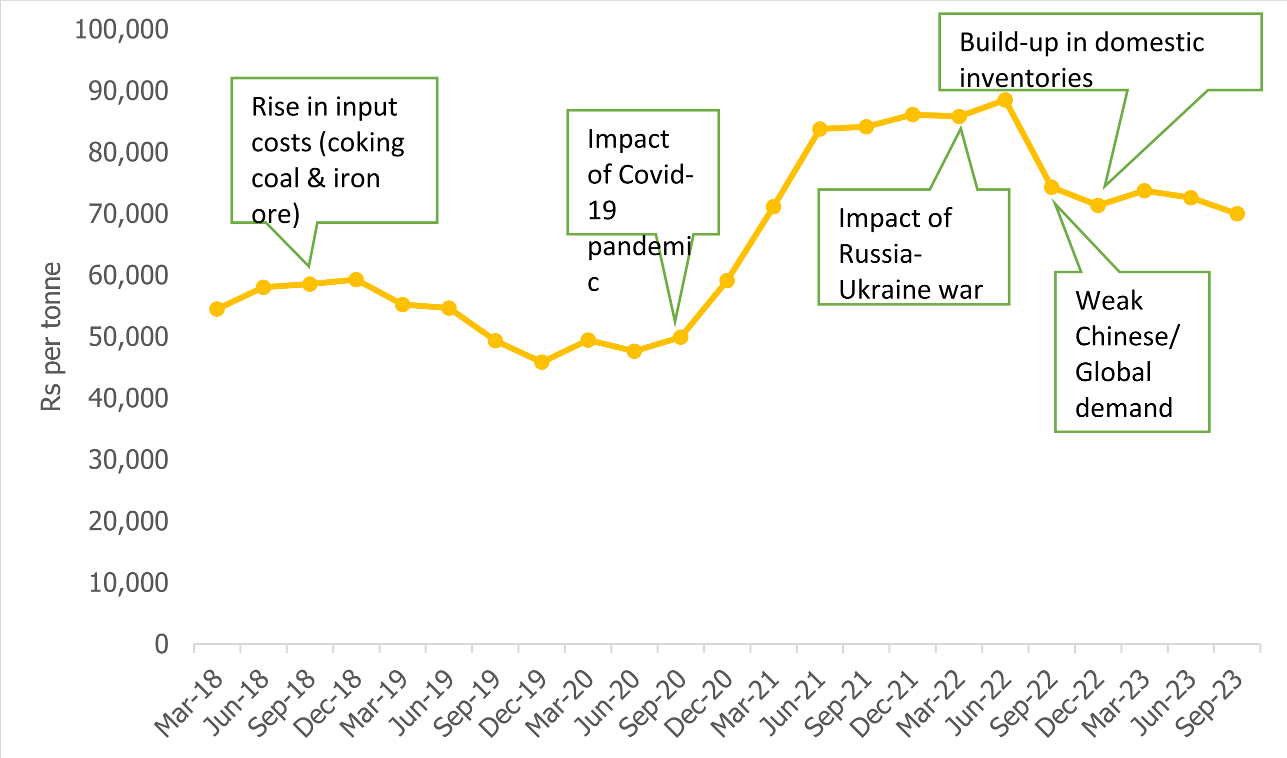
Domestic steel prices have followed global prices directionally. They remained range-bound between March 2018 (Rs. 54,473 per tonne) to June 2019 (Rs. 54,669 per tonne). However, they started declining as the economy was hit by the pandemic. During FY21, the average domestic finished steel prices peaked at Rs 71,157 per tonne as of March 2021. Since then, the prices increased throughout FY22 on account of a revival in domestic demand as economic activities began to pick up after the easing of restrictions and lockdowns.

During FY22, prices were impacted by the geopolitical tension between Russia and Ukraine and stood at Rs. 85,820 per tonne as of March 2022. The geopolitical crisis continued and the prices were further pushed to Rs. 88,498 per tonne in the June 2022 quarter. The escalation in prices was also due to increased coking coal and iron ore prices globally. However, after a sharp rise, the prices declined by around 16% in the quarter ending September 2022 compared to the previous quarter.

Furthermore, the prices fell to Rs 71,326 per tonne in December 2022. This decline was caused by the imposition of export duty on a range of finished steel products from the period May 2022 to November 2022, leading to lower exports and increased domestic inventories. In addition, the softening of iron ore and coking coal prices affected the steel prices in the domestic market.

Moreover, the prices observed a downward trend from the quarter ended March 2023 and fell to Rs. 70,001 per tonne as of September 2023, a decline of around 5% as compared to March 2023 and 6% on a y-o-y.

Chart 26: Domestic Average Finished Steel Prices



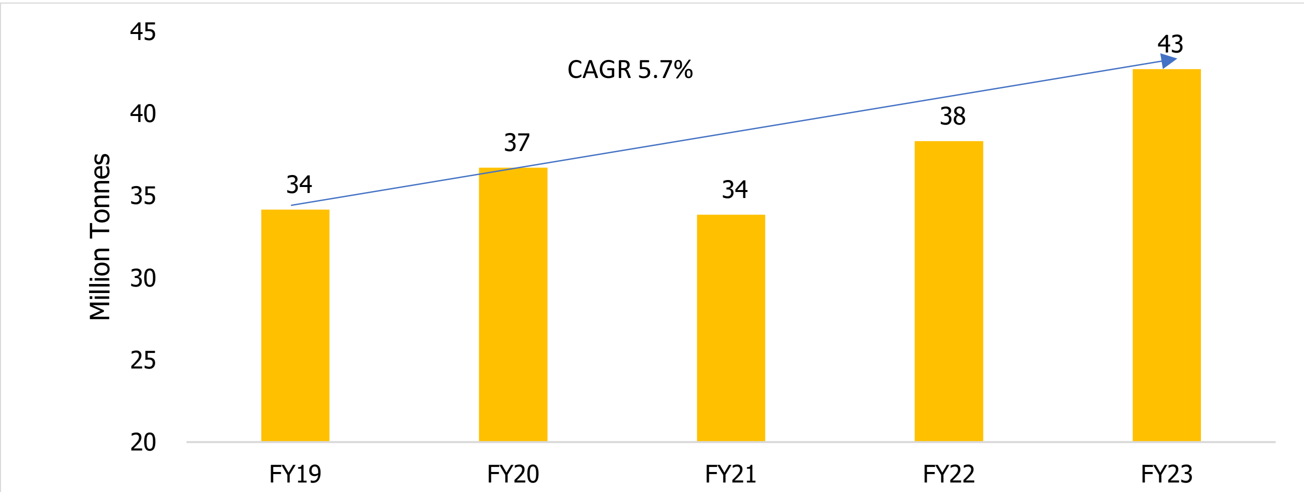
Source: CMIE

3.6 Trend in India's Consumption of Sponge Iron, Billets and TMT Bars/Rods

Sponge Iron

The domestic sponge iron consumption has grown at a CAGR of 5.7% over the past five years from 34 MT in FY19 to 43 MT in FY23.

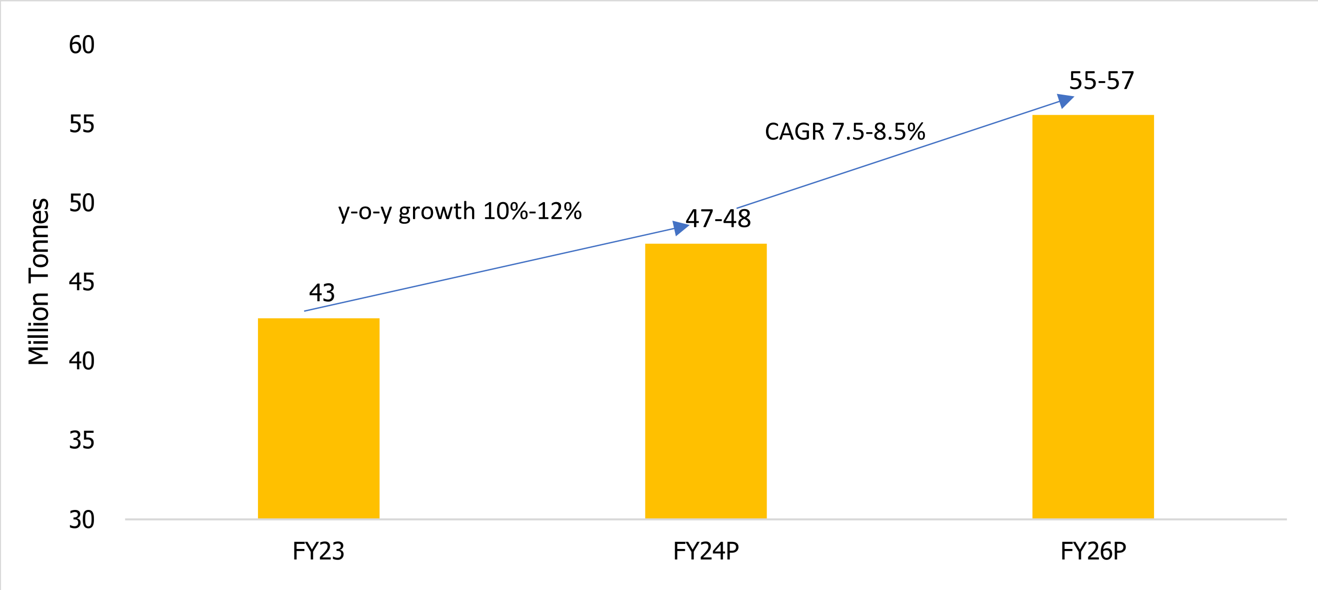
Chart 27: Sponge Iron Consumption (FY19-FY23)



Source: JPC, CareEdge Research

CareEdge Research expects sponge iron consumption to grow by 10-12% y-o-y in FY24. This growth is likely to be driven by a ramp-up in infrastructure activity and upcoming elections. In the medium term, the growth is likely to moderate and grow at a CAGR of 7.5-8.5% between FY24 and FY26. The moderation in growth is likely to be due to a high base and moderation in infrastructure activity.

Chart 28: Sponge Iron Consumption (FY23-FY26P)

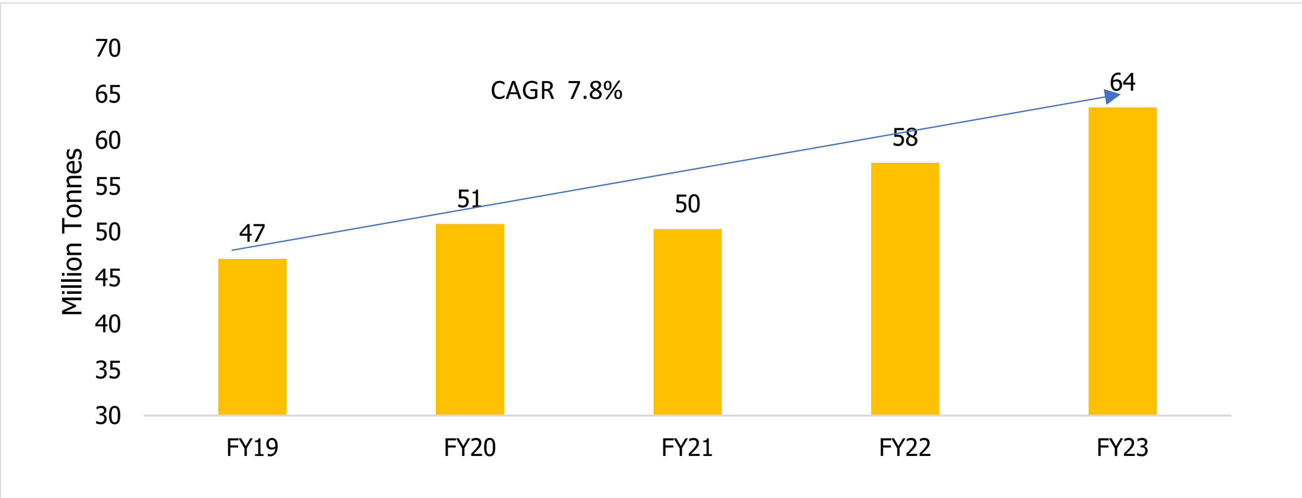


Source: JPC, CareEdge Research Forecasts

Billets

Billets consumption has grown at a CAGR of 7.8% over the past five years from 47 MT in FY19 to 64 MT in FY23.

Chart 29: Billets Consumption (FY19-FY23)

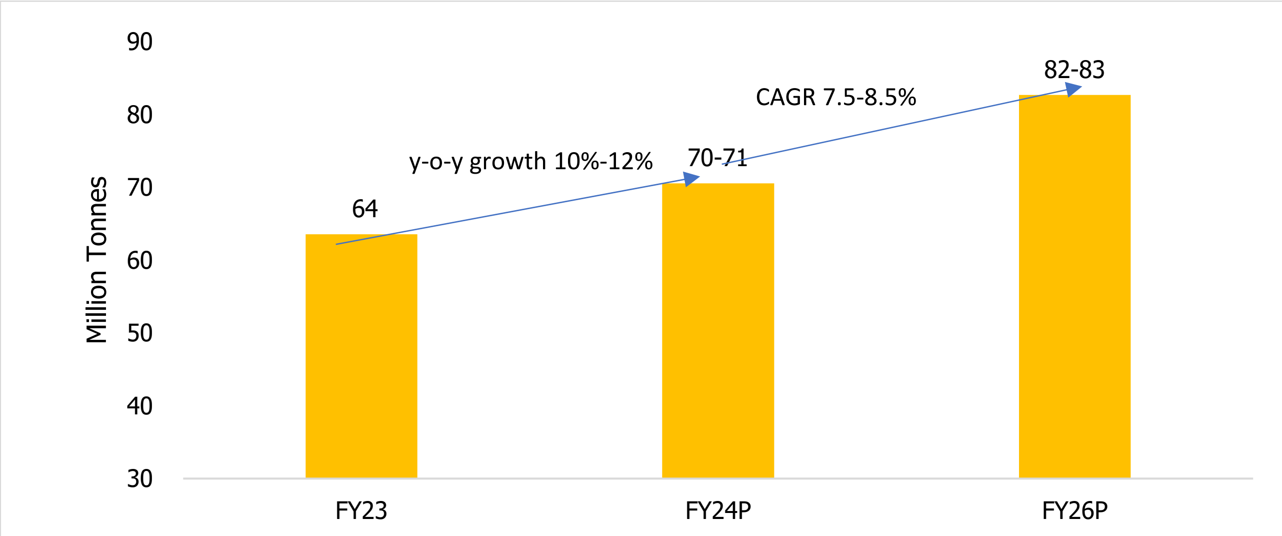


Source: JPC, CareEdge Research

Note: Billets consumption has been derived from non-flat steel consumption over the same period

CareEdge Research expects billets consumption to grow by 10-12% y-o-y in FY24. In the medium term, the growth is likely to moderate to a CAGR of 7.5-8.5% between FY24 and FY26 on account of high base and expected moderation in capital expenditure post the elections.

Chart 30: Billets Consumption (FY23-FY26P)

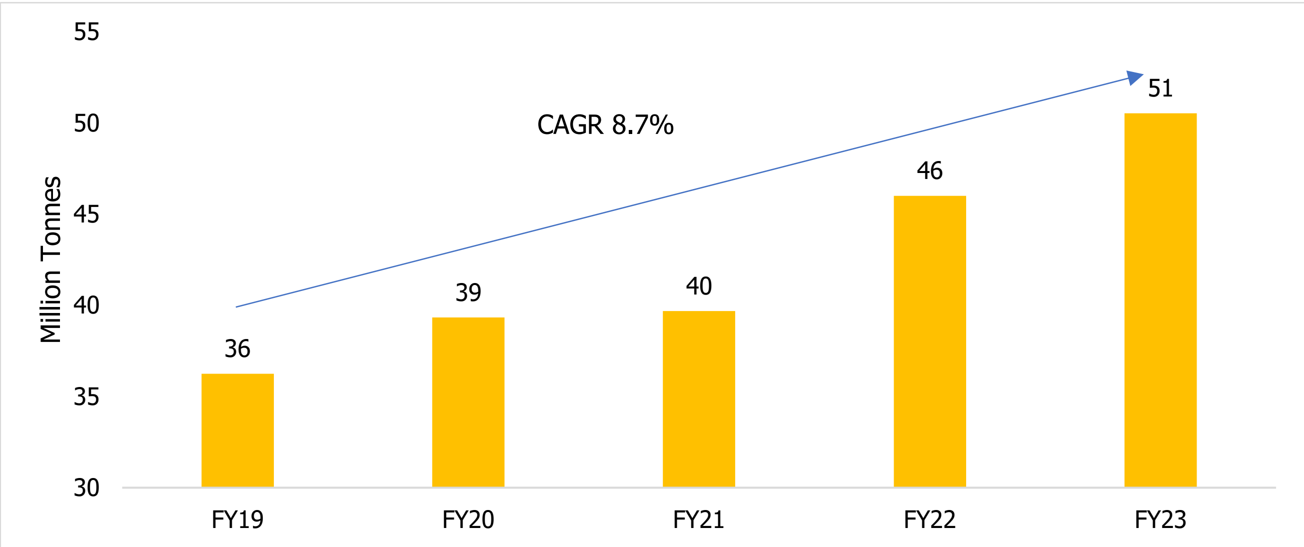


Source: JPC, CareEdge Research

TMT Bars/Rods

TMT Bars and Rods consumption has grown at a CAGR of 8.7% over the past five years from 36 MT in FY19 to 52 MT in FY23.

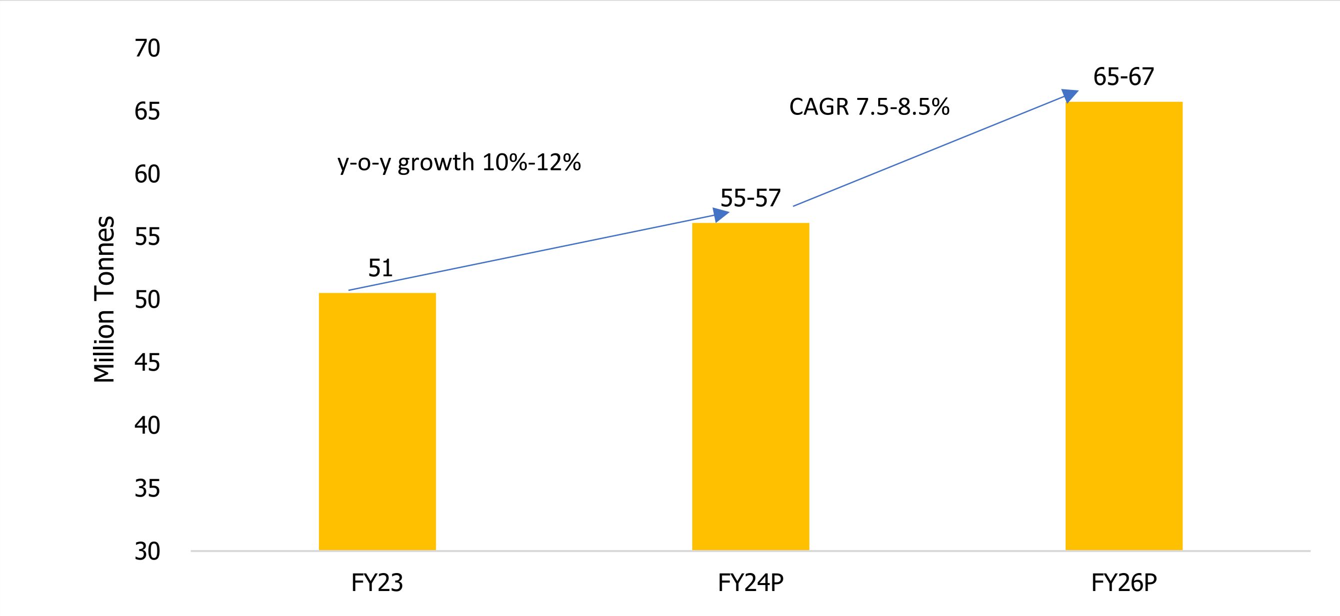
Chart 31: TMT Bars & Rods Consumption (FY19-FY23)



Source: JPC, CareEdge Research

CareEdge Research expects TMT bars & rods consumption to grow by 10-12% y-o-y in FY24. In the medium term, the growth is likely to moderate to a CAGR of 7.5-8.5% between FY24 and FY26 on account of high base, expected moderation in capital expenditure post the election period.

Chart 32: TMT Bars & Rods Consumption (FY23-FY26P)



Source: JPC, CareEdge Research

3.7 Key TMT Bars and Wire rods Players in India (organized and unorganized)

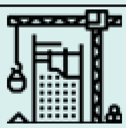
TMT bars are high strength re-enforcement bars with a hard-outer core and a soft inner core. They are manufactured through a process called thermo-mechanical treatment. They are mainly used in construction and real estate projects. TMT bars are supplied in India by multiple players including small unorganized players. Most large organized players manufacture TMT bars as part of their forward integration. However, most of the unorganized players manufacture TMT bars using steel billets which are then rolled into TMT bars in the rolling mills.

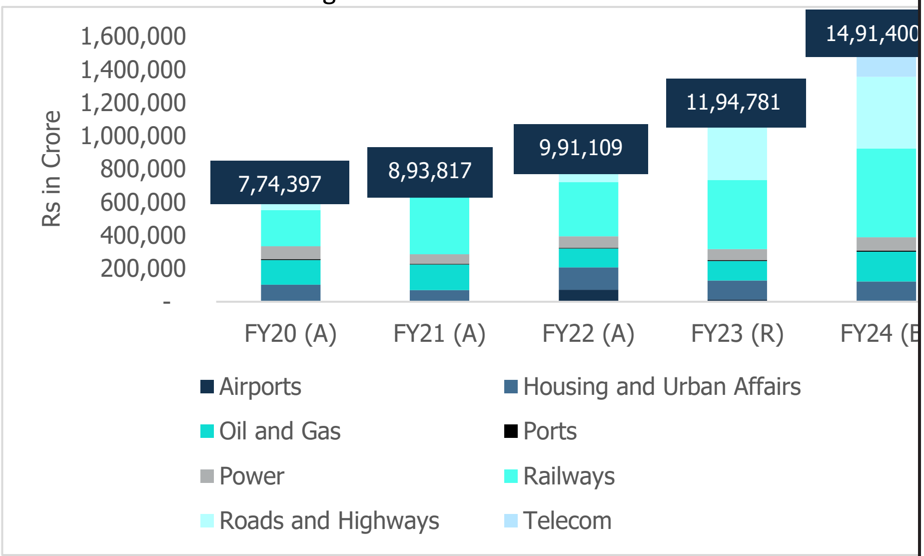
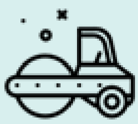
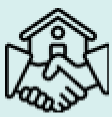
Table 4: Trend in TMT Bars Production by Key Players (in MT)

	FY19	FY20	FY21	FY22	FY23
Steel Authority of India Ltd	2.4	2.5	2.1	3.1	3.6
Vizag Steel Plant	3.6	3.0	2.5	3.4	3.2
Tata Steel Limited Group	3.7	3.4	2.7	3.3	3.5
JSW Group	3.3	3.3	2.8	3.5	3.7
Jindal Steel & Power Ltd	1.1	1.7	1.7	2.1	2.3

Source: JPC, CareEdge Research

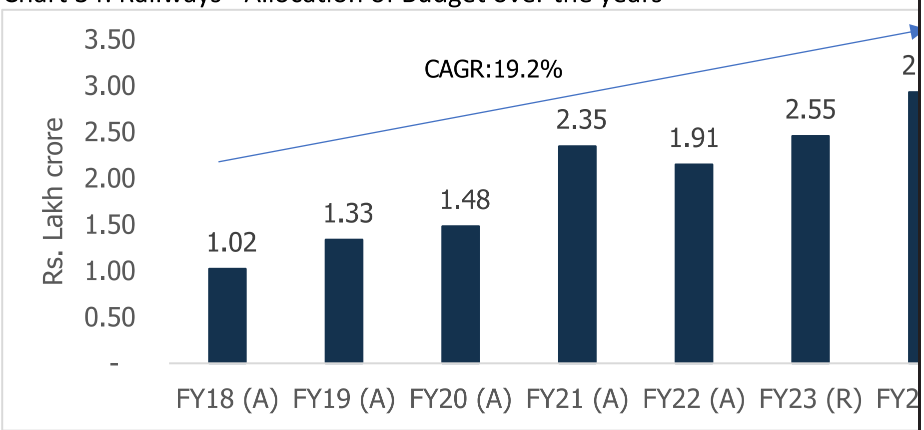
3.8 Key Demand Drivers

Segments	
 **construction and infrastructure**	• One of the major growth drivers of the steel industry is the infrastructure investment thrust by the Government of India. In the Union Budget 2023-24, the government continued its focus on infrastructure development, allocating Rs 10 lakh crore toward infrastructure capital expenditure, an increase of 33% over the Union Budget 2022-23 allocation. Whereas total allocation toward infrastructure, including investments in public enterprises, stood at Rs. 14.9 lakh crores, an increase of 24.8% over revised estimates of 2022-23. • The government has expanded the National Infrastructure Policy (NIP) to 7,400 projects from 6,835 projects and announced plans for the National Monetization Pipeline and Development Finance Institution (DFI) to improve the financing of infrastructure projects. • The NIP covering rural and urban infrastructure entails investments to the tune of Rs. 111

Segments	
	lakh crore, which is undertaken by the central government, state governments, and the private sector for FY20-25. • Moreover, the alignment of PM Gati Shakti National Master Plan and NIP will aid in debottlenecking hurdles for faster execution of projects. • The budget towards infrastructure grew on a CAGR of about 18% in the past 5 years from FY20 to FY24. Chart 33: Allocation of Budget Toward Infrastructure*  *Source: Union Budget 2022-23* *Note: A – Actual budget; R- Revised budget; B- Budgeted* **Including investments in public enterprises*
 **road infrastructure**	• India's road infrastructure has seen consistent improvement in the last few years. Connectivity has improved and road transportation has become a focus of rapid development. • Total highway construction in India during FY23 was 10,993 km compared to 10,457 km in FY22, indicating a construction run rate of 30 km per day.
	• In H1FY24 the construction was at 3,567 km compared to 3,559 km from H1FY23 with rate of construction at 20 km per day. • The highway construction activity dropped from 4,092 km in H1FY23 to 2,286 km in H1FY24 due to the general elections scheduled in the next year. • This slowdown can be attributed to an increase in input cost, longer-than-usual monsoon, and problems related to land acquisition and environmental clearance. • About 12,000 km of highways are expected to be constructed in FY24 at an estimated capital expenditure of Rs 4 lakh crore.
 **Residential Real - Estate**	• In FY23, the residential real estate market witnessed steady growth with increased sales momentum, supported by past inventory levels and continued new project launches specifically in the affordable and mid-size segments. • The housing market in general is seeing growth due to the increasing commercial activities, the need for upgraded infrastructure and living spaces, and an improved economic scenario. • Growth in various sectors like BFSI and e-commerce segments, an increase in savings because of the work-from-home trend in the last 2 years, and the rising demand for better spaces to live, have led to an increase in first-time home buyers. There has also been a rise in the mid-segment housing projects due to increased urbanization and per capita income. • Government initiatives like Pradhan Mantri Awas Yojna (PMAY), the Urban Development Plan, and the digitization of land records have contributed to the sector's growth. Whereas Rural and Urban housing construction under the Pradhan

Segments	
	Mantri Awas Yojana has gained traction in FY23. • Under the PMAY scheme of the Union Ministry of Housing and Urban Affairs, more than 1.20 crore houses have been sanctioned under the PMAY-Urban, out of which 73.87 lakhs have been completed as of May 10 2023 and the rest are under construction. • In addition, about 2.85 crore houses have been sanctioned under PMAY-Gramin out of which 2.25 crore have been completed.
Commercial Real Estate	• In FY23, the commercial real estate market witnessed a boom with healthy demand growth from office and retail segments, backed by strong growth in the e-commerce industry and India emerging as the fastest-growing business and IT hub. • The demand for office space will be driven by the expansion of the co-working segment, an increase in hiring across various sectors like e-commerce, services, etc., and rising connectivity due to the augmentation of infrastructure, and overall sound economic growth in India. • The absorption of commercial real estate in India is expected to remain healthy in the near to medium term.
Airport infrastructure	• India has seen significant growth in the airport infrastructure sector with investments from both the government and private sector. The country has become the third-largest domestic civil aviation market in the world and has immense potential to grow further. • The Ministry of Civil Aviation (MoCA) envisages 100 new airports to be built in the country over the next 10 to 15 years. To further improve regional air connectivity, the government has announced the revival of 50 additional airports, heliports, water aerodromes, and advanced landing grounds and allocated Rs 3,113 crore in the Union Budget 2023-24. • Further, the government has envisaged an investment of more than Rs. 1.43 lakh crore in airports under the National Infrastructure Pipeline (NIP) over a period of 5 years (FY20-25).
Indian Railways	• Indian Railways is among the world's largest rail networks. Steel finds applications in rails, wagons, and coaches. The government has been increasing its focus on the augmentation of railways to reduce the cost & time of logistics and minimize the overall carbon footprint of the country as railways are more environment friendly compared to road transport. • The CapEx for Indian Railways has increased substantially from an annual average CapEx of Rs. 45,980 crore during 2009-14 to Rs. 2,92,783 crore allocated in the 2023-24 budget. Whereas the budget towards railways grew at a CAGR of 19.2% from FY18 to FY24. • The key focus areas have been the decongestion of the overutilised rail network, construction of new lines, doubling, tripling, and quadrupling of rail lines and purchase of rolling stock such as wagons, locomotives, coaches, etc.

Chart 34: Railways - Allocation of Budget over the years



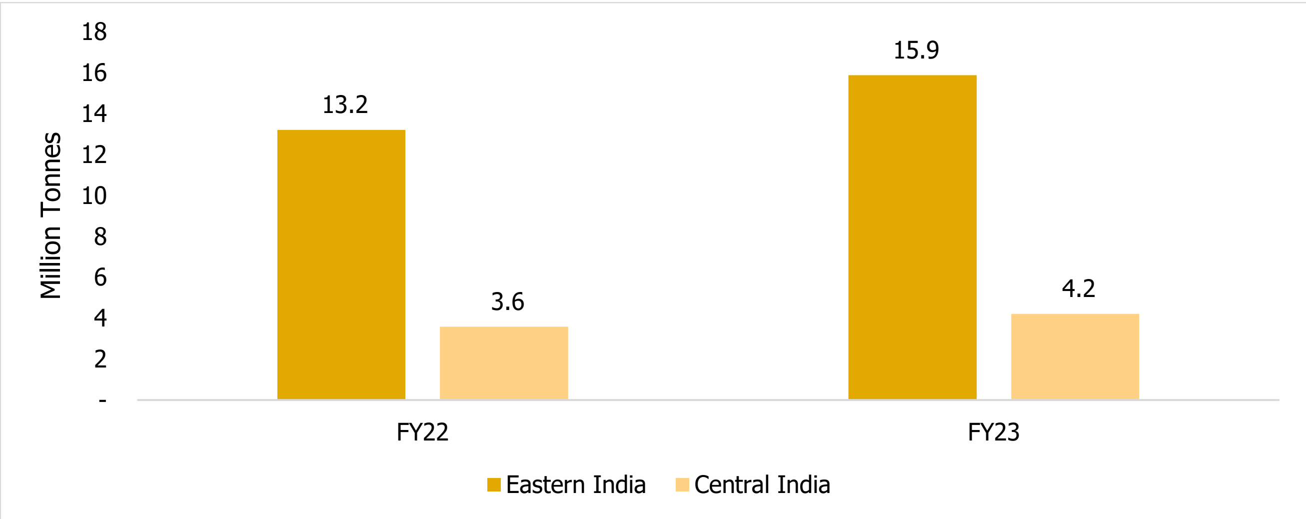
Source: Budget Documents

Segments	
	• The government proposes to launch 400 new Vande Bharat trains in the next 3 years along with the development of 100 Cargo Terminals over the next few years. Additionally, the construction of a Dedicated Freight Corridor (DFC) which are broad gauge rail network to be utilized exclusively for freight trains will increase the Railway's share in domestic freight movement. • The western and eastern DFCs are 86% and 90% complete, respectively, and are expected to be commissioned by FY25. Also, the East Coast Corridor, the East-West Corridor, and the North-South Corridor are under the planning stage.
others	• The growing urbanisation will lead to increased demand for steel as it involves usage in the construction of buildings, pipes for water supply, improved drainage systems, waste treatment plants, elevators, etc. • On August 15 2019, the government launched the "Jal Jeevan Mission" programme, with an aim to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India. The mission has always witnessed a consistent allocation in the budget every year. • In the Union Budget 2023-24, the allocation toward the Jal Jeevan Mission has increased to around Rs. 70,000 crores from Rs, 60,000 crore in the previous budget. Under this programme, steel pipes will be used for the distribution of water due to their non-corrosion and non-rusting characteristics. This programme has already covered 61.4% of rural households in 3.9 years. • Another initiative 'One Nation, One Gas Grid' will attract new investments in India's natural gas infrastructure, which uses steel pipes. It is expected that the gas pipeline network, which is more than 22,000 km currently, will reach 35,000 km in the coming 4-5 years. The efforts of moving toward the gas-based economy alongside the implementation of city gas distribution networks are expected to augment the demand for pipes going forward.

3.8.1. Long Steel dispatched in Eastern and Central India

Long steel, also known as non-flats, includes TMT bars & rods, structural, and railway materials. Over the last two years, the dispatches of long steel in India's eastern region have seen steady growth, largely supported by increased dispatch from Bihar, Jharkhand, and Odisha.

Chart 35: Region-wise Long Steel Dispatches



Source: JPC, CareEdge Research

The long steel dispatches of the eastern region grew at 20.3% y-o-y in 2023 and reached nearly 16 MT. Whereas the long steel dispatches of the central region grew at 17.5% y-o-y in 2023 and reached around 4 MT.

3.9 Supply Review and Outlook

3.9.1 Industry Structure (Organized and Unorganized)

The organized sector significantly contributes to crude steel production. It comprises large, integrated steel plants that use advanced processes and technologies to produce high-quality steel products. The technologies include mainly the Blast Furnace-Basic Oxygen Furnace (BF-BOF) route and the Electric Arc Furnace route (EAF), which require huge investments as well as high operating capital and maintenance expenditure. These plants mainly utilize iron ore, coal, and other raw materials to manufacture a variety of steel products, including flat steel, long steel, and specialty steel.

For instance, the capital expenditure (CapEx) required for setting up a BF-BOF-based steel plant is usually around USD 1 billion per million tonnes. This sum of capital can only be invested by large steel players in the organized sector.

Whereas the unorganized sector comprises small-scale steel mills, also referred to as mini-mills or re-rollers. These are non-integrated mills that primarily utilize scrap metal as their raw material for steel production. These mills lack advanced technology and automation of processes, which may have an impact on their production efficiency and product quality.

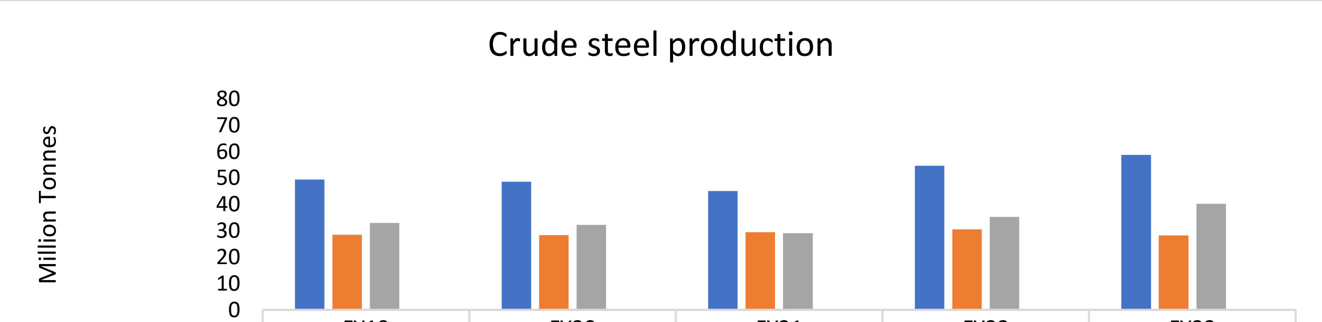
3.9.2 Indian Crude Steel Production by Technology

There are three types of technologies, namely oxygen route, electric arc furnace, and induction furnaces, used for the production of crude steel in India. The oxygen route, also known as basic oxygen furnace, is a blast furnace that turns carbon-rich hot metal or pig iron into steel. It is the preferred technology for the production of crude steel. Oxygen route-based crude steel production has grown at a CAGR of 4.4% between FY19 and FY23 to reach 58.8 MT in FY23 and accounted for 46.2% of the total crude steel produced in FY23.

Electric Arc Furnace (EAF) is a steel-making furnace, in which steel scrap is heated and melted by heat of electric arcs striking between the furnace electrodes and the metal bath. Electric Arc Furnace (EAF) accounted for 22.2% of total crude steel produced in FY23. Crude steel is produced by using electrical current to melt scrap steel, direct reduced iron, and/or pig iron, to produce molten steel. However, electric arc furnace-based crude steel production has de-grown from 28.5 MT in FY19 to 28.2 MT in FY23.

While induction furnaces convert steel scrap and sponge iron into liquid steel by induction heating. This further gets processed into billets, blooms, ingots, etc. The induction furnace-based crude steel production has grown at a CAGR of 5.1% between FY19 and FY23 to reach 40.2 MT in FY23 and accounted for 31.6% of the total crude steel produced in FY23.

Chart 36: Technology-Wise Crude Steel Production (FY19-FY23)



	FY19	FY20	FY21	FY22	FY23
Oxygen Route	49.5	48.6	45.1	54.6	58.8
EAF Units	28.5	28.4	29.4	30.5	28.2
Induction Furnaces	33.0	32.2	29.1	35.2	40.2
Total	110.9	109.1	103.5	120.3	127.2

Source: JPC, CareEdge Research

3.10 Key Challenges

- **Lack of Sustainable Raw Material Sources (Iron Ore and Coking Coal)**

Iron ore and coking coal are the key raw materials used in the steel production process. For every 1 tonne of steel produced through the BF-BOF route, a suitable blend of 1.6-1.7 tonnes of iron ore and 0.6 tonne of coking coal is required. India largely depends on importing these raw materials for various uses.

India is self-sufficient in iron ore. However, it largely consists of low-grade deposits, which require beneficiation to make them suitable for use in steel plants. Accordingly, the availability of high-grade iron ore is limited in India. Moreover, a large quantity of iron ore fines produced in the mining process requires pelletisation before it can be used in steel plants.

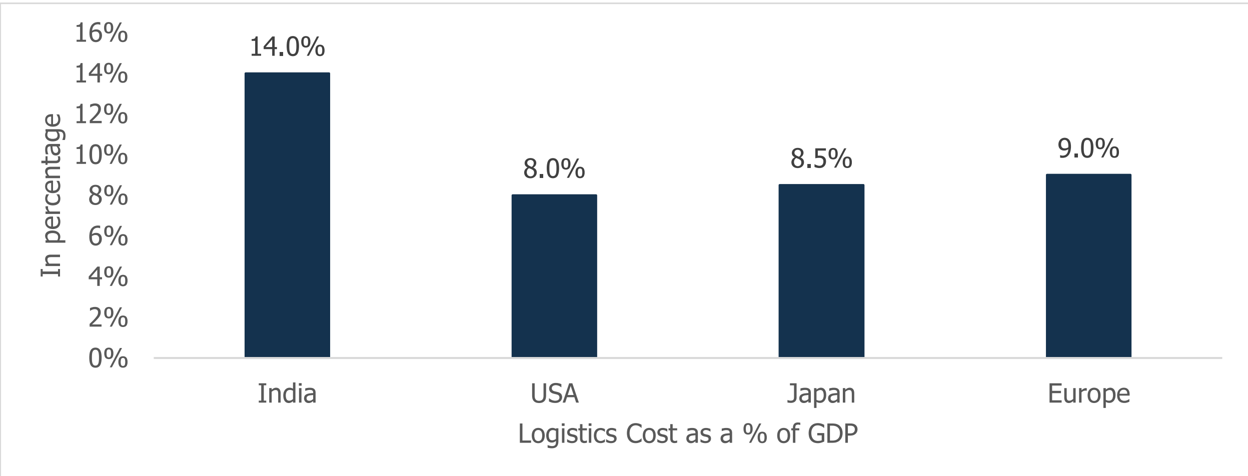
Secondly, the limited availability of coking coal reserves is another challenge for the steel industry. Further, the domestically available coking coal has high ash content and is not suitable for direct use in the BF-BOF process. It has to be washed in washeries and then blended with imported coking coal to make it suitable for the BF process. At the same time, there is limited capacity for washeries. As a result, India largely depends on imports to meet the domestic demand for coking coal.

- **High Logistic Costs**

It is estimated that 3-3.5 tonnes of material needs to be transported for every 1 tonne of steel produced in India. The logistics cost is currently in the range of 4-5% of sales of the domestic steel players and fluctuates on the basis of the proximity of the steel plants to the iron ore and coking coal sources.

Further, logistics costs in India are significantly higher compared to global peers and account for about 14% of the GDP. The chart below shows the comparison of the share of logistics cost in GPD of India vs. developed economies.

Chart 37: Logistics Cost as a Share of GDP



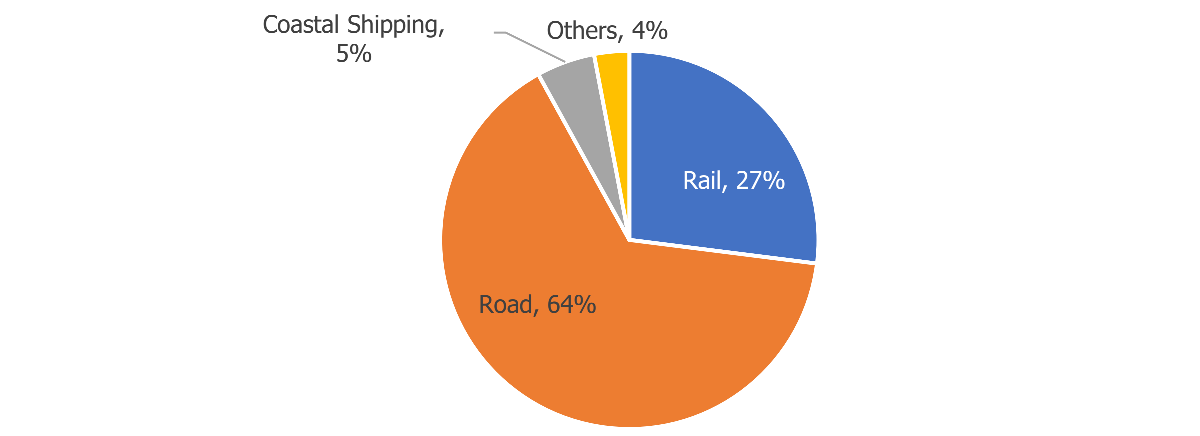
Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes, Industry Sources

Moreover, the logistics industry connects other industries to the domestic and international markets. It affects the efficiency of the manufacturing global value chains and the competitiveness of a country's economy within these value chains.

Some of the reasons that can be attributed to the higher cost of logistics in India are:

- **The Inter-Modal Mix is Skewed toward Road Transport:** The capacity of the Indian railways is constrained and there are various challenges like rake availability and delays in rake placements. Accordingly, road transport is preferred compared to railways despite it being a cheaper alternative. Road transport currently has a share of about 64% in the freight movement in the country.

Chart 38: Inter-modal Mix for Freight Movement in India as of FY22



Source: National Railway Plan

- **Inefficient Transport Vehicles**: India has a fleet of small and inefficient trucks. The highest capacity of trucks in India is 16 tonne and 25 tonne. Whereas in countries like China, the trucks have 26-40T capacity.
- **Road Infrastructure Constraints:** Underdeveloped road infrastructure leads to inefficient movement of freight. Additionally, there is a lack of 4/6 lane roads, which further results in congestion across the key routes leading to an increase in costs.

The high cost of logistics thus adversely affects the global competitiveness of Indian steel products. Besides, the domestic steel plants are in remote areas, and hence, the companies are faced with severe logistics challenges.

- **Decarbonization and Environmental Concerns**

The Indian steel industry is responsible for roughly 12% of India's carbon dioxide (CO_2) emissions, surpassing the global average of 7-9%. The emission intensity in the Indian steel industry stands at 2.55 T/TCS, while the global average emission intensity is 1.91 T/TCS.

India has made a commitment to decrease the emissions intensity of its Gross Domestic Product (GDP) by 45% by 2030, compared to 2005 levels and achieve net zero by 2070. To support this target, the Ministry of Steel has committed to achieving the Net Zero target by 2070 and has taken a medium-term target to reduce the emission intensity of the steel sector to 2.4 T/TCS by 2030.

These targets remain critical for the steel industry players including steel pipes and tube manufacturers for reducing the emissions within the set timelines. The reduction of emissions is also vital for the industry to maintain its competitiveness in export markets which are becoming increasingly environment conscious. Commencing in October 2023, the European Union (EU) has decided to implement a Carbon Border Adjustment Mechanism (CBAM) – a tariff on carbon-intensive imports, aimed at preventing carbon leakage. The first phase of CBAM will cover the iron & steel, cement, aluminium, fertilizer, electricity, and hydrogen sectors.

3.11 Government Policies and Incentives for the Steel Industry

Since steel is one of the most crucial materials in infrastructure development, the government has taken multiple initiatives over the last decade to encourage steel production and consumption of domestically manufactured steel targeted towards making India *'Atmanirbhar'* for its present as well as future demand.

Some of these initiatives are listed below:

- **National Steel Policy, 2017**

National Steel Policy (NSP) was introduced in 2017 with the objective to increase domestic steel production and consumption, produce high-quality steel and increase in India's competitiveness globally. It also focuses on cost efficiency, raw material availability and research & development to achieve the overall objectives laid out under the policy.

The mission defined under NSP, 2017 is as below:

- Self-sufficiency in steel production by providing policy support & guidance to private manufacturers, MSME steel producers, and CPSEs & encourage adequate capacity additions.
- Development of globally competitive steel manufacturing capabilities.
- Cost-efficient production and domestic availability of iron ore, coking coal, and natural gas.
- Facilitate investment in overseas asset acquisitions of raw materials.
- Enhance domestic steel demand.

Table 5: Target Set Under the NSP, 2017

Parameter	Projections (FY31)
Total crude steel capacity (in MTPA)	300
Total crude steel demand/production (in MTPA)	255
Total finished steel demand/production (in MTPA)	230
Sponge iron demand/production (in MTPA)	80
Pig iron demand/ production (in MTPA)	17
Per Capita Finished Steel Consumption (in kg)	160

Source: Ministry of Steel

The policy also aims to achieve the below objectives:

- Build a globally competitive industry.
- Increase per Capita Steel Consumption to 160 kg by FY31.
- To domestically meet the entire demand for high-grade automotive steel, electrical steel, special steels, and alloys for strategic applications by FY31.
- Increase domestic availability of washed coking coal to reduce import dependence on coking coal from ~85% to ~65% by FY31.
- To have a wider presence globally in value-added/high-grade steel.
- Encourage the industry to be a world leader in energy-efficient steel production in an environmentally sustainable manner.
- Establish domestic industry as a cost-effective and quality steel producer.
- Attain global standards in Industrial Safety and Health.
- To substantially reduce the carbon footprint of the steel industry.

- **Preference to Domestically Manufactured Iron & Steel Products in Govt Procurement**

The government introduced the Domestically Manufactured Iron & Steel Products (DMI & SP) Policy in May 2017 to provide preference to domestically produced iron and steel material in government tenders. Further, the Policy was revised on May 29, 2019, and on December 31, 2020. The salient features of the Policy are as follows:

- The policy covers a list of 49 manufactured products of iron and steel. The minimum domestic value addition of 20-50% is specified on these 49 products of iron and steel. The Policy also covers capital goods for manufacturing iron and steel products for which a minimum domestic value addition of 50% is specified.
- Each Ministry or Department of Government and all agencies/entities under their administrative control are under the purview of the DMI & SP policy as notified by the Ministry of Steel. All Central Sector Schemes (CS)/Centrally Sponsored Schemes (CSS) for which procurement is made by States and Local Bodies, come within the purview of this Policy, if that project/scheme is fully/partly funded by the government of India.

- The policy is applicable to projects where the procurement value of iron and steel products is greater than Rs. 5 lakh. The policy is also applicable for other procurements (non-project), where the annual procurement value of iron and steel products for that government organization is greater than Rs. 5 lakh. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this policy.
- The policy is applicable to the purchase of iron and steel products by private agencies for fulfilling an EPC contract and/or any other requirement of the Ministry or Department of Government or their PSUs and to capital goods for manufacturing iron and steel products in compliance with prescribed quality standards, as applicable.
- No Global Tender Enquiry (GTE) shall be invited for tenders related to the procurement of iron and steel products or capital goods for manufacturing iron and steel products having estimated value up to Rs. 200 crore except with the approval of competent authority as designated by the Department of Expenditure.
- The policy has provisions for waivers to all such procurements, where specific grades of steel are not manufactured in the country, or the quantities as per the demand of the project cannot be met through domestic sources.

The policy promotes the growth and development of the domestic steel Industry in government-funded projects. As of March 2023, the total value of steel procured under the DMI&SP policy since its implementation is Rs 34,808 crore.

Other Initiatives

- **Support to MSMEs of EEPC for the Promotion of Exports**

Domestic Integrated Steel Producers (ISPs) have decided to make available four main products utilized by engineering exporters, i.e. Hot Rolled Coil (HRC), Cold Rolled Coils (CRC), Wire Rods and Alloy Bars to MSME members of Engineering Export Promotion Council (EEPC) of India at the export parity price, in order to reduce their cost of input steel so that their export products are more competitive in the international market. To facilitate the supply of steel under this arrangement through dealers/service centres of these ISPs, DGFT has issued a notification extending the scheme of Duty Drawback on the supply of steel-by-steel manufacturers to the EEPC MSMEs through their Service Centres / Distributors / Dealers / Stock Yards vide Notification No. 35/2015-20 dated 01.10.2020.

- **Enhancing the scope of the Quality Control Orders on Steel**

Ministry of Steel gave major thrust to the Steel Quality Control Order (SQCO) from 2015 onward, thereby banning substandard/ defective steel products to ensure that only quality steel conforming to the relevant BIS standards is made available to the end users. Ministry of Steel has covered 99 carbon steel, 44 stainless steel & alloy steel and 2 ferro alloys under the mandatory BIS Certification scheme.

The Ministry as a policy now covers raw material as well as goods and articles made of steel such as stainless-steel pipes and tubes, laminations/ cores of transformers, products of tin plate & tin free steel etc. in the notification to prevent circumvention of the SQCO. A dedicated portal has been developed to process the applications for seeking clarification/exemption as regards the applicability of SQCO on a particular grade of steel in a time-bound and transparent manner.

In addition, Indian Standard 11587 was revised by BIS and corten steel has been included to meet the requirements of container manufacturing. This step was taken to reduce import dependency for corten steel and make the container manufacturing industry Atmanirbhar.

- **Setting Up of PDC for Attracting Investments**

The Government of India has set up an Empowered Group of Secretaries (EGoS) and Project Development Cells (PDCs) in Ministries/Departments to attract investments and to handhold and further smoothen investment inflows. The Ministry of Steel PDC is working in tandem with other Ministries as well as State Departments to address the concerns of investors as well as facilitate investment in the steel sector of the country.

The government has brought specialty steel under the ambit of the Performance Linked Incentive Scheme (PLI), introduced the Steel Scrap Recycling Policy and has set out a roadmap for reducing carbon emissions from the steel industry and promoting green steel. These initiatives have been discussed in detail in the subsequent sections of this report.

- **Steel Scrap Recycling Policy**

Ministry of Steel issued the Steel Scrap Recycling Policy in November 2019 which provides a framework to facilitate and promote a circular economy in the steel sector and promote scrap-based steelmaking to improve cost competitiveness and reduce the emission of greenhouse gases from steel production. The policy has set the framework for establishing metal scrapping centres in India for the scientific processing and recycling of ferrous scrap generated from various sources and a variety of products. The Policy framework provides standard guidelines for collection, dismantling and shredding activities in an organized, safe, and environmentally sound manner. The Policy enumerates the responsibilities of the dismantling centre and scrap processing centre, the roles of aggregators and the responsibilities of the government, manufacturer and owner.

- **Production Linked Incentive (PLI) Scheme**

  - To enhance the manufacturing capabilities and export market, the government launched the PLI scheme for specialty steel under the Ministry of Steel in July 2021 with a budgetary outlay of Rs. 6,322 crores.
  - India is dependent on specialty steel as it is used in automobiles, defense, railways, space, power, and renewable energy. The usage of this steel goes into the manufacturing of tubes and pipes due to its properties such as heat resistance and corrosion resistance.
  - The scheme covering specialty steel grades is applicable for the following product segments below:
    i. Coated/Plated Steel Products
    ii. High Strength/ Wear-resistant Steel
    iii. Specialty Rails
    iv. Alloy Steel Products and Steel wires
    v. Electrical Steel
  - PLI is expected to boost the production of the above products in domestic industry and reduce the dependency on imports. This will not only ensure import substitution of goods but also encourage a growth in the exports.
  - Through this scheme, the production of specialty steel grade is estimated to grow more than double by FY27 to 42.2 MT from 17.6 MT in FY20, an increase of 140%.
  - This incentive scheme is also expected to attract investments of about Rs.39,625 crore by FY30 in specialty steel.

Ensuring Raw Material Security for the Steel Industry

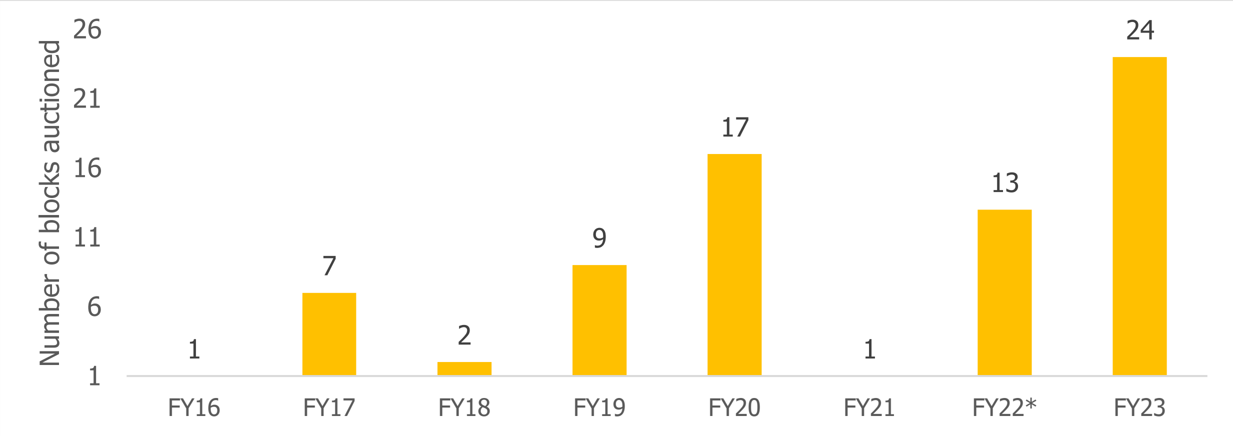
The raw material is a critical enabler for ensuring sustained growth in the iron & steel industry. As per NSP 2017, 437 MT of iron ore and 161 MT of coking coal will be required to achieve production of 255 MT of crude in FY31, compared to about 254 MT and 52 MT of iron ore and coking coal produced in FY22, respectively. The Ministry has been working closely with the Ministry of Mines and the Ministry of Coal on the following:

1. Iron Ore:

- **Expediting Iron Ore Mining Auction**

Mining and mineral Policy reforms have ensured enhanced production, expeditious auction & operationalization of expired mines, ease of doing business and the seamless transfer of all valid rights & approvals. The Ministry of Mines has auctioned a total of 73 iron ore mines from FY16-FY23 (up to December 21, 2023) across various states; of which 24 mines were auctioned in FY23. The Government proposes to ensure prompt identification, auction and operationalization of iron ore mines to ensure sufficient iron ore is available to meet the steel production targets under NSP.

Chart 39: Auctioned Iron Ore Blocks (FY16-FY23)



Source: Ministry of Mines
*Note: One Iron Ore Block auctioned in FY20 in Odisha was Forfeited. The same was re-auctioned in September 2021.

- In August 2022, the Supreme Court raised the iron ore production limit to 15 MT from 7 MT collectively from Chitradurga & Tumakuru districts of Karnataka whereas the limit has been increased to 35 MT from 28 MT for Bellary district.
- Mining operations for iron ore in Donimalai mines in Bellary district, Karnataka have been resumed on February 18, 2021. The operationalization of the Donimalai iron ore mines will increase the annual iron ore production in the country by 7 MTPA.
- Moreover, the Ministry of Steel has requested to Ministry of Mines to frame a policy for providing incentives to the beneficiation and direct industries to utilize low-grade fines for beneficiation and palletisation. This move will contribute towards zero waste mining in the country. The Ministry of Mines has also constituted a Committee in the Indian Bureau of Mines to examine the issue regarding the "Utilization of low and lean-grade iron ore resources in the country".

2. Coking Coal:

- **Mission Coking Coal**

  - The Ministry of Coal set up 'Mission Coking Coal' to develop a road map for increasing production and utilization of domestic coking coal in India by 2030. The government has taken the following initiatives under 'Atmanirbhar Bharat' to increase the production of coking coal in India to 140 MT by 2030.
  - Coal India Limited's raw coking coal production from existing mines is to be increased to up to 26 MT and 10 new mines have been identified which will achieve PRC (maximum production capacity) of about 22 MT by FY25.
  - CIL has offered eight discontinued coking coal mines on revenue sharing model to the private sector with a PRC of 2 MT.
  - CIL is setting up nine new coking coal washeries and also revamping the existing coking coal washeries to augment washing capacity.
  - Ministry of Coal has auctioned 10 coking coal blocks to the private sector with a PRC of 22.5 MT during the last two years. Most of these blocks are expected to start production by CY25. Another 4 to 6 blocks are being identified for the next auction.
  - The government has also been proactively changing the duties on imported coking coal to increase the present blending of 10-12% of domestic coking coal with imported coking coal to 30% by FY2030 and reduce the import of coking coal. Between May 2022 – November 2022, imports of anthracite and coking coal did not attract any import duty. With effect from November 19, 2022, imports of anthracite and coking coal, along with other types of coal, will attract customs duty at the rate of 2.5%.

- **Diversification of Imports**

  As there was a large dependence on Australia, the Government has been focusing on diversifying the sources of coking coal to ensure seamless supply and also optimize the cost of imports. In October 2021, a Memorandum of Understanding (MoU) was signed between the Ministry of Steel and the Ministry of Energy, Russian Federation for cooperation in the field of coking coal. This step will benefit the Indian steel industry by diversifying the sources of coking coal and is also expected to lead to input cost reduction for the steel players due to the long-term commitment to supply high-quality coking coal to India (up to 40 MT till 2035). This MoU also envisages the implementation of joint projects/commercial activities in the coking coal sector, including the development of coking coal deposits and logistics development, sharing of experience in coking coal production management, technologies of mining, beneficiation, processing as well as training. In addition, the MoU envisages promoting research collaboration between the two countries.

3.12 Key Industry Trends

3.12.1. Decarbonising the Steel Industry

In India, about 46% of the steel is produced through the BF-BOF route and the balance 54% is produced through the electric route - EAF and induction furnace. While the BF-BOF process requires a higher quantity of coking coal, even the EAF/EIF-based producers have been consuming large quantities of Direct Reduced Iron (DRI) due to limited availability of steel scrap, which has resulted in higher coal consumption and CO_2 emission intensity.

The Ministry of Steel has made a commitment to achieve the Net Zero target by 2070 and has taken a medium-term target to reduce the emission intensity of the steel sector to 2.4 T/TCS by 2030.

Various measures as listed below, have been taken towards this target.

- Steel Scrap Recycling Policy, 2019 has been introduced to enhance the availability of domestically generated scrap to reduce the consumption of coal in steel making.
- The steel sector has also been made a stakeholder in the National Green Hydrogen Mission for green hydrogen production and usage as announced by the Ministry of New and Renewable Energy (MNRE).
- Motor Vehicles (Registration and Functions of Vehicles Scrapping Facility) Rules September 2021, shall increase the availability of scrap in the steel sector.
- The National Solar Mission launched by MNRE in January 2010 promotes the use of solar energy and also helps reduce the steel industry emissions.
- The Perform, Achieve and Trade (PAT) scheme, under the National Mission for Enhanced Energy Efficiency, incentivizes the steel industry to reduce energy consumption.
- The steel sector has adopted the Best Available Technologies (BAT) available globally, in the modernization and expansion projects.
- Japan’s New Energy and Industrial Technology Development Organization (NEDO) model projects for energy efficiency improvement have been implemented in steel plants.

Since the average age of a majority of the large plants is low, it is not cost-effective for the industry to immediately move to more climate-friendly technologies. Accordingly, the steel industry is exploring multiple avenues to reduce CO_2 emissions from the existing manufacturing processes.

Further, research and development is being undertaken globally on the following technologies:

- **Green Steel**

Green steel refers to the production of steel without the use of fossil fuels such as coal. Green hydrogen is one of the viable elements that can be used instead of coal as a reducing agent in green steel production through the BF-BOF route. Whereas in the EAF route, green steel can be produced using steel scrap and renewable energy or by using DRI produced using renewable energy.

The concept of green steel is at a nascent stage in India with some of the large players having set up pilot plants to determine commercial viability. For instance, Kalyani Group, under its subsidiary Saarloha Advanced Materials, launched India's first green steel in December 2022, which is being produced at its electric arc furnace located at its plant in Pune using renewable energy. In April 2023, Tata Steel initiated trials of injecting large quantities of hydrogen gas in the blast furnace located at its Jamshedpur plant to assess the viability of hydrogen in the production process and its impact on the reduction of carbon emissions.

Currently, India does not have a significant production capacity of green hydrogen. The National Green Hydrogen Mission was approved by the Union Cabinet in January 2023 with an objective of developing a green hydrogen development capacity of 5 MT by 2030 at an estimated capital expenditure of Rs 8 lakh crore. Further, the price of green hydrogen, currently around Rs 300 per kg, is proposed to be brought down to USD 1-2 per kg (Rs 80-160 per kg) to make it commercially viable for various end-user industries.

Some of the key factors that will encourage domestic steel players to invest in the large-scale production of green steel are the development of cost-effective scalable technology, the ramp-up in renewable energy capacity and production, the availability of the requisite quantity of green hydrogen at viable prices, and the availability of iron ore of suitable grade.

- **Carbon Capture Utilisation and Storage (CCUS)**

Carbon Capture Utilisation and Storage (CCUS) involves capturing carbon dioxide at emission sources and then using them for making items such as building materials, or permanently storing them at underground locations. The technology helps in capturing the carbon dioxide before it can enter the atmosphere, and therefore, helps reduce emissions.

As per Niti Aayog, CCUS can enable the scalable and profitable conversion of waste gases from BF, coke oven and BOF of integrated steel plants to blue hydrogen (produced from methane or coal and through carbon capture) at a cash cost of less than Rs. 100 per kg. Blue hydrogen can be used within the steel plant as a source of clean energy or for producing clean DRI. Blue hydrogen can also be sold to external consumers, thereby propelling the clean hydrogen economy in India.

Furthermore, CCUS can enable a wide variety of opportunities to convert the captured CO_2 to different value-added products like food and beverage applications, building materials, chemicals, polymers, and enhanced oil recovery. This offers wide market opportunities in India, thus substantially contributing to a circular economy.

Moreover, in order to facilitate the development of CCUS technology, the government has launched various initiatives under the Department of Science and Technology. Further, some of the large players have set up pilot facilities to assess the viability of the mechanism. For instance, in September 2021, Tata Steel commissioned a pilot 5-tonne-per-day carbon capture plant at its Jamshedpur steel plant. In addition, Jindal Steel Works (JSW) has implemented a carbon capture and storage facility with 100 tonnes per day capacity at its DRI plant at Dolvi. The captured carbon is to be utilized in the food and beverages industry.

3.12.2. Enhancing Sustainability and ESG Focus

In recent years, the steel industry has undergone a significant transformation in its approach to Environmental, Social, and Governance (ESG) practices, focusing on addressing environmental concerns. Steel manufacturers are increasingly prioritizing the reduction of carbon emissions and energy consumption. They are implementing a range of strategies to achieve this, including improving energy efficiency, optimizing waste and water management, and integrating renewable energy sources into their operations. Additionally, technological advancements, such as hydrogen-based direct reduction processes and carbon capture utilization and storage (CCUS) techniques, are expected to play a pivotal role in further decreasing the carbon footprint associated with steel production.

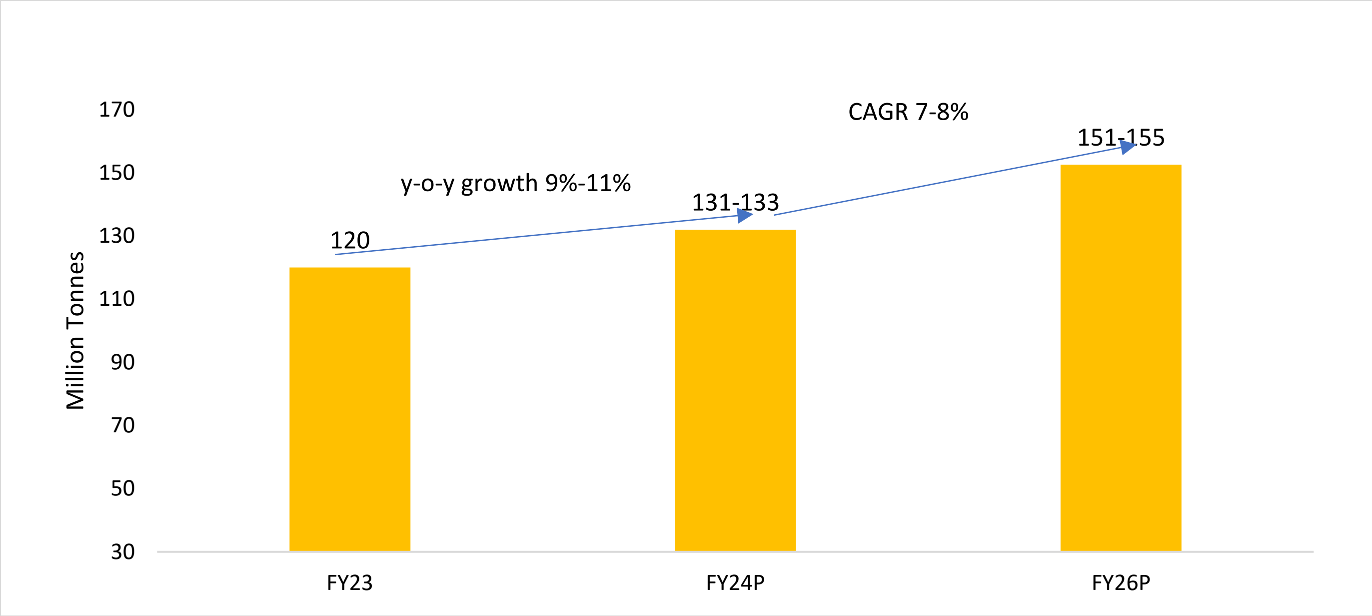
Further, the steel industry is a significant contributor to greenhouse gas (GHG) emissions. The primary source of GHG emissions in steel production is the use of carbon-intensive fuels, such as coal and coke, in the iron-making and steel-making processes. These processes release carbon dioxide (CO2) as a by-product. The industry has been working toward reducing its GHG emissions through various strategies. One of the approaches is to curb this by adopting advanced technologies and processes, such as using energy-efficient furnaces and optimizing production methods. Additionally, the use of alternative fuels and raw materials, such as natural gas and renewable energy sources, can help lower carbon emissions.

The steel industry in India is making significant strides toward integrating ESG principles into its operations. The industry recognizes the importance of sustainability and is actively working toward reducing its environmental impact, promoting social welfare, and enhancing corporate governance practices.

3.13 Outlook of Indian Finished Steel Consumption

The demand for steel is driven by sectors like construction, real estate, railways, roads, capital goods, and consumer durables, among others. In addition, government expenditure on infrastructure is expected to augur well for the sector. The thrust toward infrastructure projects is majorly contributing to the rise in steel demand in the domestic market.

Chart 40: Total Finished Steel Consumption (FY23-FY26P)



Source: JPC, CareEdge Research Forecasts

CareEdge Research estimates India's steel consumption to see healthy growth of 9-11% y-o-y in FY24. By FY26, the steel consumption is expected to reach between 151-155 MT, indicating a CAGR of 7-8% between FY24 and FY26. The ramp-up in construction sector activities and sustained momentum in the real estate and automobile sectors are expected to boost the demand for steel products.

Further, as India has entered its pre-election year in 2023, the government is likely to increase investments both at the state and central levels, which is expected to augur well for the domestic steel demand.

Some of the key budgetary announcements which reflect the same are:

- An increase in allocation of CapEx towards infrastructure from Rs. 7.5 lakh crore to Rs. 14.91 lakh crore in Union Budget 2023-24.
- The capital outlay of Rs. 2.93 lakh crore for Indian Railways.
- 100 transport infrastructure projects.
- Approval of Production Linked Incentive (PLI) Scheme for specialty steel.
- Allocation toward the PMAY scheme to be increased to Rs. 79,590 crore from Rs. 77,130 crore in the previous budget.
- Aggregate allocation of Rs 70,000 crore toward the Jal Jeevan Mission in Union Budget 2023-24.

3.14 Advantages of Backward and Forward Integration (in terms of having a Pellet Plant, Captive Power/Railway Siding/By-Products).

Backward integrated operations enable steel producers to reduce raw material costs, have better control of the supply chain, and ensure raw material availability.

Captive Iron Ore and Coal Mines: Iron ore and coking coal are critical raw materials for steel manufacturing – for producing 1 tonne of steel, 1.6-1.7 tonne of iron ore and 0.6 tonne of coking coal are required. Thus, having captive iron ore and coking coal mines enables the players to reduce costs since raw materials can be sourced at lower costs compared to sourcing from commercial sellers. It also protects companies against the impact of significant volatility in raw material prices. Moreover, there is certainty of raw material availability as per the production requirements

Pellet Plant: Through pelletisation, steel manufacturers can utilize iron ore fines available in higher quantities compared to lumps. The pellets can then be directly utilized in blast furnaces. Pelletisation also reduces transportation costs and handling losses. Moreover, pellets have better permeability due to size uniformity and lead to higher plant productivity.

Captive Power Plant: Steel producers can benefit from having their own power plant, which can significantly reduce their energy costs. Additionally, operating a captive power plant will decrease steel producers' exposure to disruptions to the electricity grid in times of power outages that can otherwise lead to costly production disruptions. Further, steel companies can use captive power plants to generate electricity from cleaner and more efficient sources such as waste-heat recovery-based power plants and captive renewable energy plants.

Railway Siding: For the production of 1 million tonnes of steel, about 3 million tonnes of raw material need to be moved. Given the significant amount of material movement, having a railway siding allows steel producers to restrict losses during material handling and transportation. It also improves the efficiency of steel producers' transport operations by loading and unloading material/steel products directly onto railway wagons. Furthermore, this reduces the time and cost of transporting raw materials and steel products while minimizing producers' reliance on third-party transportation providers.

Moreover, multiple players in the steel industry have also forward integrated steel product manufacturing, including both long and flat products. These are value-added products and enhance the manufacturer's profitability.

3.15 Key Success and Risk Factors of Operating in Steel Space

Key Success Factors:

a) Backward and Forward Integration

As discussed in earlier sections, there are significant benefits of backward and forward integration, including improvement in operational efficiency and better profitability, among others. Hence, it becomes one of the key success factors in the industry.

b) Geographical and End-User Market Diversification

It is beneficial for steel producers to have geographically spread manufacturing facilities, which gives them a broader market reach to sell their products to a wide range of customers. This is because steel products (especially longs) are only procured by areas located in the vicinity of the plant due to their bulky nature. By diversifying exports to emerging markets using a well-developed local distribution network, steel manufacturers can explore new growth opportunities, reduce concentration, and mitigate risks.

c) Focus on Sustainability

Given the increasing global focus on emission reductions, it is critical for steel manufacturers to focus on emission reduction and adoption of sustainable practices as both Indian and global governments are placing significant emphasis on the reduction of greenhouse gases, including the import of products with low carbon footprints.

Key Risks:

a) Raw Material Price Risk

The steel sector is heavily reliant on raw materials such as iron ore and coal. Although India has abundant reserves of iron ore and coal, it has limited reserves of coking coal. The country largely fulfils its coking coal requirements through imports from various countries such as Australia, Indonesia, and South Africa. Moreover, the prices of raw materials are subject to global market trends, geopolitical events, and supply-demand imbalances. Any fluctuation in prices of the raw materials can significantly impact the cost of production of the steel producers.

b) Infrastructure Constraints

As most of India's steel plants are located inland, managing logistics requirements to physically transport the raw material to the steel plants and transporting finished products to client locations or ports for exports is quite challenging.

c) Cyclicality

The steel industry is cyclical in nature. During periods of high economic growth, steel demand tends to be strong, as businesses and consumers invest in new infrastructure and construction projects. However, during periods of economic downturn, steel demand is impacted, as businesses refrain from investing while consumers delay major purchases. Therefore, it is challenging for steel companies to maintain consistent profitability and business growth, especially during periods of economic downturn.

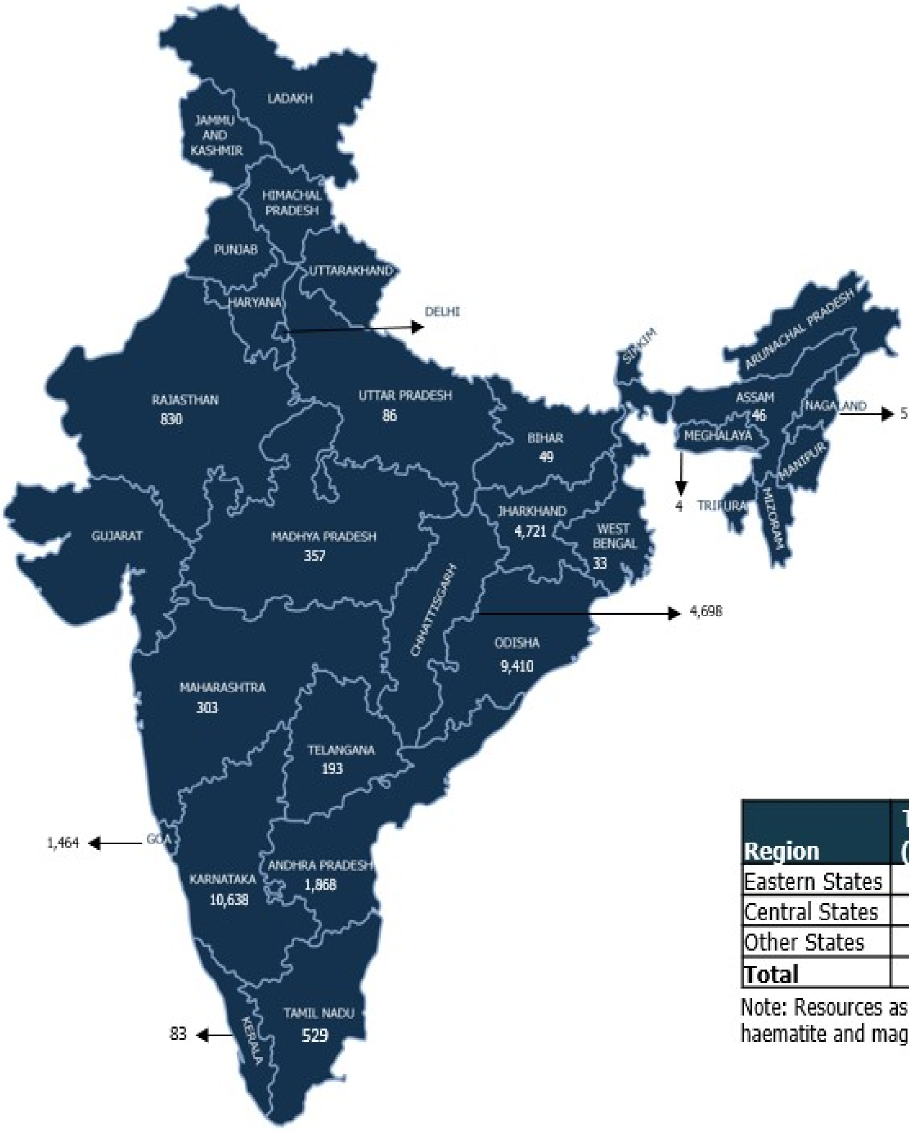
4 Geographic Importance of Resource Rich Region of Eastern & Central India

4.1 Iron Ore

India is a major global producer of iron ore, possessing around 6,411.9 million tonnes of reserves and 35,285.5 million tonnes of total resources of iron ore [magnetite (Fe_3O_4) and Haematite (Fe_2O_3)] as of April 2020.

The Eastern States account for 40.3% while the Central States account for 14.3% of the domestic iron ore resources.

Chart 41: State-Wise Total Resources of Iron Ore (As on April 2020)



Region	Total Resources (Million Tonnes)	% share
Eastern States	14,235	40.3%
Central States	5,055	14.3%
Other States	15,995	45.3%
Total	**35,286**	**100%**

Note: Resources as on 01.04.2020 (P) and include haematite and magnetite grades

Source: Indian Minerals Yearbook 2021 (Part III), 60th Edition, Iron Ore (Advance Release), dated May 2023
Note:
1. Eastern States: Assam, Bihar, Jharkhand, Meghalaya, Nagaland & Odisha
2. Central State: Madhya Pradesh & Chhattisgarh

Table 6: State-Wise Break-up of Iron Ore Reserves and Resources (in Million Tonnes) as of April 2020

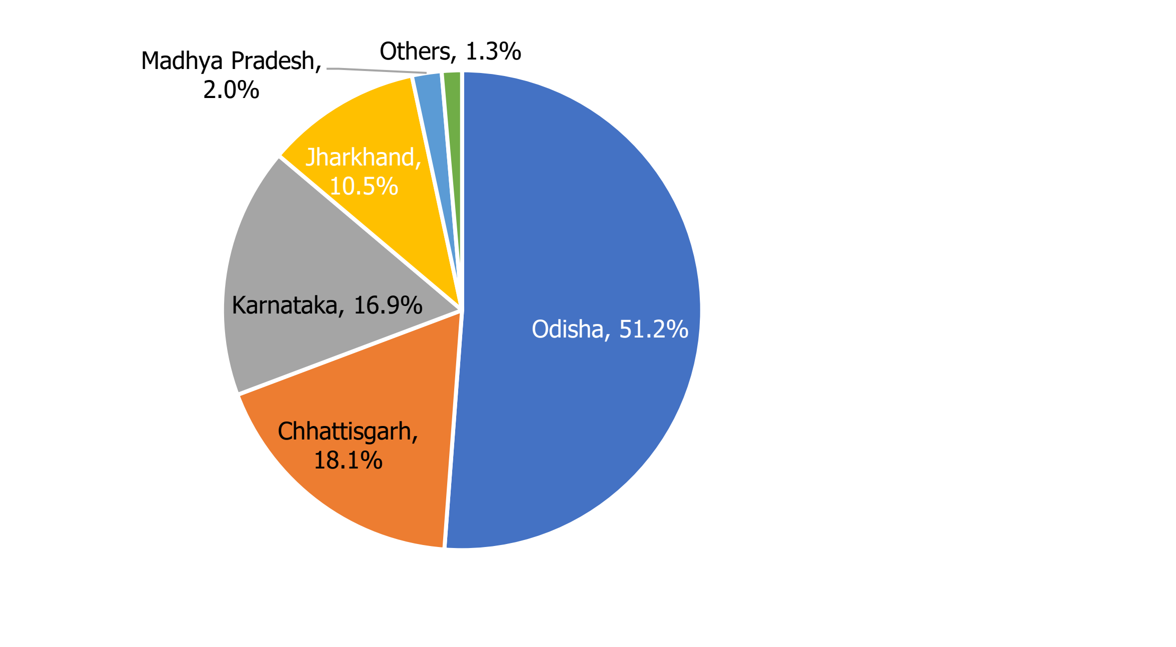
State	Reserves	Remaining Resources	Total Resources
A. Eastern States			
Assam	-	46	46
Bihar	-	49	49
Jharkhand	535	4,186	4,721
Meghalaya	-	4	4
Nagaland	-	5	5
Odisha	2,799	6,611	9,410
Sub-total	**3,333**	**10,902**	**14,235**
B. Central States			
Chhattisgarh	1,670	3,028	4,698

State	Reserves	Remaining Resources	Total Resources
Madhya Pradesh	54	303	357
Sub-total	**1,724**	**3,331**	**5,055**
C. Other States			
Andhra Pradesh	45	1,823	1,868
Goa	122	1,342	1,464
Karnataka	1,044	9,595	10,638
Kerala	-	83	83
Maharashtra	16	288	303
Rajasthan	128	702	830
Tamil Nadu	-	529	529
Telangana	-	193	193
Uttar Pradesh	-	86	86
Sub-total	**1,355**	**14,641**	**15,995**
Total	**6,412**	**28,874**	**35,286**

Source: Indian Minerals Yearbook 2021 (Part III), 60th Edition, Iron Ore (Advance Release), dated May 2023

There were 273 reporting mines in FY21, up from 271 the previous year. In FY21, 204.48 MT of iron ore comprising lumps, fines, and concentrates was produced, a decline of 16.2% y-o-y. Odisha accounted for the highest share (51.2%) in the domestic iron ore production in FY21, followed by Chhattisgarh and Karnataka.

Chart 42: Share of States in Iron Ore Production (FY21)



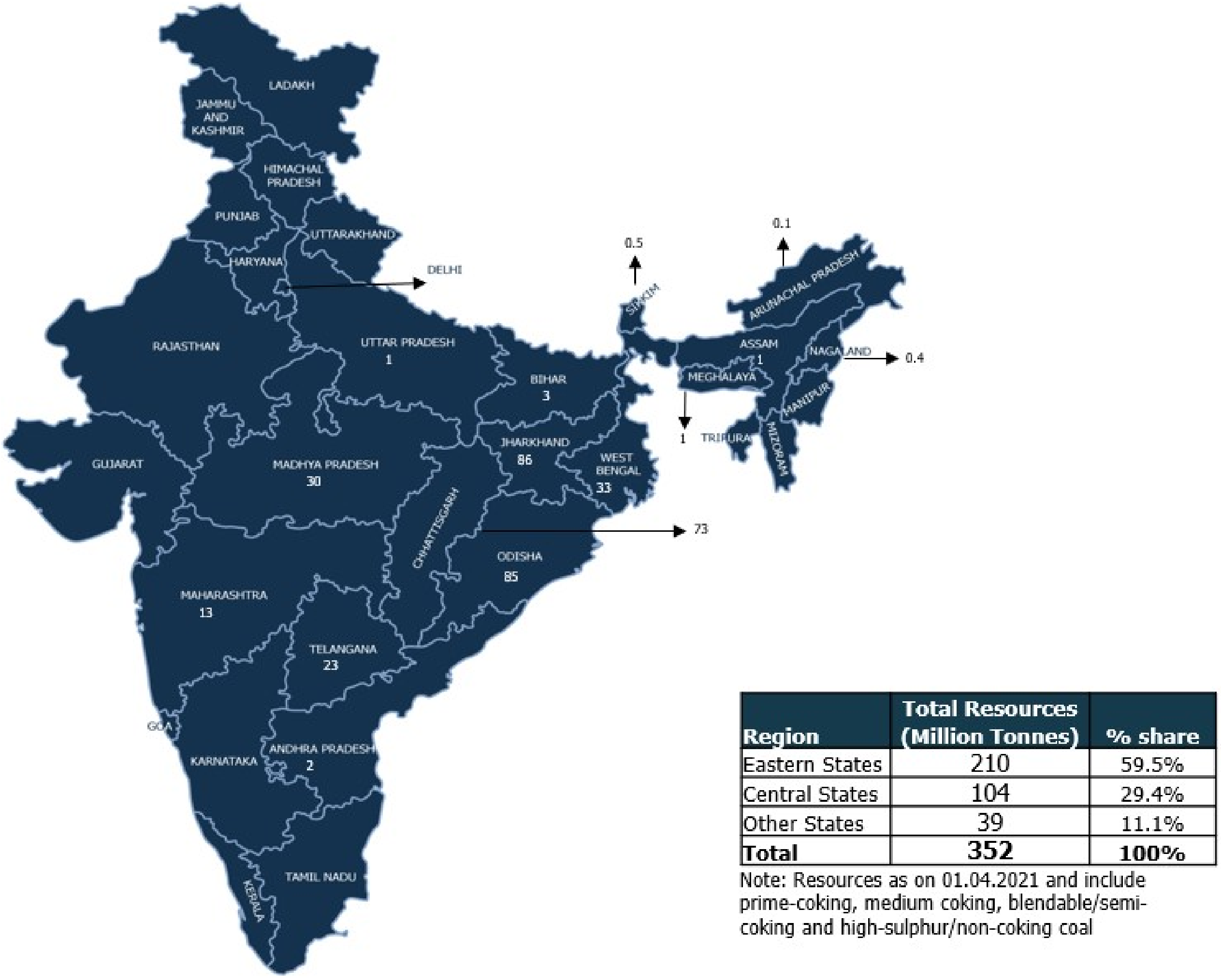
Source: Indian Bureau of Mines

4.2 Coal

India has coal reserves of 177 million tonnes and total resources of around 352 million tonnes as of April 2021, including prime-coking, medium-coking, blendable/semi-coking, and non-coking/high sulphur grades.

The Eastern States account for 60% while the Central States account for 29% of the domestic total resources of coal.

Chart 43: State-Wise Total Resources of Coal (as on April 2021)



Source: Indian Minerals Yearbook 2021 (Part III), 60th Edition, Coal and Lignite (Advance Release), March 2023

Note:

1. Eastern States: Arunachal Pradesh, Assam, Bihar, Jharkhand, Meghalaya, Nagaland, Odisha, Sikkim & West Bengal
2. Central State: Madhya Pradesh & Chhattisgarh

Table 7: State-Wise Break-up of Coal Reserves and Resources (in Million Tonnes) as of April 2021

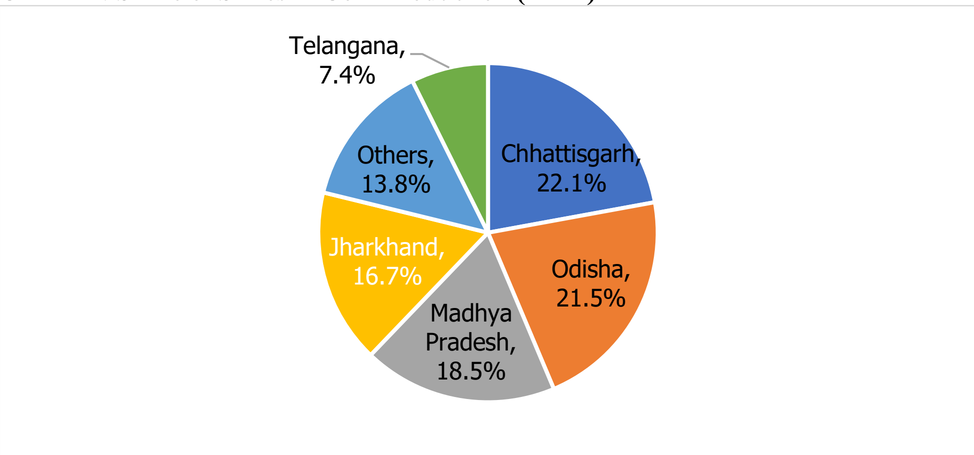
State	Reserves	Remaining Resources	Total Resources
A. Eastern States			
Arunachal Pradesh	0.0	0.1	0.1
Assam	0.5	0.1	1
Bihar	0.3	3	3
Jharkhand	52	34	86
Meghalaya	0.1	0.5	1
Nagaland	0.0	0.4	0.4
Odisha	43	42	85
Sikkim	-	0.5	0.5
West Bengal	15	18	33
Sub-total	**111**	**98**	**210**

State	Reserves	Remaining Resources	Total Resources
B. Central States			
Chhattisgarh	31	42	73
Madhya Pradesh	13	17	30
Sub-total	**45**	**59**	**104**
C. Other States			
Andhra Pradesh	1	1	2
Maharashtra	8	5	13
Telangana	11	12	23
Uttar Pradesh	1	0.2	1
Sub-total	**21**	**18**	**39**
Total	**177**	**175**	**352**

Source: Indian Minerals Yearbook 2021 (Part III), 60th Edition, Coal and Lignite (Advance Release), March 2023

As of March 31, 2021, 442 coal mines in India reported coal production. In FY21, the total reported (provisional) production of coal was 716.1 MT, a 2% decline y-o-y. Chhattisgarh accounted for the highest share (22.1%) in domestic coal production in FY21, followed by Odisha and Madhya Pradesh.

Chart 44: Share of States in Coal Production (FY21)



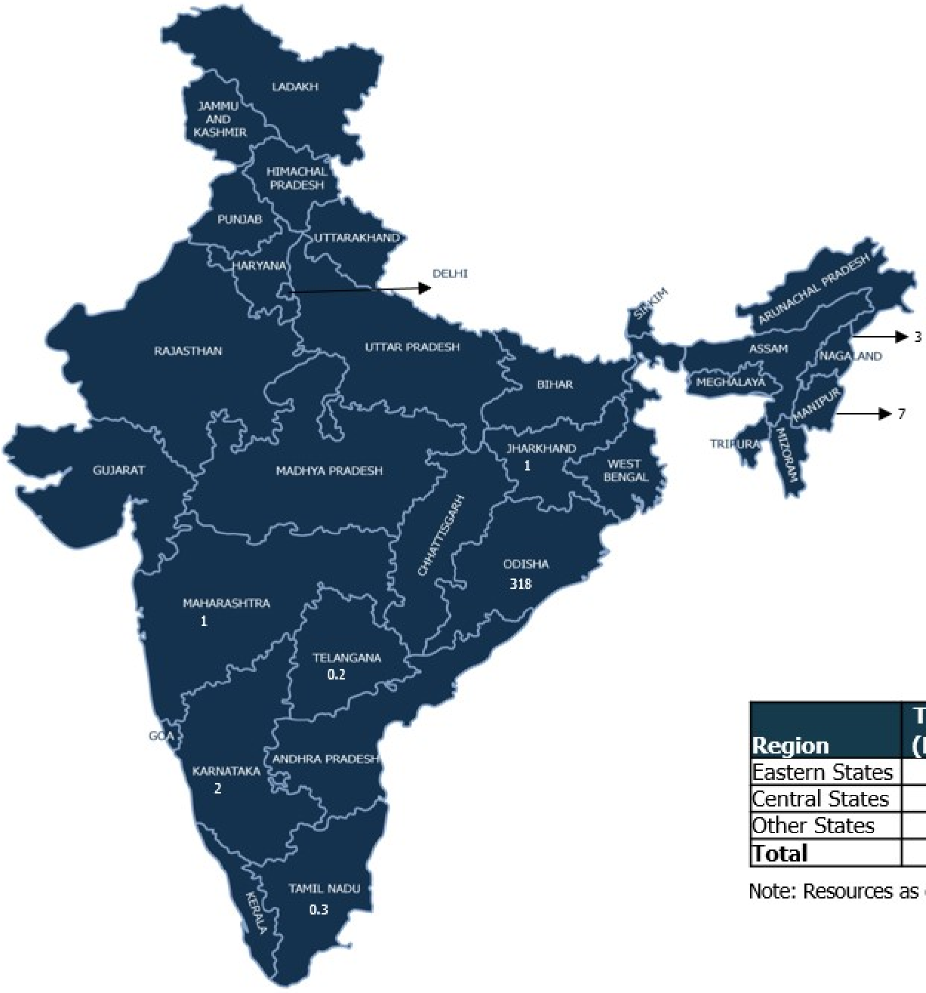
Source: Indian Bureau of Mines

4.3 Chromite

$FeCr_2O_4$, often known as iron chromium oxide, is the chemical name for chromium (Cr) and the only metal resource that is economically feasible. The characteristics of chromium that make it the most useful and adaptable are its improved hardenability and resistance to oxidation, corrosion, wear, and galling.

As of April 2020, the country's projected chromite reserves were 79 million tonnes and total resources were 332 million tonnes, 99% of which are located in Eastern States.

Chart 45: State-Wise Resources of Chromite



Region	Total Resources (Million Tonnes)	% share
Eastern States	329	99.1%
Central States	-	0.0%
Other States	3	0.9%
Total	**332**	**100%**

Note: Resources as on 01.04.2020P

Source: Indian Minerals Yearbook 2021 (Part III), 60th Edition, Chromite (Advance Release), April 2023
Note:
1. Eastern States: Jharkhand, Manipur, Nagaland and Odisha
2. Central State: NIL

Table 8: State-Wise Break-up of Chromite Reserves and Resources (in Million Tonnes) as of April 2020

State	Reserves	Remaining Resources	Total Resources
A. Eastern States			
Jharkhand	-	1	1
Manipur	-	7	7
Nagaland	-	3	3
Odisha	78	240	318
Sub-total	**78**	**251**	**329**
B. Other States			
Karnataka	0.5	1	2
Maharashtra	0.0	1	1
Tamil Nadu	-	0.3	0.3
Telangana	-	0.2	0.2
Sub-total	**1**	**2**	**3**
TOTAL	**79**	**253**	**332**

Source: Indian Minerals Yearbook 2021 (Part III), 60th Edition, Chromite (Advance Release), April 2023

There were 23 reporting mines of chromite in FY21 compared to 22 in FY20. Also, in FY21, 2.8 million tonnes of chromite were produced, a 27% reduction y-o-y.

Table 9: Production of Chromite in FY21(P)

State	No. of Mines	uantity (Million tonnes)
Odisha	21	2.8
Karnataka	2	-
India	**23**	**2.8**

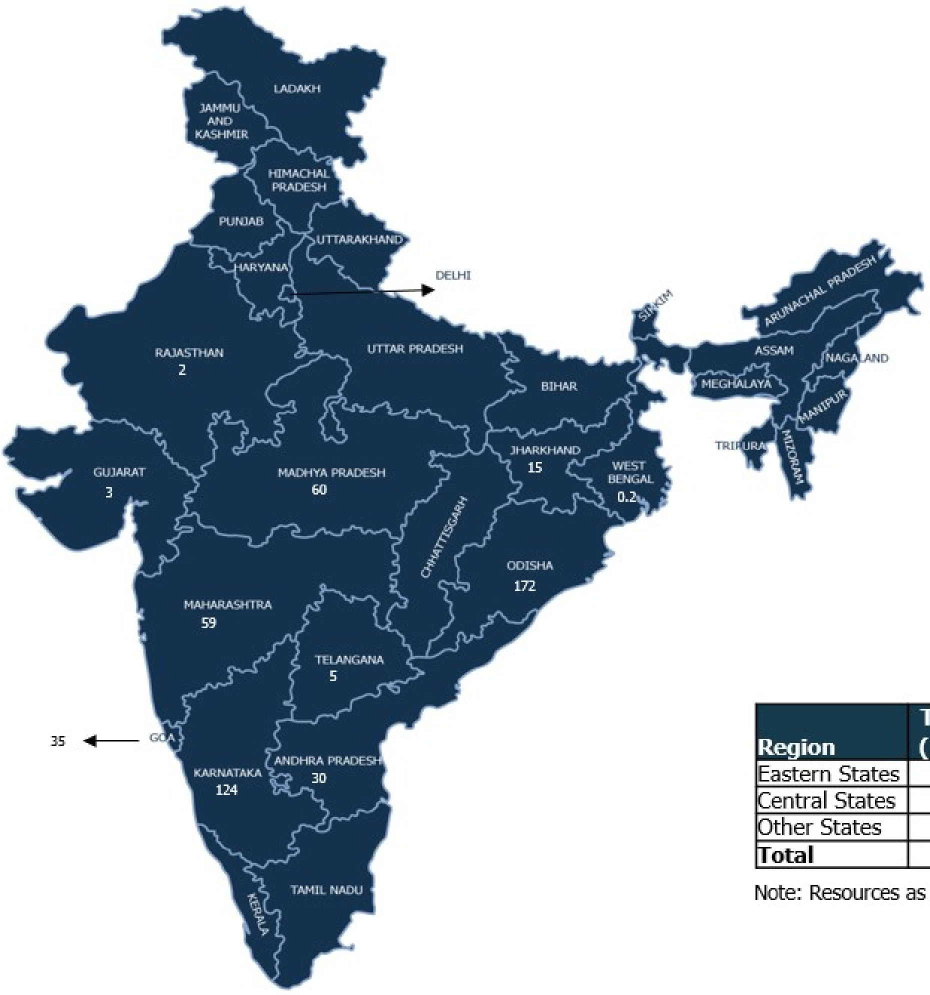
Source: Indian Bureau of Mines

4.4 Manganese Ore

Manganese ore resources in India are primarily metamorphosed bedded sedimentary deposits associated with the Gondite Series (Archaeans) of Madhya Pradesh (Balaghat, Chhindwara & Jhabua districts), Maharashtra (Bhandara & Nagpur districts), Gujarat (Panchmahal district), Odisha (Sundargarh district), and Kodurite Series (Archaeans) of Andhra Pradesh (Srikakulam & Visakhapatnam districts). Manganese in alloy form is a vital ingredient in steel production. It is also utilized in the production of disinfectants, plastics, paints, and electric batteries.

Further, the country's reserves and total resources of manganese ore as of April 2020 were estimated to be 75 million tonnes and 504 million tonnes, respectively. The Eastern States account for 37% while the Central States account for 12% of the domestic manganese ore resources.

Chart 46: State-Wise Resources of Manganese Ore as on April 2020



Region	Total Resources (Million Tonnes)	% share
Eastern States	186	37.0%
Central States	60	12.9%
Other States	257	51.0%
Total	**504**	**100%**

Note: Resources as on 01.04.2020P

Source: Indian Minerals Yearbook 2021 (Part III), 60th Edition, Manganese Ore (Advance Release), January 2023
Note:
1. Eastern States: Jharkhand, Odisha and West Bengal
2. Central State: Madhya Pradesh

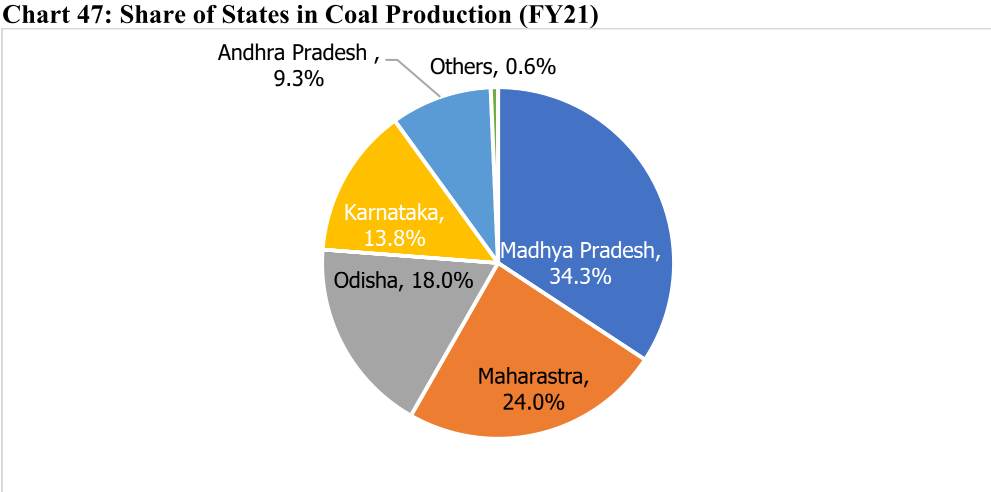
Table 10: State-Wise Break-up of Manganese Ore Reserves and Resources (in Million Tonnes) as of April, 2020 (P)

State	Reserves	Remaining Resources	Total Resources
A. Eastern States			
Jharkhand	1	14	15
Odisha	11	160	172
West Bengal	-	0.2	0.2
Sub-total	**13**	**174**	**186**
B. Central States			
Madhya Pradesh	20	40	60
Sub-total	**20**	**40**	**60**
C. Other States			
Andhra Pradesh	8	22	30
Goa	0.1	34	35
Gujarat	1	2	3
Karnataka	15	109	124
Maharashtra	18	41	59
Rajasthan	1	2	2
Telangana	0.3	4	5
Sub-total	**43**	**214**	**257**
TOTAL	**75**	**429**	**504**

Source: Indian Minerals Yearbook 2021 (Part III), 60th Edition, Manganese Ore (Advance Release), January 2023

In FY21, there were 135 reporting mines, compared to 137 in FY20. During this period, the total amount of manganese ore produced was 2.7 million tonnes. Madhya Pradesh accounted for the highest 34.3% share in production, followed by Maharashtra and Odisha.

Chart 47: Share of States in Coal Production (FY21)



Source: Indian Bureau of Mines

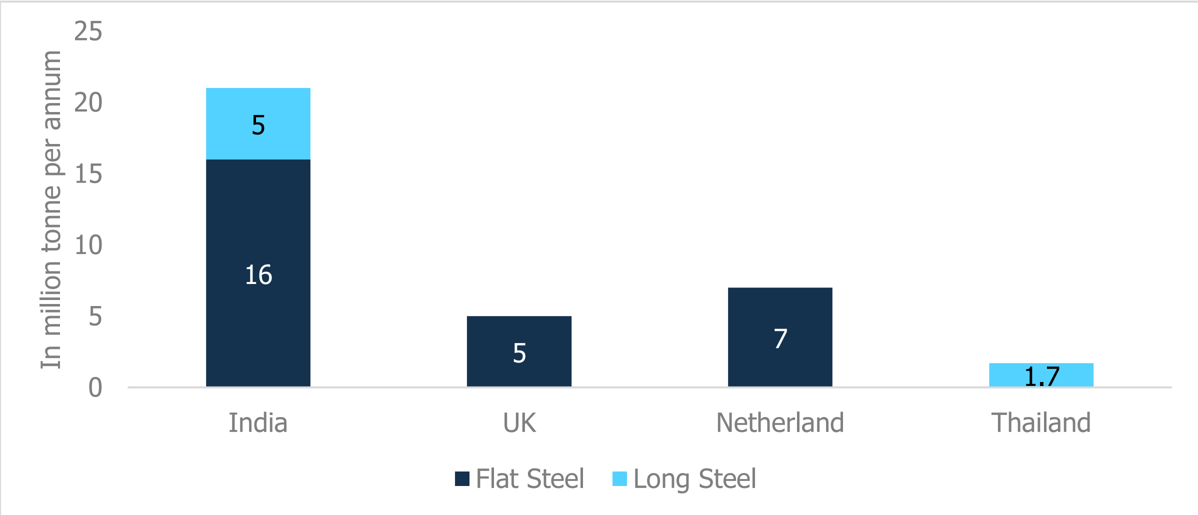
5 Peer Comparison

5.1 Profile of Key Industry Players

5.1.1 Tata Steel Limited

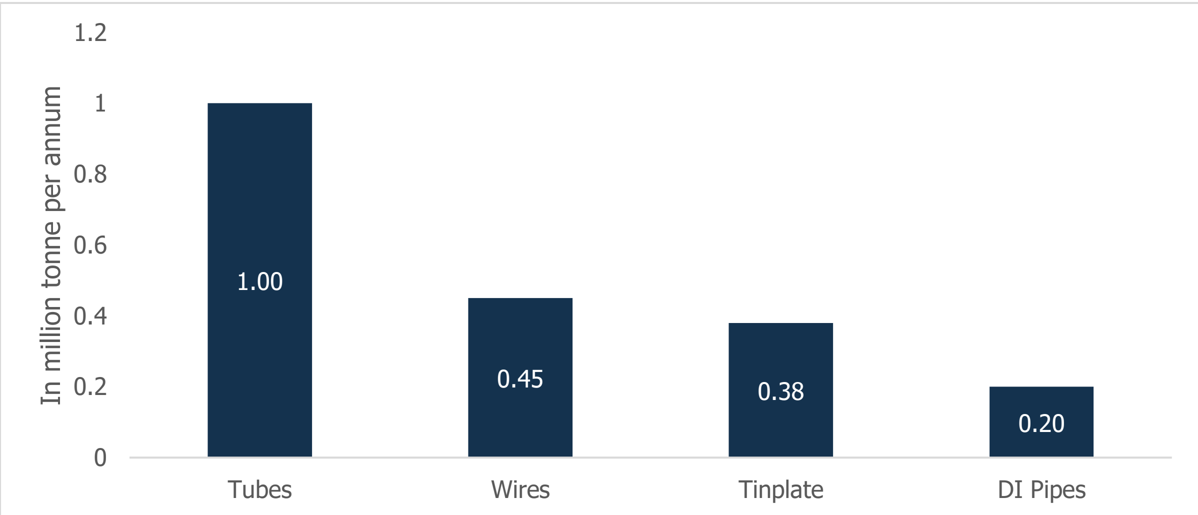
Tata Steel Limited, a Tata Group company, is a geographically diversified and integrated manufacturer of steel and steel products with an annual crude steel capacity of 35 MTPA as of March 31, 2023. The company's operations are spread across India, the UK, the Netherlands, and Thailand. The company currently has six operational iron ore mines in India and also owns iron ore assets in Canada. Moreover, it has coal mines in Jharia and West Bokaro in Jharkhand and 3 chromite mines (under Tata Steel Mining Limited).

Chart 48: Tata Steel: Crude Steel Capacity Break-up as on March 31, 2023



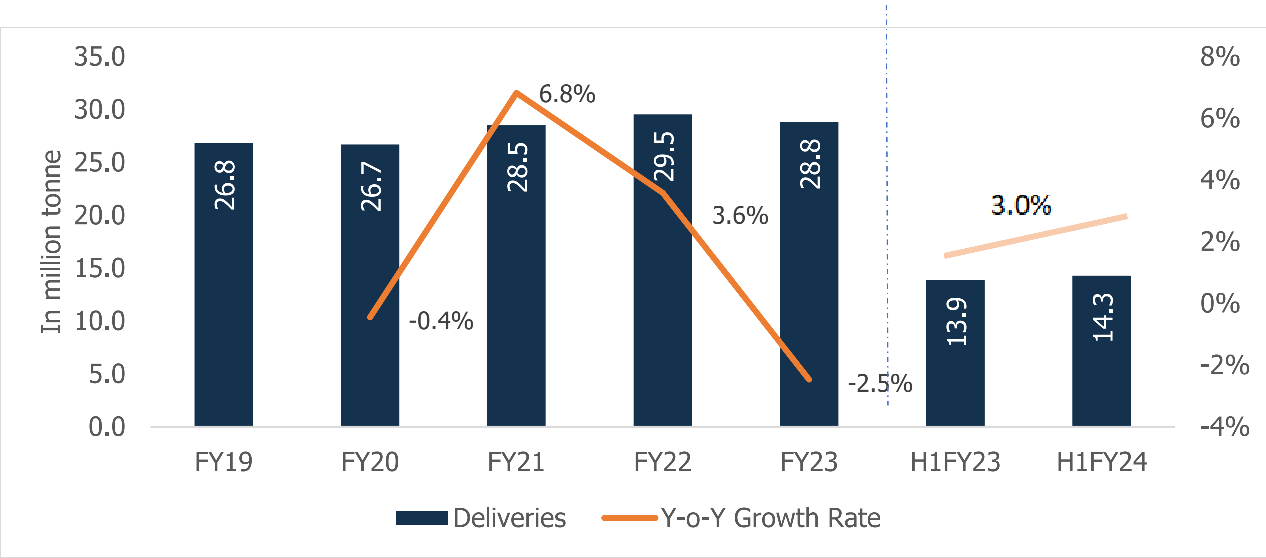
Source: Company Reports, CareEdge Research

Chart 49: Tata Steel: Downstream Capacity Break-up as on March 31, 2023



Source: Company Reports, CareEdge Research

Chart 50: Tata Steel: Trend in Deliveries (Consolidated)



Source: Company Reports, CareEdge Research

Table 11: Tata Steel – Consolidated Financials (in Rs. crore)

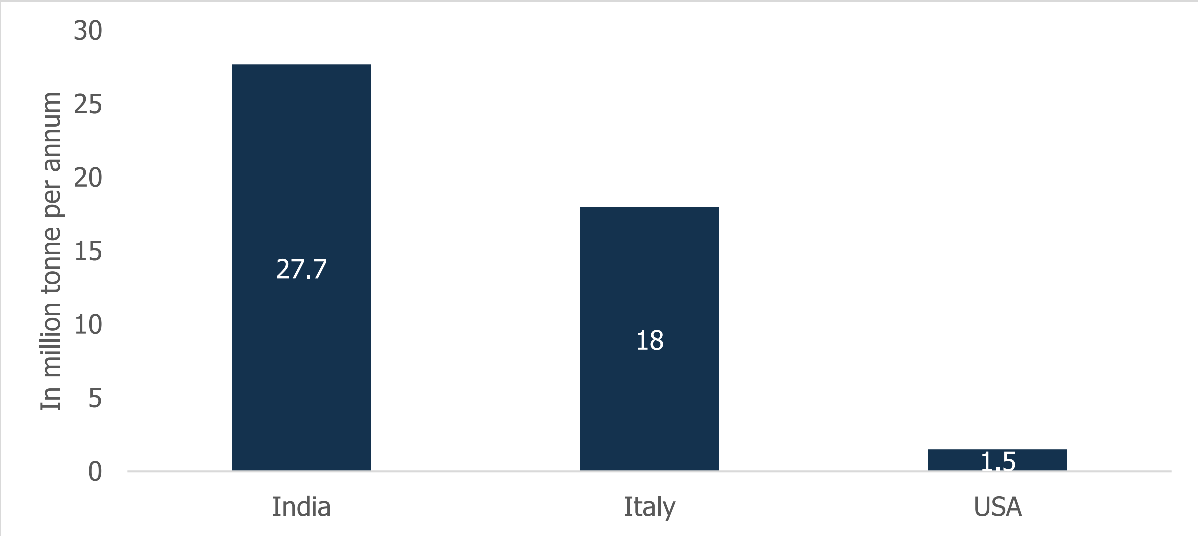
	FY19	FY20	FY21	FY22	FY23	H1FY24
Revenue	1,57,669	1,48,972	1,56,477	2,43,959	2,43,353	1,15,172
EBITDA	29,770	15,096	30,892	63,830	32,698	10,385
EBITDA Margin	18.9%	12.2%	19.8%	26.2%	13.4%	9.1%
PAT	9,098	1,172	8,190	41,749	8,075	-5,986
PAT Margin	5.8%	0.8%	5.2%	17.1%	3.3%	N.M.

Source: Company Reports, CareEdge Research
Note: FY20 and FY21 incl. Southeast Asia Operations which is reclassified as continuing operations;
N.M: Not Meaningful

5.1.2 JSW Steel Limited

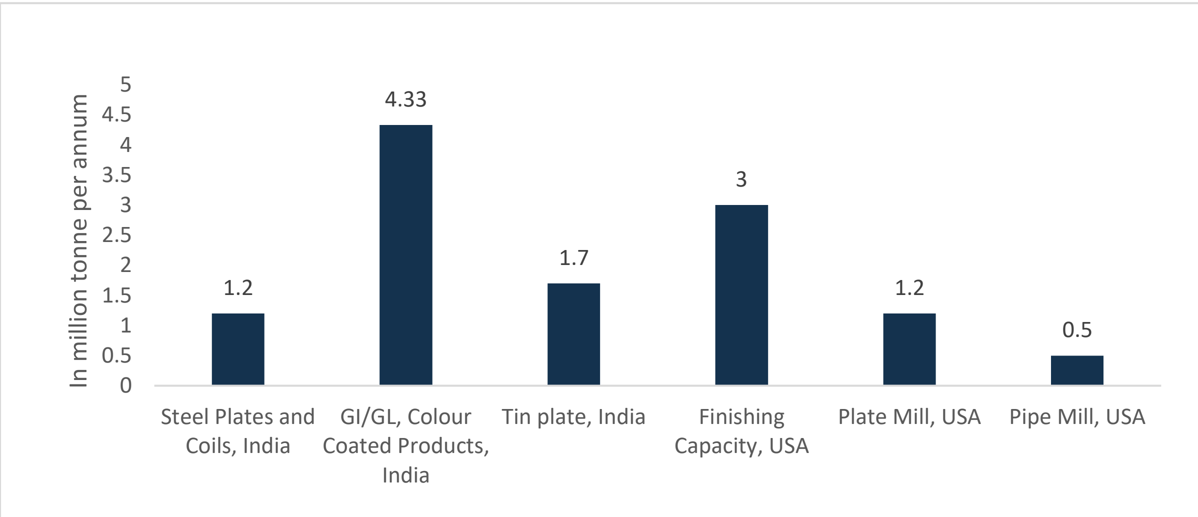
JSW Group is one of India's major business conglomerates and operates the steel business under JSW Steel Limited. The company's domestic crude steel capacity, which includes capacities of Bhushan Power and Steel Limited (BPSL) and JSW Ispat Special Products Ltd., was 27.7 MTPA as of March 31, 2023. Additionally, it has manufacturing capacity of 1.5 MTPA in the USA (including capacities under joint control) and 18 MTPA in Italy. The company has 13 captive iron ore mines in Karnataka and Odisha.

Chart 51: JSW Steel: Crude Steel Capacity Break-up as on March 31, 2023



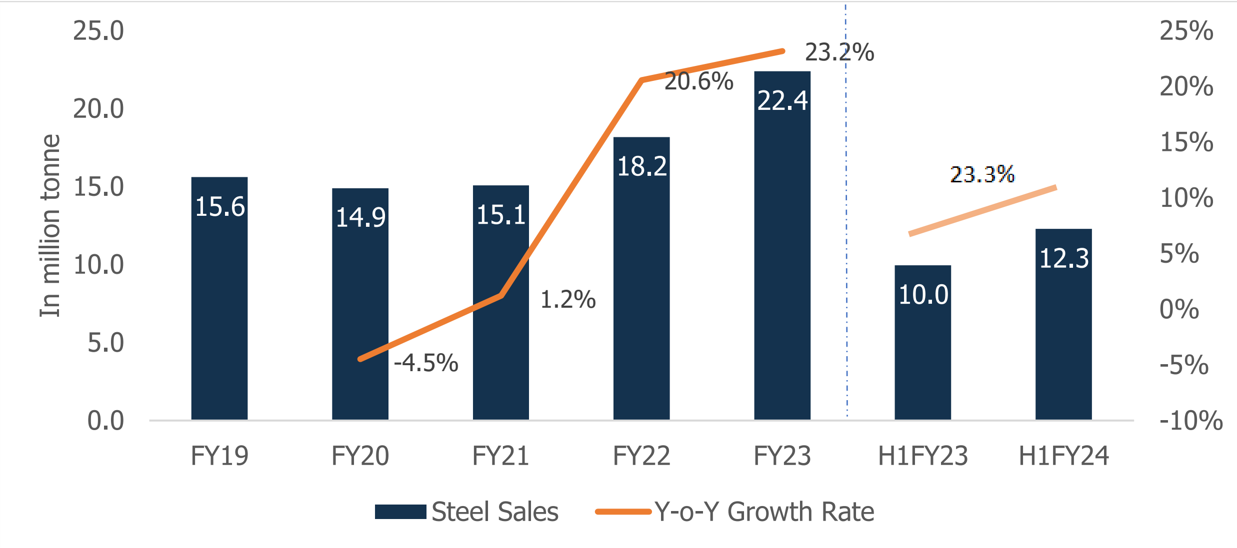
Source: Company Reports, CareEdge Research

Chart 52: JSW Steel: Finishing/Downstream Capacity Break-up as on March 31, 2023



Source: Company Reports, CareEdge Research

Chart 53: JSW Steel: Trend in Steel Sales (Consolidated)



Source: Company Reports, CareEdge Research

Table 12: JSW Steel – Consolidated Financials (in Rs. crore)

	FY19	FY20	FY21	FY22	FY23	H1FY24
Revenue	84,757	72,610	79,839	1,46,371	1,65,960	86,797
EBITDA	18,922	10,932	20,059	39,183	19,001	15,463
EBITDA Margin	22.32%	15.06%	25.12%	26.77%	11.45%	17.82%
PAT	7,524	3,919	7,873	20,938	4,139	5,201
PAT Margin	8.9%	5.4%	9.9%	14.3%	2.5%	6.0%

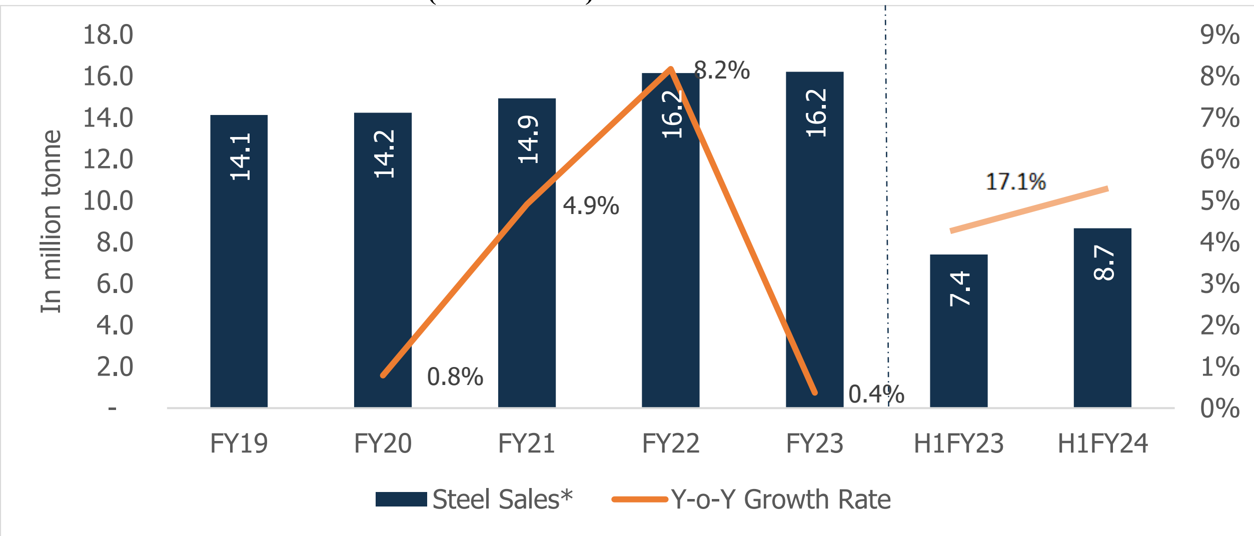
Source: Company Reports, CareEdge Research

5.1.3 Steel Authority of India Limited (SAIL)

SAIL is a central public sector undertaking under the ownership of the Ministry of Steel, Government of India. The company's crude steel production capacity is 20.63 MTPA. Primarily based in the eastern and central areas of India, SAIL produces iron and steel in five integrated plants and three special steel plants. The company's product line includes a wide range of items, such as PM plates, electrical steels, railway products, semis, wire rods, etc.

SAIL has iron ore mines in Jharkhand, Odisha and Chhattisgarh, collieries in Jharkhand and West Bengal, and flux mines in Jharkhand and Madhya Pradesh.

Chart 54: SAIL: Trend in Steel Sales (Consolidated)



Source: Company Reports, CareEdge Research

Table 13: SAIL – Consolidated Financials (in Rs. crore)

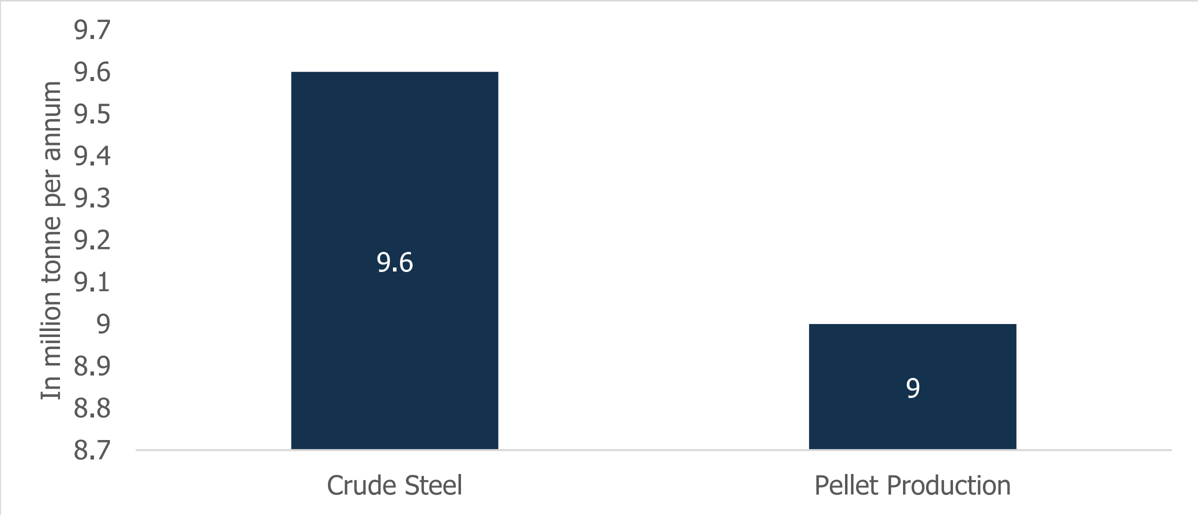
	FY19	FY20	FY21	FY22	FY23	H1FY24
Gross Revenue	66,974	61,664	69,114	1,03,477	1,04,448	54,071
EBITDA	9,595	9,638	13,265	21,406	8,943	5,278
EBITDA Margin	14.33%	15.63%	19.19%	20.69%	8.56%	9.76%
PAT	2,349	2,121	4,148	12,243	2,177	1,518
PAT Margin	3.5%	3.4%	6.0%	11.8%	2.1%	2.8%

Source: Company Reports, CareEdge Research

5.1.4 Jindal Steel and Power Limited (JSPL)

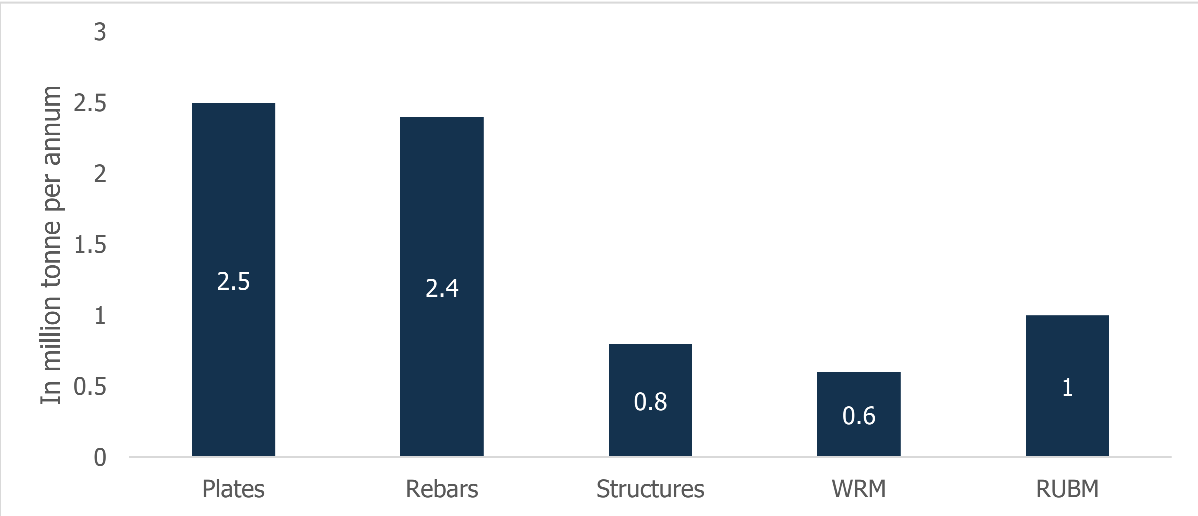
JSPL is a domestic steel manufacturer with a crude steel capacity of 9.6 MTPA as of March 31, 2023 and a 1,634 MW operational captive power plant (CPP) capacity. The company operates two iron ore and three coal mines in India. It also has iron ore assets in Namibia and South Africa and coal assets in Mozambique, Botswana, South Africa, and Australia.

Chart 55: JSPL: Crude Steel & Pellet Capacity as on March 31, 2023



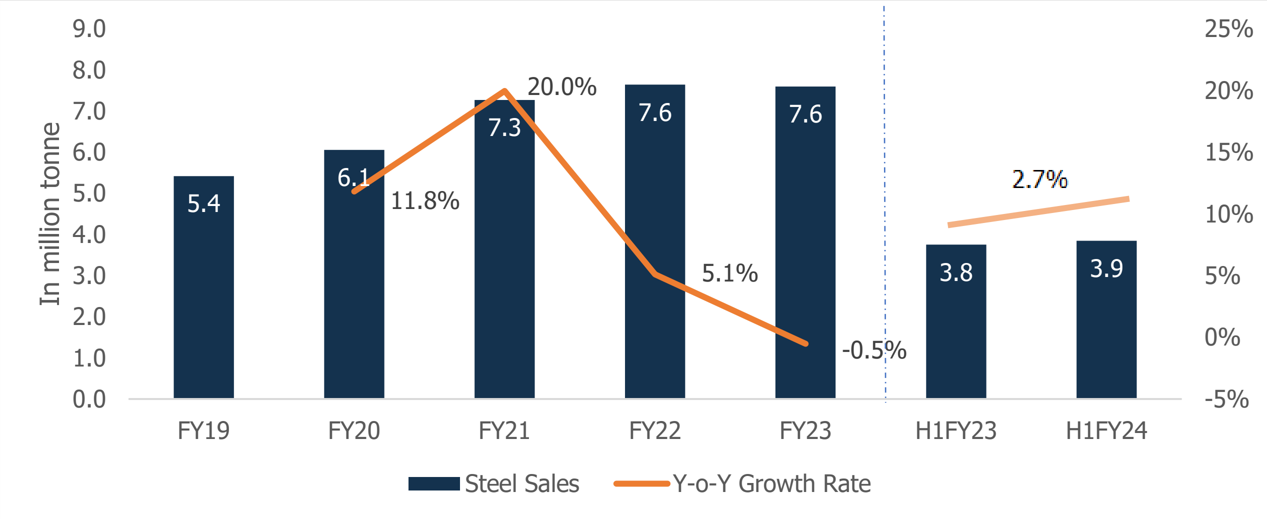
Source: Company Reports, CareEdge Research

Chart 56: JSPL: Finished Steel Capacity as on March 31, 2023



Source: Company Reports, CareEdge Research

Chart 57: JSPL: Trend in Steel Sales (Standalone)



Source: Company Reports, CareEdge Research

Table 14: JSPL – Consolidated Financials (in Rs. crore)

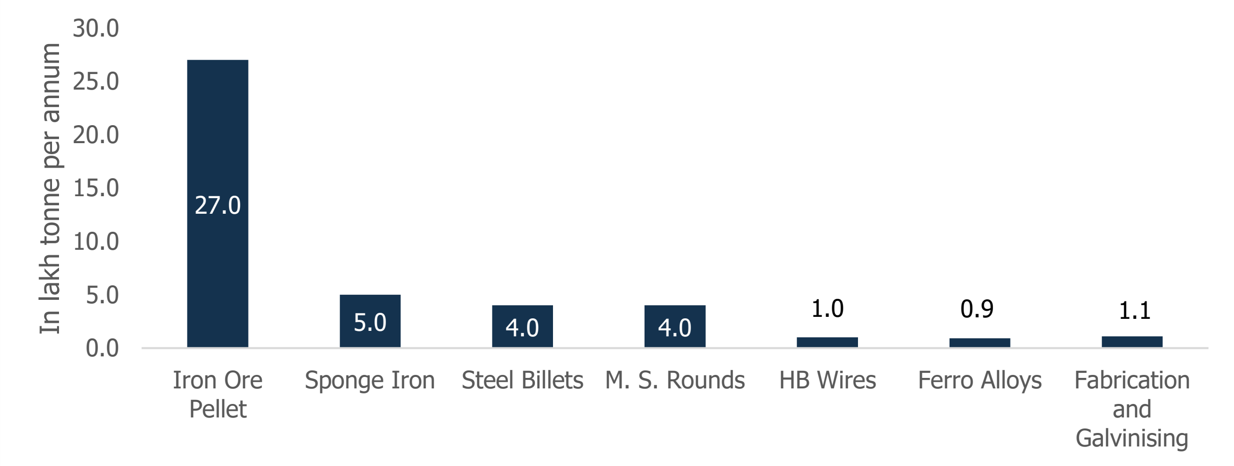
	FY19	FY20	FY21	FY22	FY23	H1FY24
Gross Revenue	43,602	34,360	38,322	56,921	61,005	24,839
EBITDA	6,927	7,636	12,887	15,107	8,565	4,913
EBITDA Margin	21.33%	21.27%	37.90%	30.37%	18.85%	19.78%
PAT	-2,412	-574	4,267	6,766	3,974	3,082
PAT Margin	-5.53%	-1.67%	11.13%	11.89%	6.51%	12.41%

Source: Company Reports, CareEdge Research

5.1.5 Godawari Power and ISPAT Limited (GPIL)

Godawari Power & Ispat Ltd. (formerly known as Ispat Godawari Ltd), a public limited company, is a member of the HIRA Group of Industries, located in Raipur. The company is a vertically integrated steel manufacturer with a pellet plant and steel plant in Raipur. The steel plant manufactures sponge iron, billets, MS rounds, HB wires, ferroalloys, and pre-fab structures. Moreover, the company manufactures ferro alloys under its subsidiaries and operates wind & solar power plants with an aggregate capacity of 236 MW. GPIL operates two captive iron ore mines in Chhattisgarh.

Chart 58: GPIL: Capacity as of March 31, 2023



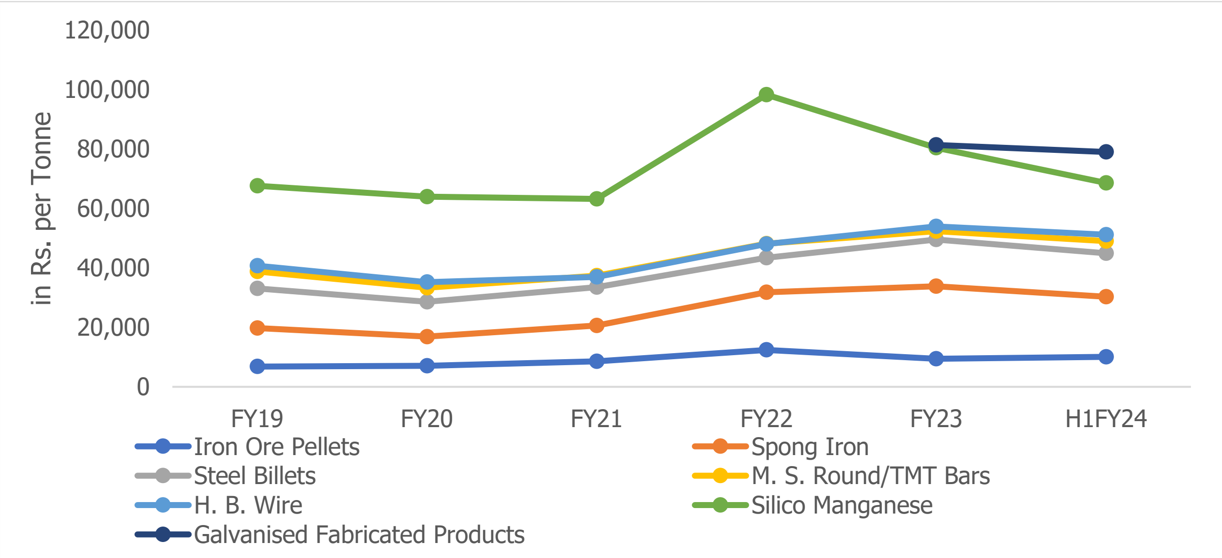
Source: Company Reports, CareEdge Research

Table 15: GPIL – Product-wise Sales Volume Trend (in Tonnes)

	FY19	FY20	FY21	FY22	FY23	H1FY24
Iron Ore Pellets - GPIL	14,52,549	13,62,296	16,07,881	16,64,030	19,79,415	7,30,353
Sponge Iron	1,40,218	1,31,419	1,04,289	1,26,371	1,25,575	42,426
Steel Billets	1,21,632	1,63,381	1,37,136	91,486	1,45,186	1,01,878
M. S. Round/TMT Bars	79,099	80,297	1,65,434	1,92,942	1,16,736	74,182
H. B. Wire	1,34,558	1,29,015	1,01,017	36,572	52,940	35,467
Ferro Alloys/Silico Manganese	7,664	7,210	47,168	72,628	57,795	28,092
Galvanised Fabricated Product	26,240	31,858	28,128	52,722	72,882	39,752

Source: Company Reports, CareEdge Research

Chart 59: GPIL: Trend in Realisation



Source: Company Reports, CareEdge Research

Table 16: GPIL – Consolidated Financials (in Rs. crore)

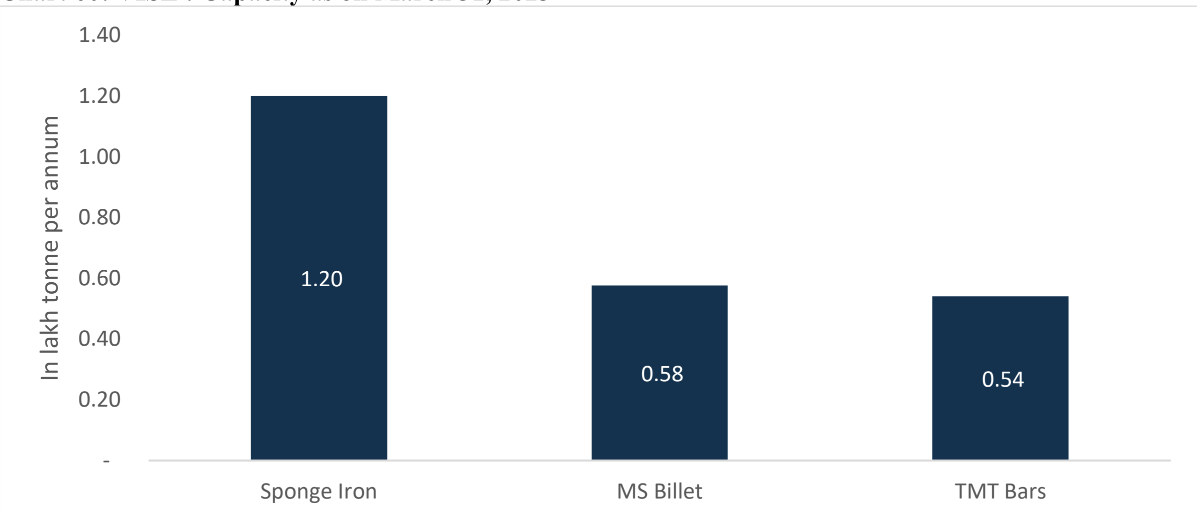
	FY19	FY20	FY21	FY22	FY23	H1FY24
Gross Revenue	3,322	3,289	3,958	5,399	5,753	2,617
EBITDA	789	624	1,134	1,835	1,029	679
EBITDA Margin	24%	19%	29%	35%	20%	26%
PAT	261	174	627	1,481	793	487.58
PAT Margin	7.9%	5.3%	15.8%	27.4%	13.8%	18.6%

Source: Company Reports, CareEdge Research

5.1.6 Vraj Iron and Steel Private Limited (VISL)

Incorporated in 2004, VISL is engaged in manufacturing sponge iron, M.S. Billets, and TMT bars along with waste heat recovery based captive power plant of 5 MW. The majority stake in the company is held by Gopal Sponge and Power Private Limited, a Raipur-based manufacturer of sponge iron and ingots. The manufacturing operation of the group is semi-integrated in nature with sponge iron plants, ingots/billets, and rolled products facilities derived from sponge iron & billets.

Chart 60: VISL : Capacity as on March 31, 2023



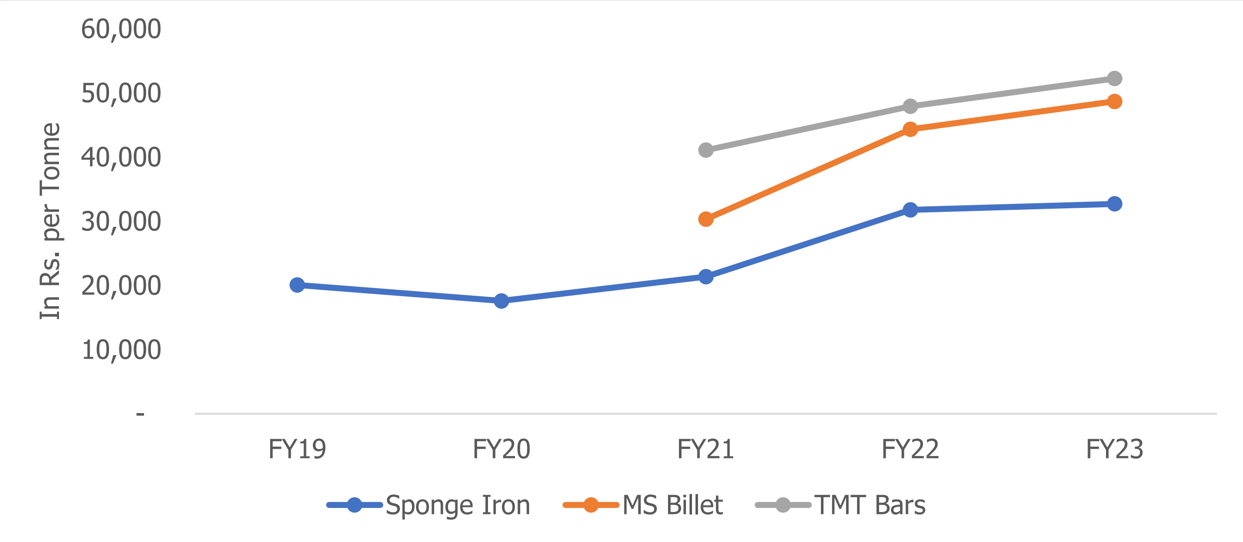
Source: Company Reports, CareEdge Research

Table 17: VISL – Product-wise Sales Volume Trend (in Tonnes)

	FY19	FY20	FY21	FY22	FY23
Sponge Iron	58,558	52,937	70,651	75,967	82,269
MS Billet	-	-	27,801	11,787	10,510
TMT Bars	-	-	10,879	21,071	34,431

Source: Company Reports, CareEdge Research

Chart 61: VISL : Trend in Realization



Source: Company Reports, CareEdge Research

Table 18: VISL – Consolidated Financials (in Rs. crore)

	FY19	FY20	FY21	FY22	FY23
Gross Revenue	123	121	291	414	516
EBITDA	18	12	29	49	80
EBITDA Margin	14.83%	9.88%	9.93%	11.91%	15.43%
PAT	12	6	11	29	54
PAT Margin	9.35%	4.84%	3.78%	6.93%	10.47%

Source: Company Reports, CareEdge Research

5.1.7 ESL Steel Limited (ESL)

ESL, a part of the Vedanta Group, is an integrated steel company. The company currently has a capacity of 1.7 MTPA hot metal production. ESL has a captive iron ore mine in Odisha. Its product range includes wire rods, billets, TMT bars, ductile iron pipes, and pig iron.

Chart 62: ESL – Saleable Volumes Trend

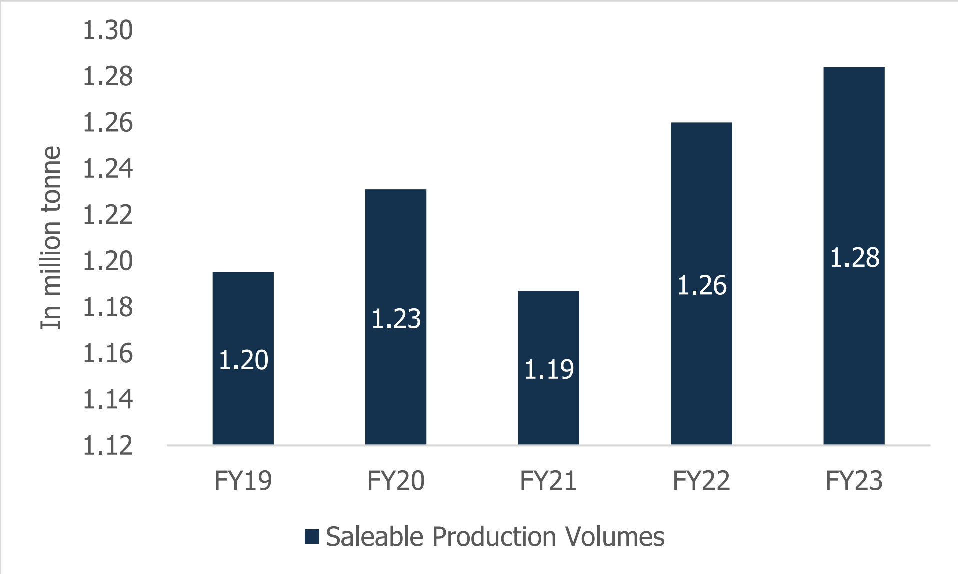


Table 19: ESL – Consolidated Financials (in Rs. crore)

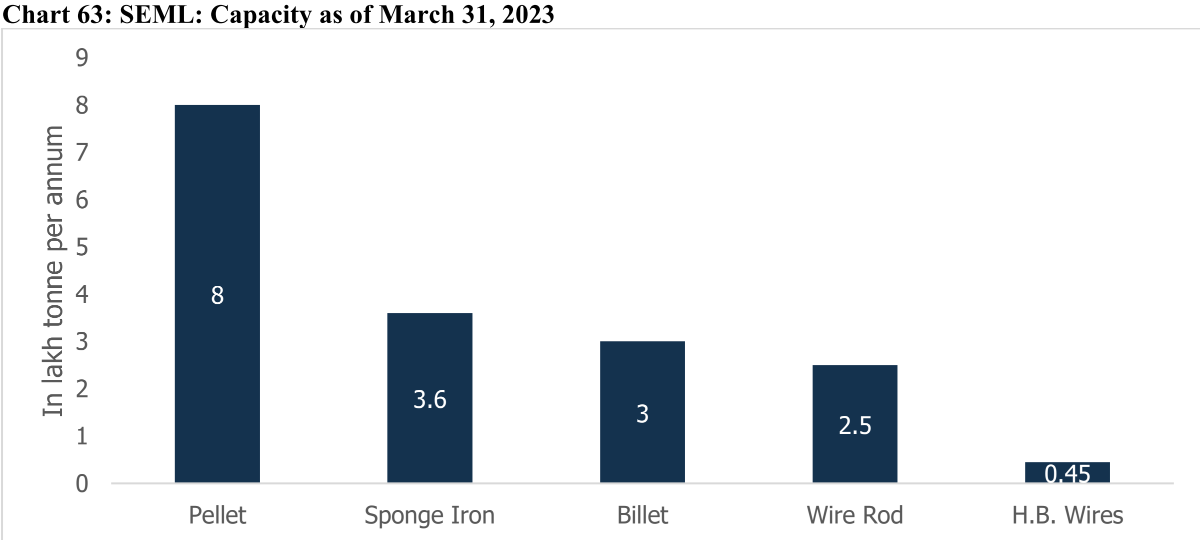
	FY19	FY20	FY21	FY22	FY23
Gross Revenue	4,871	4,294	4,668	6,474	7,852
EBITDA	1,758	565	573	504	1,216
EBITDA Margin	36.1%	13.2%	12.3%	7.8%	15.5%
PAT	1,187	-22	2,732	-95	-558
PAT Margin	24.4%	-0.5%	58.5%	-1.5%	-7.1%

Source: Company Reports, CareEdge Research

5.1.8 Sarda Energy & Minerals Limited (SEML)

Sarda Energy & Minerals Limited, part of the Sarda Group, is a manufacturer of steel products such as sponge iron, billets, ferroalloys, pellets, wire rod millet, etc. It has waste, heat, and coal-based power plants and an interest in hydropower assets through its SPVs. The company also has iron ore and manganese mines in India.

Chart 63: SEML: Capacity as of March 31, 2023



Source: Company Reports, CareEdge Research
Note: The company also has a ferro alloys manufacturing capacity of 147 MVA

Table 20: SEML – Product-wise Sales Volume Trend (in '000 Tonnes)

	FY19	FY20	FY21	FY22	FY23	H1FY24
Sponge Iron	148	161	131	121	82	55
Steel Billets	33	30	26	26	33	18
Wire Rod	97	118	121	127	151	72
H.B. Wires	20	21	27	32	40	18
Ferro Alloys	139	123	135	158	157	97

Source: Company Reports, CareEdge Research

Table 21: SEML – Consolidated Financials (in Rs. crore)

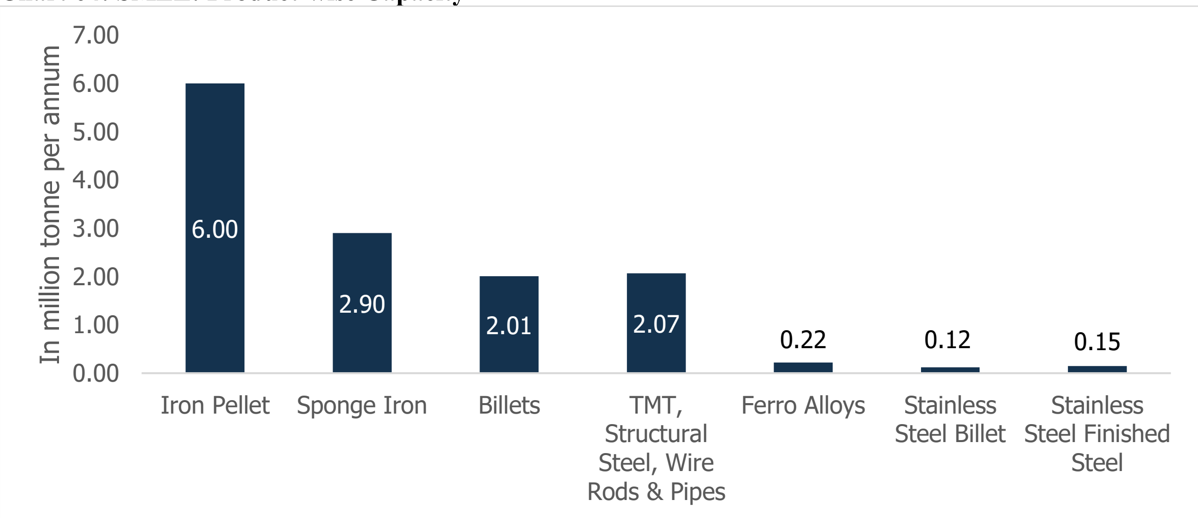
	FY19	FY20	FY21	FY22	FY23	H1FY24
Gross Revenue	2,324	2,000	2,199	3,914	4,212	2,053
EBITDA	482	322	505	1,348	1,060	457
EBITDA Margin	20.75%	16.12%	22.97%	34.44%	25.17%	22.27%
PAT	207	128	376	807	604	322
PAT Margin	8.9%	6.4%	17.1%	20.6%	14.3%	15.7%

Source: Company Reports, CareEdge Research

5.1.9 Shyam Metalics and Energy Limited (SMEL)

SMEL's products include iron pellets, sponge iron, steel billets, TMT wire rod & structural mills, and ferroalloy. The company's aggregate metal production capacity is 13.2 MTPA. Currently, it has captive power plants with a capacity of 597 MW and a renewable power generation capacity of 109 MW.

Chart 64: SMEL: Product-wise Capacity



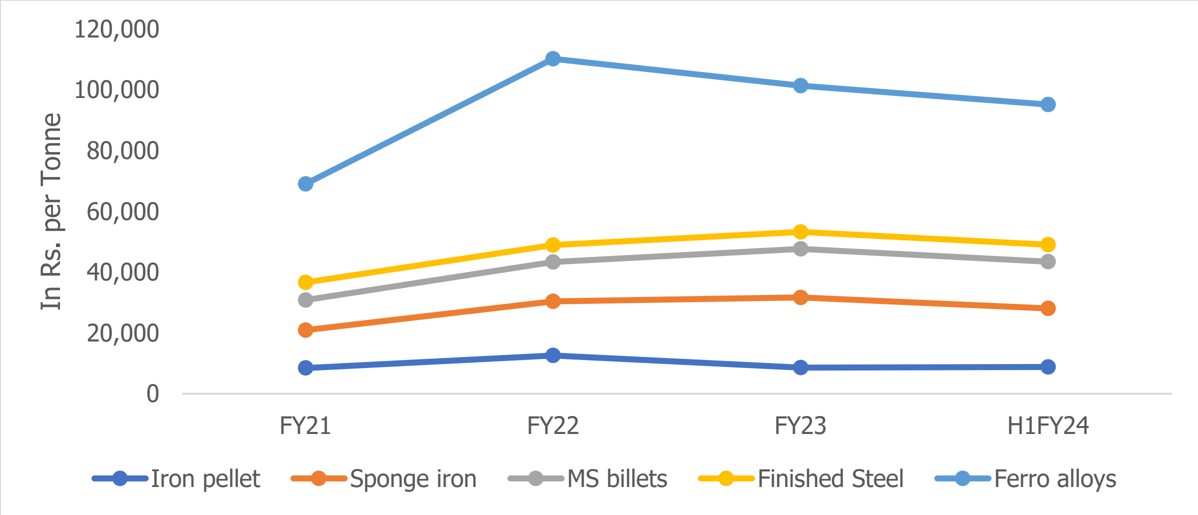
Source: Company Reports, CareEdge Research

Table 22: SMEL – Product-wise Sales Volume Trend (in Lakh Tonnes)

-	FY19	FY20	FY21	FY22	FY23	H1FY24
Finished Steel	1.9	2.9	6.1	7.6	11.2	6.1
Intermediaries	10.2	8.8	5.7	8.1	8.1	4.2
Ferro Products	1.5	1.5	1.7	1.6	1.8	0.9
Iron Pellet	7.3	9.9	17.7	14.7	12.1	5.8

Source: Company Reports, CareEdge Research

Chart 65: SMEL: Product-wise Realization Trend



Source: Company Reports, CareEdge Research

Table 23: SMEL – Consolidated Financials (in Rs. crore)

	FY20	FY21	FY22	FY23	H1FY24
Gross Revenue	4,376	6,297	10,394	12,610	6,274
EBITDA	666	1,394	2,600	1,486	721
EBITDA Margin	15.22%	22.14%	25.01%	11.78%	11.49%
PAT	340	844	1,724	848	684
PAT Margin	7.77%	13.40%	16.59%	6.73%	10.90%

Source: Company Reports, CareEdge Research

5.2 Comparison of Key Operational & Financial Parameters

5.2.1 Financial Parameters

a. EBITDA Margin

The tables below show the last 5 years and the H1FY23 trend of consolidated EBITDA and PAT margin for the key players in the steel industry. In FY23, increase in coking coal cost resulted in increase in the production cost per tonne, which led to a decline in EBITDA and PAT margin.

Table 24: EBITDA Margin (Consolidated)

	FY19	FY20	FY21	FY22	FY23	H1FY24
Tata Steel#	18.9%	12.2%	19.8%	26.2%	13.4%	9.1%
JSW Steel#	22.4%	16.2%	25.2%	26.6%	11.2%	17.2%
SAIL	14.3%	15.6%	19.2%	20.7%	8.6%	9.8%
JSPL#	21.3%	21.3%	37.9%	30.4%	18.9%	19.8%
GPIL	24.0%	19.0%	29.0%	35.0%	20.0%	26.0%
VISL	14.8%	9.9%	9.9%	11.9%	15.4%	NA
ESL	36.1%	13.2%	12.3%	7.8%	15.5%	NA
SEML	20.8%	16.1%	23.0%	34.4%	25.2%	22.3%
SMEL#	20.3%	14.6%	22.1%	25.0%	11.8%	11.5%

Source: Company Reports, CareEdge Research
Note: (#) stands for reported figures.

b. PAT Margin

Table 25: PAT Margin

	FY19	FY20	FY21	FY22	FY23	H1FY24
Tata Steel	5.8%	0.8%	5.2%	17.1%	3.3%	-5.2%
JSW Steel	8.9%	5.4%	9.9%	14.3%	2.5%	6.0%
SAIL	3.5%	3.4%	6.0%	11.8%	2.1%	2.8%
JSPL	-5.5%	-1.7%	11.1%	11.9%	6.5%	12.4%
GPIL	7.9%	5.3%	15.8%	27.4%	13.8%	18.6%
VISL	9.4%	4.8%	3.8%	6.9%	10.5%	NA
ESL	24.4%	-0.5%	58.5%	-1.5%	-7.1%	NA
SEML	8.9%	6.4%	17.1%	20.6%	14.3%	15.7%
SMEL	NA	7.8%	13.4%	16.6%	6.7%	10.9%

Source: Company Reports, CareEdge Research

c. Leverage Ratios

1) Net-Debt to EBITDA

The steel manufacturing business is a CapEx-intensive business, wherein steel players expand their capacity through a mix of debt and equity.

The trend in leverage ratios of key steel players in India is given below-

Table 26: Net- Debt to EBITDA

	FY19	FY20	FY21	FY22	FY23	H1FY24
Tata Steel#	3.19	5.91	2.44	0.80	2.07	3.53
JSW Steel#	2.40	4.50	2.61	1.45	3.20	2.51
SAIL	4.31	5.29	2.65	0.62	2.86	2.41
JSPL#	4.66	4.57	1.24	0.57	0.70	0.77
GPIL	2.26	2.60	0.78	0.23	-0.19	-0.10
VISL	2.29	4.12	1.57	0.86	0.28	NA
ESL	1.83	5.56	5.58	5.55	1.95	NA
SEML	2.67	4.60	3.30	1.01	1.32	1.26
SMEL#	0.48	1.51	0.18	-0.18	0.30	0.74

Source: Company Reports, CareEdge Research
Note: (#) stands for reported figures

2) Net-Debt to Equity

Table 27: Net- Debt to Equity

	FY19	FY20	FY21	FY22	FY23	H1FY24
Tata Steel#	1.43	1.42	0.98	0.52	0.61	0.79
JSW Steel#	1.34	1.48	1.17	0.83	0.89	0.92
SAIL	1.04	1.23	0.77	0.24	0.47	0.45
JSPL*#	1.23	1.15	0.92	0.35	0.32	0.31
GPIL	1.33	1.08	0.42	0.12	-0.05	-0.03
VISL	0.31	0.30	0.81	0.50	0.17	NA
ESL	0.89	0.90	0.51	0.46	0.43	NA
SEML	0.69	0.75	0.72	0.44	0.40	0.30
SMEL#	0.18	0.34	0.07	-0.08	0.07	0.16

Source: Company Reports, CareEdge Research

Note: (#) stands for reported figures. * Denotes debt to equity

d. Consolidated Financial metrics- Comparison for FY23

Table 28: FY23 Company-Wise Financials Comparison

	Revenue (Cr.)	PAT (Cr.)	Net- Worth (Cr.)	Gross Profit Margin	EBITDA Margin	PAT Margin
Tata Steel	2,43,353	8,075	1,05,175	53%	13.4%	3.3%
JSW Steel	1,65,960	4,139	67,039	44%	11.2% #	2.5%
SAIL	1,04,448	2,177	54,747	45%	8.6%	2.1%
JSPL	61,005	3,974	39,019	60%	18.9% #	6.5%
GPIL	5,753	793	3,947	41%	20.0%	13.8%
VISL	516	54	142	26%	15.4%	10.5%
ESL	7,852	-558	5,567	41%	15.5%	-7.1%
SEML	4,212	604	3,510	41%	25.2%	14.3%
SMEL	12,610	848	7,548	29%	11.8% #	6.7%

Note: (#) stands for reported figures

e. Crude Steel Capacity for FY23

Table 29: Crude Steel Capacity & Utilization for FY23

	Capacity Installed (MTPA)	Capacity Utilized
Tata Steel	21.00	95%
JSW Steel	27.70	79%
SAIL	20.63	89%
JSPL	9.60	82%

Source: Company Reports

Note: Capacity mentioned above is for India

Table 30: Steel Product- Wise Capacity for FY23

(MTPA)	Iron Pellet	Sponge Iron	Billets	TMT/ Structural Steel/ Wire Rods & Pipes	Ferro Alloys	H. B. Wires	M.S Rounds	Fabrication & Galvanising
GPIL	2.70	0.50	0.4	NA	0.09	0.1	0.4	0.11
VISL	NA	0.12	0.06	0.05	NA	NA	NA	NA
SEML	0.8	0.36	0.3	0.25	NA	0.045	NA	NA
SMEL	4.8	2.54	1.69	1.97	0.22	NA	NA	NA

Source: Company Reports

Table 31: Product- Wise Capacity Utilization for FY23

	Iron Pellet	Sponge Iron	Billets	TMT, Structural Steel, Wire Rods & Pipes	Ferro Alloys	H. B. Wires	M.S Rounds
GPIL	85%	99.99%	81%	NA	99.95%	54%	43%
VISL	NA	95%	79%	63%	NA	NA	NA
SEML	100%	81%	76%	76%	NA	87%	NA
SMEL	25%	NA	NA	NA	98%	NA	NA

Source: Company Reports

6 Minimum Economic Size and Capex – Sponge Iron, Billets and TMT Bars/Rods Plants

Typically, players who have integrated plants install billets and TMT bars capacities in line with their crude steel manufacturing capacities. The minimum economic size for the sponge iron, billet, and TMT bars manufacturing plants is summarized in the following table along with the CapEx required.

Table 32: Minimum Economic Size (MES) and Capex Requirement

Product	Minimum Economic Size	Capex cost
Sponge Iron	350 tonnes per day	Rs. 70-80 crore
Billets	180-200 tonnes per day	Rs. 20-25 crore
TMT Bars	1 lakh tonnes per annum	Rs. 45-50 crore

Source: Industry Sources, CareEdge Research
Note: Above capex cost estimates exclude land cost, soft cost etc.

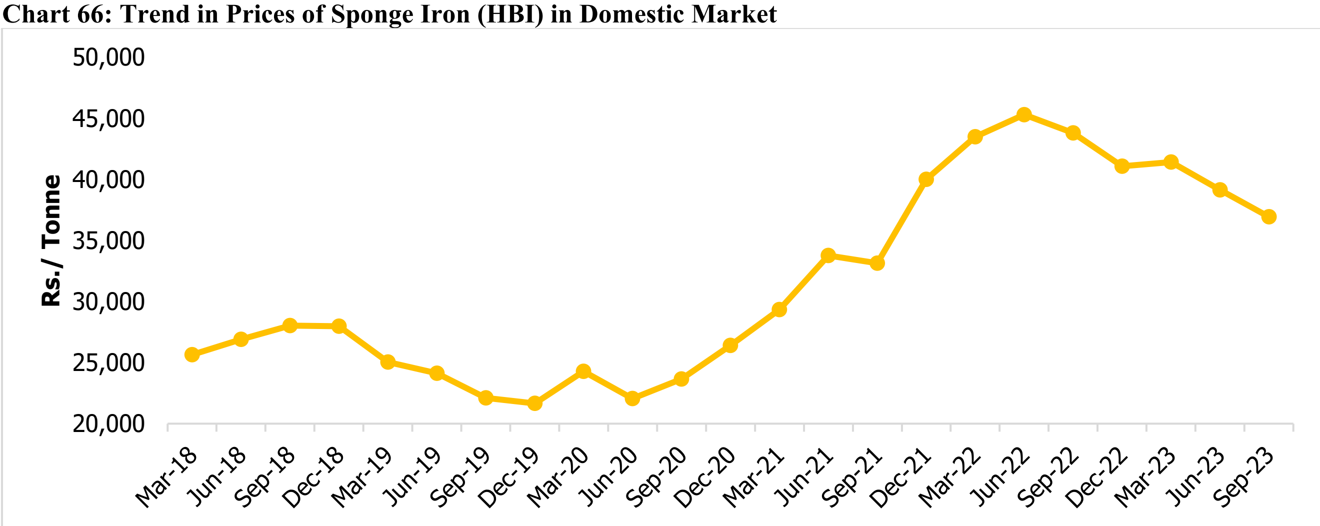
7 Pricing Assessment

7.1 Average Pricing of Sponge Iron and TMT Bars

Sponge Iron

Domestic sponge iron prices were around an average of Rs, 25,000 per tonne between March 2018 and December 2020. Subsequently, the prices started to spike from March 2021 in line with steel prices to reach a high of Rs 45,303 per tonne in the quarter ended June 2022. The average price of sponge iron fell to Rs. 43,803 per tonne in the September 2022 quarter and further to Rs. 41,077 per tonne in the December 2022 quarter. Whereas the average price of sponge iron marginally increased in the March 2023 quarter. However, subsequently, the prices have corrected to Rs. 39,128 per tonne in the June 2023 quarter and Rs. 36,939 per tonne in the September 2023 quarter.

Chart 66: Trend in Prices of Sponge Iron (HBI) in Domestic Market

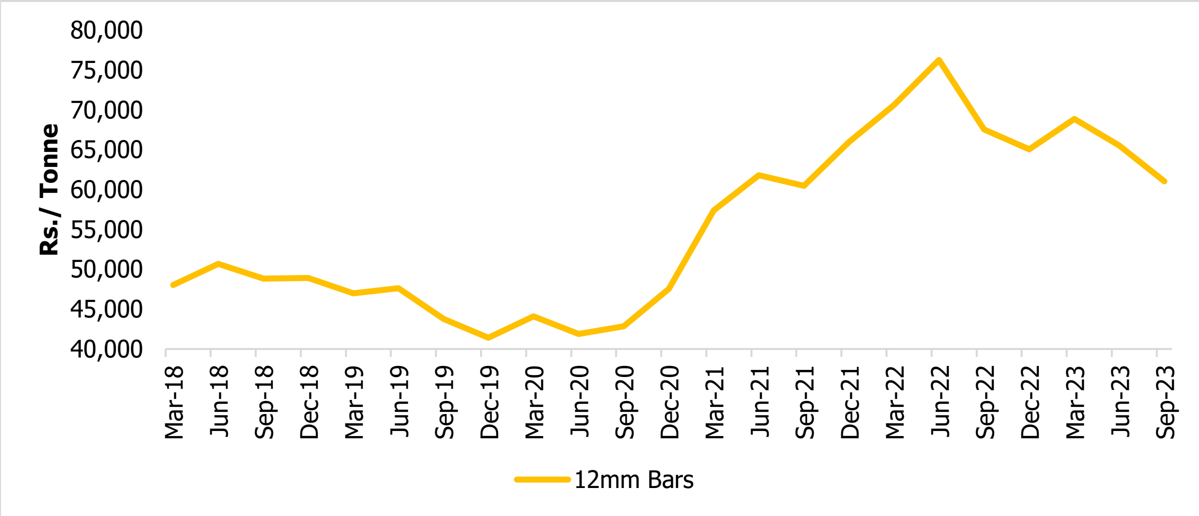


Source: CMIE

TMT Bars/ Rods

TMT bar prices averaged around Rs 46,000 per tonne between the March 2018 to September 2020 quarters. Subsequently, the prices started to rise in line with steel prices to reach a high of Rs. 76,277 per tonne in the June 2022 quarter. Prices of TMT bars have corrected from thereon to Rs 61,054 per tonne in the September 2023 quarter.

Chart 67: Trend in Prices of TMT Bars



Source: CMIE

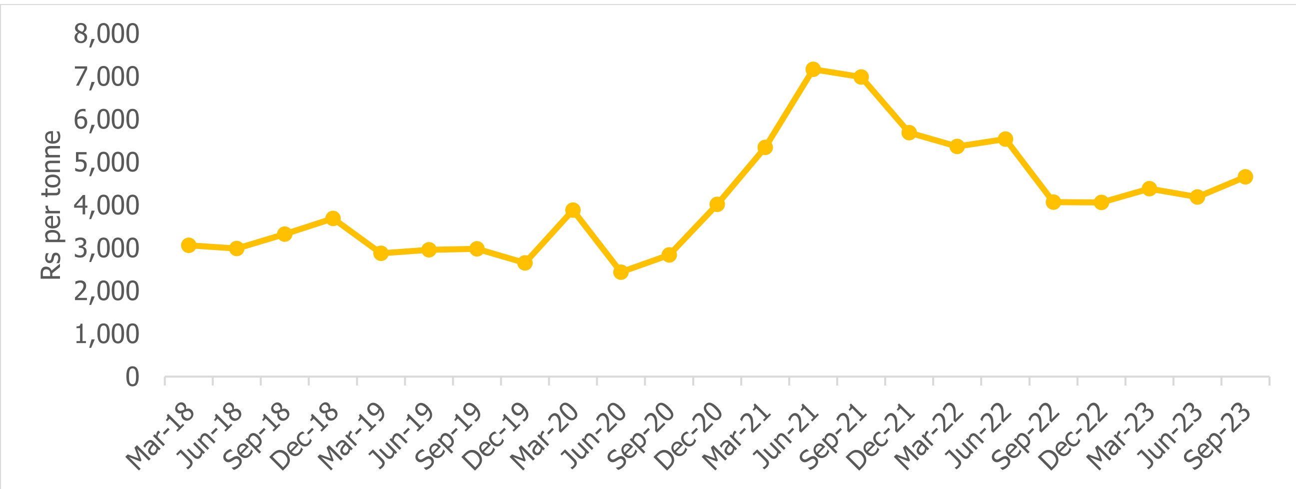
Note: Prices are average of Mumbai, Delhi, Chennai and Kolkata prices

7.2 Historical Pricing of Key Raw Materials

Trend in Iron Ore Prices

After the reduced export duty on iron ore in November 2022, domestic prices began to rise. In January 2023, NMDC increased the prices for iron ore lumps and fines, which further boosted the prices. As of the quarter ended March 2023, iron ore prices stood at Rs. 4,383 per tonne, a growth of 8% as compared to the quarter ended December 2022. However, the prices of iron ore observed a fall of 4.5% q-o-q in the quarter ending June 2023 due to weak global demands, especially from China (the largest consumer of iron ore) as the recovery was slower than expected. The prices have exhibited an increase in trend during the quarter ended September 2023 with a growth rate of 11.4% q-o-q and 14.5% y-o-y.

Chart 68: Domestic Iron Ore Prices



Source: CMIE

Trend in Coking Coal Prices

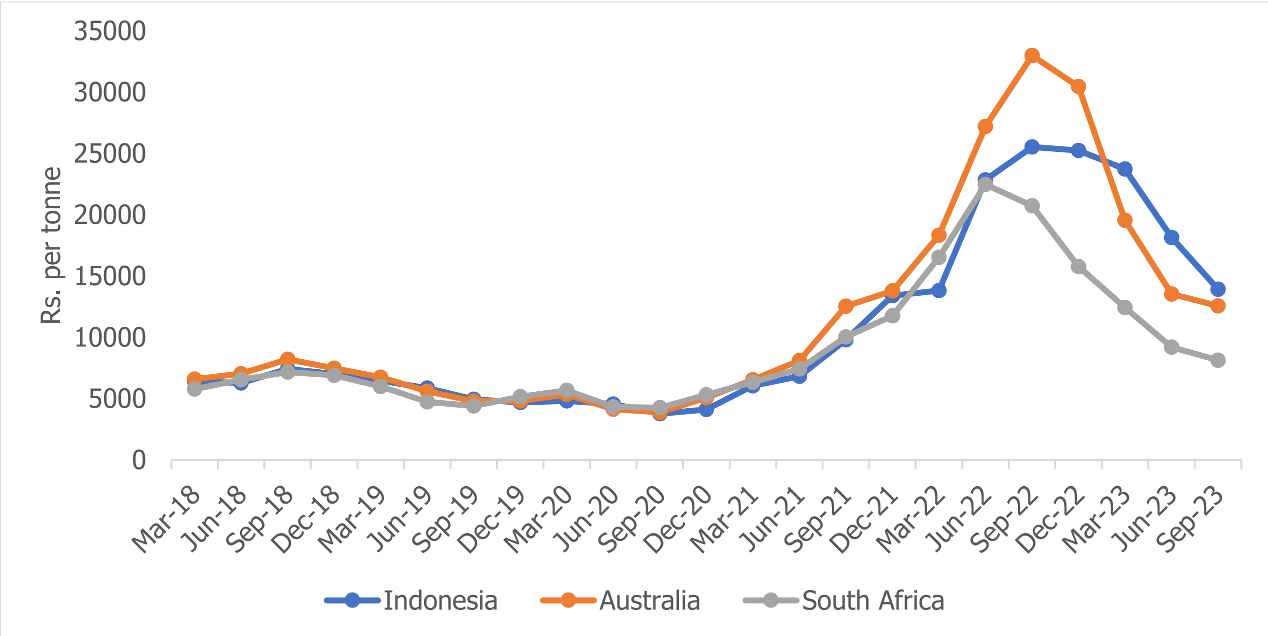
The international coal prices remained fairly range-bound during March 2018 to September 2019. However, prices declined sharply and fell to Rs. 3,734 per tonne by August 2020 as coal demand was impacted due to COVID-19.

The coal prices started rising in CY21 due to the production cutbacks and supply disruptions. The coal prices also found tailwinds in the Russia-Ukraine war which commenced in February 2022, and resulted in the disruption of coal supplies to Europe. Whereas during FY23, the average coal prices for Indonesian coal, South African coal, and Australian coal were 122%, 56%, and 109% higher, respectively, as compared to prices during the previous year.

Coal prices have been softening since November 2022 as the increased supplies from South Africa and Columbia have alleviated the demand crunch in European countries caused by the reduction of coal imports from Russia. These factors have led to a reduction in international coal prices. As of the quarter ended September 2023, the average coal prices for Indonesian coal, South African, coal and Australian coal were 46%, 61% and 62% lower, respectively, as compared to prices during the same time period in FY23.

Furthermore, international coal prices of major global benchmarks are expected to be lower in FY24 compared to FY23. However, they will continue to be higher than pre-COVID years' averages as the global demand continues to remain high owing to increased demands, especially in China and India.

Chart 69: Prices of Coal

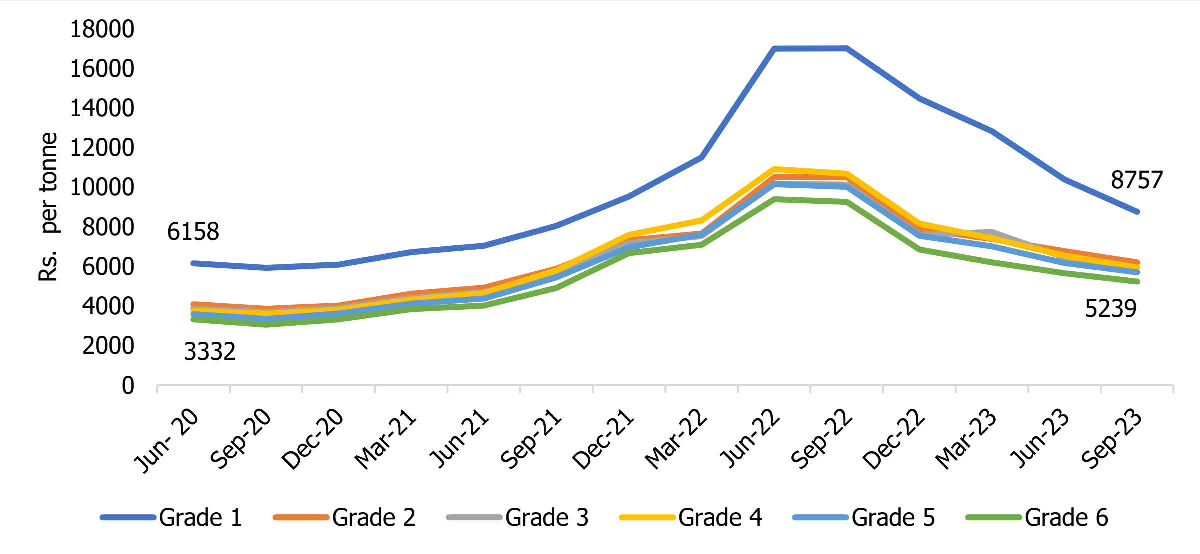


Source: World Bank

Note: Average currency rate for the respective quarter has been taken for the conversion.

Chart 70: Prices of Different Grades of Coal

The historical data of different types of grades (in Rs. / tonne) is depicted below:



Source: Ministry of Coal

Note: Prices for June, 2023 and Sep, 2023 are provisional

OUR BUSINESS

Unless otherwise indicated, the industry-related information contained in this section is derived from a report titled "Industry Report on Steel Industry" dated December 26, 2023 prepared by CareEdge Advisory. We commissioned CareEdge Advisory for the said report, and paid for such report for an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Issue. For further details and risks in relation to commissioned reports, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus contains information from an industry report obtained from CareEdge Advisory, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." beginning on page 49 of this Draft Red Herring Prospectus. Unless otherwise stated, all financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statements. We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Statements or otherwise be subject to an examination, audit or review by our auditors or any other expert. Some of the information in this section, including information with respect to our plans and strategies, contain forward – looking statements that involve risks and uncertainties. You should read the section entitled "Forward Looking Statements" on page 21 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements, and the section entitled "Risk Factors" on page 29 of this Draft Red Herring Prospectus for a discussion of certain risks that may affect our business, financial condition or results of operations. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular year refers to such information for the relevant financial year.

OVERVIEW

Our Company is engaged in manufacturing of Sponge Iron, M.S. Billets, and TMT bars under the brand Vraj.

We currently operate through two manufacturing plants which are located at Raipur and Bilaspur in Chhattisgarh spread across 52.93 acres. As of March 31, 2023, the aggregate installed capacity of our manufacturing plants was 2,31,600 tons per annum ("TPA") (comprising of intermediate and final products). Our manufacturing plant at Raipur also includes a captive power plant with an aggregate installed capacity of 5 MW, as of March 31, 2023. We are in the process of increasing the capacities of our existing manufacturing plants and captive power plant, which is expected to increase our aggregate installed capacity (comprising of intermediate and final products) from 2,31,600 TPA to 5,00,100 TPA and captive power plants aggregate installed capacity from 5 MW to 20 MW. These proposed expansions are expected to become operational in FY 2024-25. Details for the installed capacities & proposed expansion are as below:

Particulars	UOM	Existing Installed Capacity		Proposed Expansion	Total Capacity after proposed Expansion
		Bilaspur	**Raipur**	**Bilaspur**	
TMT Bars	TPA	-	54,000	-	**54,000**
Sponge Iron	TPA	60,000	60,000	115,500	**235,500**
MS Billets	TPA	-	57,600	153,000	**210,600**
Captive Power Plant	MW	-	5	15	**20**

Our product offerings such as Sponge Iron, TMT Bar, MS Billets and by-products Dolochar, Pellet and Pig Iron cater to a mix of customers that consist of industrial customers and end-users. We sell our products directly as well as through brokers / dealers. As part of our initiatives towards continual improvement, we have obtained the Environment Management System Certification under the new standard of ISO 14001: 2015 for Raipur Plant.

As of June 30, 2023, we had a workforce of 533 comprising of 298 permanent employees including 4 Directors comprising 7 employees at the Registered Office, 200 employees at Raipur Plant and 87 employees at Bilaspur Plant and 235 contract workers.

Key Financial data for the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021 are as below as per the Restated Consolidated Financial Statements:

(₹ in million)

Particulars	June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Total Income	1,067.18	5,174.21	4,143.84	2,909.32
EBITDA	237.47	813.14	496.61	291.00
EBITDA Margin	22.47%	15.77%	11.99%	10.01%
Profit After Tax	163.34	539.97	287.04	109.86
PAT Margin	15.46%	10.47%	6.93%	3.78%
Net Worth	1,568.42	1,405.08	867.32	573.88
ROE(1)	10.41%*	38.43%	33.10%	19.14%
ROCE(2)	13.62%*	48.97%	37.69%	27.66%

**Not Annualised*
(1) Return on Equity (ROE) = Profit After Tax / Total Equity
(2) Return on Capital Employed (ROCE) = EBIT / (Total Equity + Long-Term Borrowing + Short-Term Borrowing + Deferred Tax Liabilities)

Our Strengths

Integrated and well-established manufacturing setup

We currently operate 2 (two) integrated steel manufacturing plants, in Bilaspur and Raipur, Chhattisgarh. The integrated nature of our manufacturing plants has resulted in the control over all aspects of our operations (with the exception of sourcing of primary raw materials) as well as operating margins, thereby enabling us to focus more on quality and create multiple points of sale across the steel value chain. We primarily focus on manufacturing three main products, sponge iron, MS Billets and TMT Bars. We have a total capacity of 1,20,000 TPA for the production of Sponge Iron, where our backward integration begins. Our Company uses induction furnaces for production of steel. Induction furnaces convert steel scrap and sponge iron into liquid steel by induction heating. This further gets processed into billets, blooms, ingots, etc. We currently have a production capacity of 57,600 TPA of MS Billets, which can be used by our rolling mills to manufacture TMT Bars, having a production capacity of 54,000 TPA. The table below showcases our production capacities as of March 31, 2023, and proposed expansion plan, to further leverage our execution capabilities and strengthen our value chain for better cost optimization through our backward integration.

Particulars	UOM	Existing Installed Capacity		Proposed Expansion	Total Capacity after proposed Expansion
		Bilaspur	Raipur	Bilaspur	
TMT Bars	TPA	-	54,000	-	**54,000**
Sponge Iron	TPA	60,000	60,000	115,500	**235,500**
MS Billets	TPA	-	57,600	153,000	**210,600**
Captive Power Plant	MW	-	5	15	**20**

While we increased our total income from has grown at a CAGR of 33.4% between Fiscal 2021 and Fiscal 2023, as we have been successful at capturing market share and increasing our presence in our established markets. We have been able to grow the quantity sold, between Fiscal 2021 and Fiscal 2023, of TMT Bars at a CAGR of 78% and Sponge Iron at a CAGR of 8%. Furthermore, we believe that such integration practices in our production process have allowed us to be flexible with our production, and be able to alter our products as per the customer's specific requirements as well as change our product mix to cater to the continuously evolving market conditions while insulating us from price of raw materials which has resulted in optimization of our operating margins. We have the ability to convert the sponge iron we manufacture into billets or sell the sponge iron or billets independently in the market. Billets can further be used to manufacture TMT Bars or structural products or can be sold independently in the market.

Our Company has a captive power plant with installed capacity of 5MW which helps us to reduce energy cost. Additionally operating a captive power plant will decrease our exposure to disruptions to the electricity grid in times of power outages that can otherwise lead to costly production disruptions. Further, we use captive power plants to generate electricity from cleaner and more efficient sources such as waste-heat recovery-based power plants and captive renewable energy plants. The manufacturing plants are fully geared with latest technologies to provide competitive edge in the industry and are also compliant with the laws and licenses applicable to it. Having proximity to our key customer groups gives us a strategic advantage in ensuring cost effectiveness, quicker delivery and faster turn-around times, allowing us to maximize customer satisfaction in a timely manner. We follow stringent quality standards along with a strong emphasis on quality for our products and we have Certification for Quality Management Systems ISO 9001: 2015.

Manufacturing plants are strategically located, supported by robust architecture, leading to cost efficiencies and a stable supply chain

Our two manufacturing plants are strategically located at Bilaspur and Raipur within the mineral rich State of Chhattisgarh and in close proximity to the mineral belt in eastern India. Our presence in these locations allows us to have easy access to raw materials and end users both which helps us overcome significant entry barriers in comparison with our competitors. We believe this lowers our transportation costs and provides us with logistics management and cost benefits, thereby improving our operating margins.

Moreover, Chhattisgarh accounted for the 2nd highest share (18.1%) in the domestic iron ore production in FY21 and highest share (22.1%) in domestic coal production in FY21 *(Source: CareEdge Report)*. Furthermore, Odisha accounted for the highest share (51.2%) in the domestic iron ore production in FY21, second highest share (21.5%) in domestic coal production in FY21 and the third highest share (18.0%) in domestic manganese ore production in FY21 *(Source: CareEdge Report)*. Such access and nearby availability of raw materials reduces our freight and fuel costs. Our plants are tactically located near to different mediums of transport that are constantly used by our business for inward and outward freight, further reducing our costs and improving our margins.

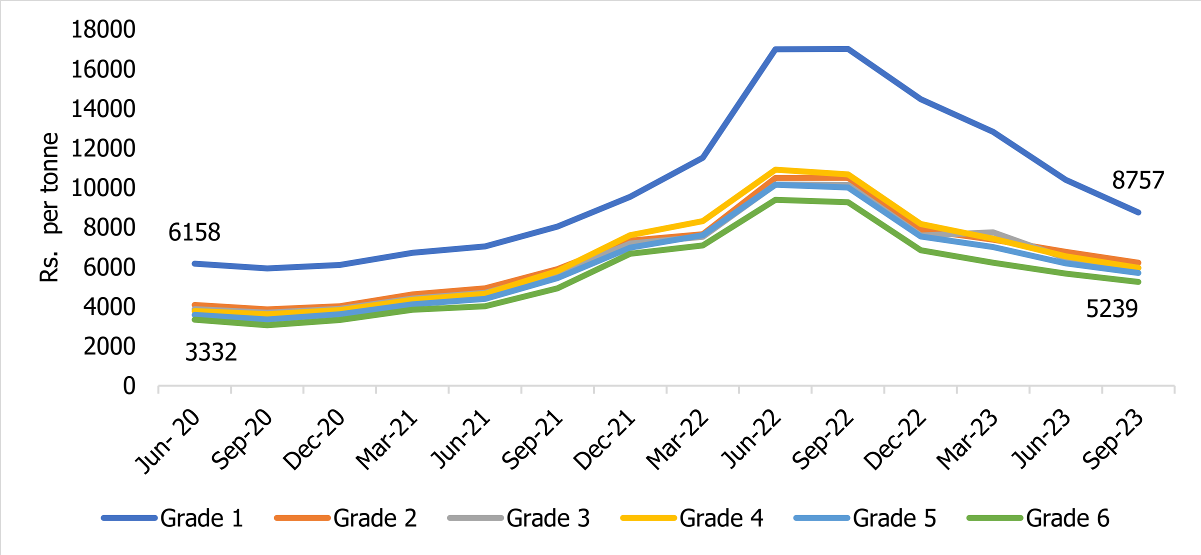
Location	Distance
Bilaspur Factory	approx 25.4 km from the Bilaspur Railway Station
	approx 11.9 km from National Highway NH30
Raipur Factory	approx 15 km from the Raipur Railway Station
	approx 12 km from Mandhar Railway Station
	approx 2 km from National Highway NH30.

Our Company has entered into agreements for purchase of iron ore lump with NMDC Limited and a fuel-supply agreements for purchase of coal with South Eastern Coalfields Limited enabling smooth flow in production plants. The main advantages of buying raw materials from our existing suppliers are their enormous capacity, which allows them to meet our requirements of raw materials under any circumstance, their reduced lead times and seamless material flow, on-time deliveries and direct line of communication. These advantages translate into higher efficiency for us and lower prices of raw materials, as can be observed in the table below, resulting in better operating margins.

Quantity and Average price of coal procured by the Company

Particulars	June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Quantity (Tonne)	Average Price (INR)	Quantity (Tonne)	Average Price (INR)	Quantity (Tonne)	Average Price (INR)	Quantity (Tonne)	Average Price (INR)
Coal	48,861	3,860	161,795	6,129	120,692	3,752	151,537	2,781

As per the CareEdge Report, the historical data of the prices of different grades of coal (in Rs./tonne) in India is as depicted below:



(Source: CareEdge Report)
Diversified product mix with strong focus on value added products

Our products primarily comprise of Sponge Iron, TMT Bar and MS Billets which amounts to 97.84%, 97.01%, 95.31% and 96.40% of total revenue from operations for period ended June 30, 2023, Fiscals 2023, 2022 and 2021 respectively, as per our Restated Consolidated Financial Statements. Our TMT Bar is sold under the brand 'Vraj' TMT Bars . Our diversified product range has resulted in a diversified product mix, which has reduced our dependency on a particular product and de-risked our revenue streams. The following table provides certain information in relation to the revenue obtained from our products for the periods indicated:

(₹in million)

Particulars	June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue	**%**	**Revenue**	**%**	**Revenue**	**%**	**Revenue**	**%**
TMT Bar	450.29	42.87%	1,799.51	34.90%	1,009.77	24.39%	447.01	15.38%
Sponge Iron	480.47	45.74%	2,691.28	52.19%	2,413.95	58.30%	1,511.89	52.01%
MS Billets	97.01	9.2%	511.93	10.0%	522.49	12.8%	843.53	29.02%
Others	22.65	2.16%	154.00	2.99%	194.23	4.69%	104.55	3.60%
Total	**1,056.78**	**100.0%**	**5,156.71**	**100.0%**	**4,140.43**	**100.0%**	**2,907.06**	**100.0%**

For the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, we witnessed a shift in our sales mix, with TMT Bars contributing 42.87%, 34.90%, 24.39% and 15.38% respectively. TMT Bar has been contributing a higher share to our revenue from operations, as a result of our greater focus on value added products. We believe that such forward integration practices of sponge iron and MS Billets will result in cost efficiencies and higher operating margins, and hence we have been deriving a higher proportion of our revenue from end-products such as TMT Bars.

The following table provides certain information in relation to the quantity sold and its average price for the periods indicated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Quantity(mt)	**Avg price**	**Quantity(mt)**	**Avg price**	**Quantity(mt)**	**Avg price**
TMT Bar	34,431	52,264.33	21,071	47,921.76	10,879	41,089.81
Sponge Iron	82,269	32,713.11	75,967	31,776.37	70,651	21,399.34
MS Billets	10,510	48,707.97	11,787	44,329.68	27,801	30,341.90

We have been able to grow the quantity sold, between Fiscal 2021 and Fiscal 2023, of TMT Bars at a CAGR of 178% and Sponge Iron at a CAGR of 8%.

Experienced Promoter, Board and management team

We are led by our experienced and diverse board and management team, who have multifold experience in the steel industry, and have been instrumental in the growth of our Company and have the expertise and vision to scale up our business. Vijay Anand Jhanwar is the Promoter and the Chairman and Managing Director of our Company and has been well-established in the industry for more than a decade. He was the General Secretary, President and also the Co-Chairman of Chhattisgarh Sponge Iron Manufacturers Association**.** He was also an expert member of Steel Consumer Council of India under the Ministry of Steel, Government of India, during the period commencing from the year 2016 to 2019. As on the date of this Draft Red Herring Prospectus, our Board comprises of 6 Directors, including 3 Independent Directors of which 1 (one) is a Woman Director. Sumit Deb is a Non-Executive Independent Director of our Company. He has worked as a Chairman and Managing Director at NMDC Limited, as a Managing Director at NMDC Steel Limited, as a Director at Federation of India Mineral Limited, Indian Iron and Steel Sector Skill Council, NMDC CSR Foundation, and as a Nominee Director at Krishnapatnam Railway Company Limited.

The knowledge and experience of our management and our team provide us with a competitive advantage as we seek to grow our existing business and expand the same. Having an experienced Board of Directors who have extensive knowledge and understanding of the metal industry being supplemented by a strong senior management team with significant experience in the metal industry will be strong foundational pillars of growth for our company. We believe our manufacturing plants operate in areas with highly skilled and low cost labour, which helps us to keep our operating costs low. For details of the educational qualifications and experience of our senior management team please refer to the chapter titled "*Our Management*" beginning on page 208 of this Draft Red Herring Prospectus.

Consistent track record of growth and financial performance

Our focus on operational and functional excellence has contributed to our track record of healthy financial performance with Total Income having grown at a CAGR of 33.4% between Fiscal 2021 and Fiscal 2023, EBITDA having grown at a CAGR of 67.2% between Fiscal 2021 to Fiscal 2023 and Profit After Tax at a CAGR of 121.7% between Fiscal 2021 and Fiscal 2023, on account an increase of value added products sales share, including TMT Bar and Sponge Iron, strong raw material procurement from nearby sources and margin expansions from robust cost controls. For the three months period ended June 2023 and Fiscals 2023, 2022 and 2021, our total revenue from operations from manufacturing business was ₹ 1054.79 million, ₹ 5,095.01 million and ₹ 4,086.47 million and 2,890.88 million respectively, as per our Restated Consolidated Financial Statements. For the three months period ended June 2023 and Fiscals 2023, 2022 and 2021, we achieved an EBITDA margin of 22.47%, 15.77%, 11.99% and 10.01%, respectively, as per our Restated Consolidated Financial Statements. For the three months period ended June 2023 and Fiscals 2023, 2022 and 2021, we have achieved a profit margin of 15.46%, 10.47%, 6.93% and 3.78%, respectively, as per our Restated Consolidated Financial Statements. This is attributable to our continued focus on product quality and process improvement, higher-margin products, competitive pricing and cost rationalization. Our strong financial performance reflects the efficacy of the manufacturing and management protocols that we have implemented and strong working capital management across our business. while our steady operating cash flows enable us to meet the present and future needs of our customers and develop new value-added products. Further this aids us in strengthening our trust and engagement with our customers and which further enhances our ability to retain these customers and extend our engagement across products and geographies.

(₹ in million)

Particulars	June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Total Income	1,067.18	5,174.21	4,143.84	2,909.32
EBITDA	237.47	813.14	496.61	291.00
EBITDA Margin	22.47%	15.77%	11.99%	10.01%
Profit After Tax	163.34	539.97	287.04	109.86
PAT Margin	15.46%	10.47%	6.93%	3.78%
Net Worth	1,568.42	1,405.08	867.32	573.88
ROE[(1)]	10.41%*	38.43%	33.10%	19.14%
ROCE[(2)]	13.62%*	48.97%	37.69%	27.66%

**Not Annualised*

[(1)] Return on Equity (ROE) = Profit After Tax / Total Equity

[(2)] *Return on Capital Employed (ROCE) = EBIT / (Total Equity + Long-Term Borrowing + Short-Term Borrowing + Deferred Tax Liabilities)*

Our Strategies

Expansion of manufacturing facilities

Our installed capacity as of Fiscal 2023 & Capacity utilization details of our production facilities for the last three financial years are entailed below:

Sr. No	Particulars	Unit of Measurement	Installed Capacity as of Fiscal 2023	Utilised Capacity		
				Fiscal 2023	Fiscal 2022	Fiscal 2021
1.	Sponge Iron	TPA	120,000	95.29%	88.26%	83.42%
2.	MS Billets	TPA	57,600	79.41%	58.90%	66.14%
3.	TMT Bar	TPA	54,000	62.71%	39.93%	20.77%
4.	Captive Power Plant	MW	5	50.20%	42.80%	41.40%

Our current manufacturing facilities comprise of two plants one at Raipur spread across 19.27 acres and other at Bilaspur spread around 33.66 acres. Our current manufacturing set-up consists of Sponge Iron with 120,000 TPA, MS Billets with 57,600 TPA, TMT Bars with 54,000 TPA and our captive power plant with 5 MW. Our Company is proposing to expand these capacities by adding capacity of Sponge Iron in Bilaspur with 115,500 TPA, MS Billets with 153,000TPA and captive power plant with 15MW, respectively, as our capacity utilization has been increasing steadily over the past three fiscals and hence, we believe expanding our capacities will enable us to cater to the evolving and increasing demand of the steel industry and serve our customers and scale our business. By adding further production capacities, we intend to leverage our strong execution capabilities in a capital efficient manner to maintain and improve our return ratios and drive sales growth through penetrating deeper in our established regional markets, and hence we will be able to better cater to the increased demands of our customers and gain additional cost efficiencies through economies of scale and better cost controls, leading to improving our presence across the steel value chain. In addition, we believe our expansion plans and strategy will allow us to meet the anticipated increase in steel demand in the future, enabling us to supply growing markets more efficiently and drive profitability.

Reduce Debt Levels and improve Debt to Equity Ratio

As on December 22, 2023, our total debt is ₹ 328.50 million as certified vide certificate dated December 24, 2023 by M/s. Amitabh Agrawal & Co., Chartered Accountants. This includes term loans obtained from the banks for the on-going expansion project at Bilaspur Plant. We intend to repay all the loans obtained for this expansion project from the Net Proceeds of the Issue and hence this would result in our debt being reduced substantially. For further details, please refer to chapter titled "*Objects of the Issue*" beginning on page 84 of this Draft Red Herring Prospectus. Reducing our debt would ensure strong profitable and robust balance sheet which would lead to wealth creation for our shareholders in the long term.

Strengthen our customer base by growing existing customer business and acquiring new customers

Our growth is the result of rise in our share of business with existing customers, acquiring new customers and our ability to respond to emerging industry trends towards steel and iron industries. We intend to be a cost-efficient steel manufacturer and penetrate deeper in our regional market to capture a higher share of our existing markets, resulting in higher margins due to lower transportation costs of supplying to our local customers and better logistics management. We intend to strengthen our relationships with our existing customers and explore opportunities to grow by expanding the production capacities in the array of products that we offer to our customers. We have demonstrated the ability to grow, adapt and integrate in response to our customers' needs. We intend to leverage our relationships with existing customers to increase our wallet share and repeat business with them as well as new business, and potentially become a key vendor for such customers for specific products.

Focus on operational efficiencies to improve returns

We have been able to deliver a RoCE of 13.62%, 48.97%, 37.69% and 27.66% and a RoE of 10.41%, 38.43%, 33.10% and 19.14% for the three months period ended June 2023 (Non-annualised) and Fiscals 2023, 2022 and 2021, respectively. We continue to focus on improving operational efficiency, including by way of the following key initiatives:

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 global conditions without the need to depend on any external vendors. This helps us closely monitor product quality, production costs and delivery schedules.

We have adopted a number of initiatives to increase our operational efficiency, such as (i) improving production line output by constantly improving productivity at the bottleneck operation through implementing TPM (total productive maintenance) methodology on the shop floor and balancing line output through partial investments (if required), (ii) inventory management (working towards single piece flow and streamlining material movement), (iii) optimising shop floor layouts through simulation software to streamline people and material movement, (iv) reduction in internal rejection or rework by streamlining manufacturing processes.

We closely monitor operational efficiency at each of our individual plants, benchmarking performance to relevant key performance indicators through which we distribute manufacturing activities to optimise capacity utilization at each plant.

DETAILS OF OUR BUSINESS

Location

Registered Office

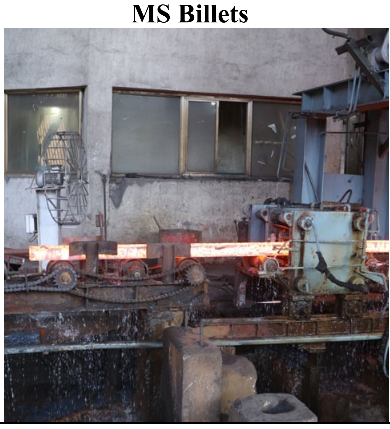
First Floor, Plot No. 63 & 66, Ph. No. 113, Mother Teresa Ward No. 43, Jal Vihar Colony, Raipur, Chhattisgarh - 492001.

Manufacturing Plants

Raipur Plant - Siltara Industrial Area, Siltara, Raipur, Chhattisgarh - 493111.

Bilaspur Plant - Village: Dighora, Tehsil, Takhatpur, District- Bilaspur, Chhattisgarh -495002

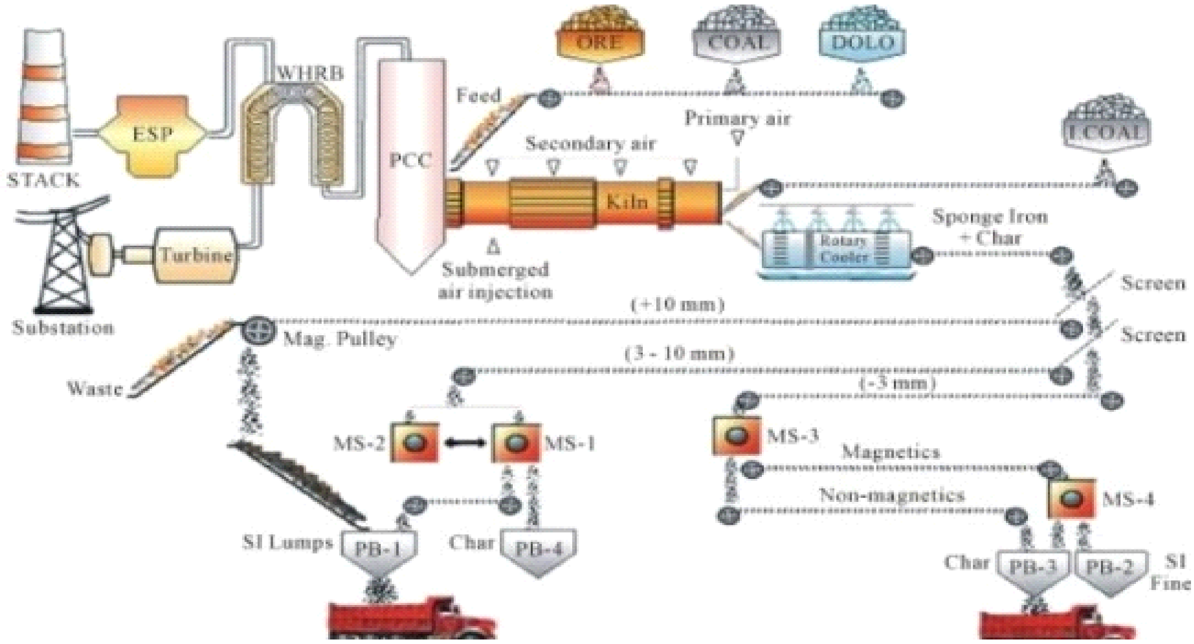
Our Products

Sr. No.	Name of Product	Description	End use
1	**Sponge Iron** 	**A critical raw material for the steel industry.** Sponge iron is the key raw material required to manufacture high quality steel. It is quite versatile and can be used in both induction as well as electric arc furnaces. Vraj Iron & Steel Limited has an installed capacity of producing over 1, 20,000 TPA of Sponge iron annually.	Industrial
2	**MS Billets** 	**MS Billets** are semi-finished casting product produced in a steel mill that needs to be further processed to transform them into a finished good. It is around or square cross-sectioned metal length which is created directly by the process of continuous casting or by indirectly hot rolling an ingot.	Industrial
3	**TMT Bars**	**TMT steel bars** of exceptional quality are manufactured through a hot rolling process in	Industrial

Sr. No.	Name of Product	Description	End use
		which heated iron billets are continuously passed through rollers of decreasing diameters. This TMT Saria is passed through a water cooling system for thermo mechanical treatment after which they exit the last rolling mill.	

Manufacturing Process

- ***Manufacturing Process of Sponge Iron***



Rotary Kiln and Cooler: Rotary kiln of size 3.00 m diameter and 42.00 m length is used in reduction of iron ore into sponge iron along with non-coking coal as reductant. The kiln is lined with abrasion resistant refractory castable throughout its length with damps at feed end and discharge end. The rotary kiln is supported on four piers with slope of about 2.5%. Main drive of the kiln consists of two DC motors with thyristor control. The speed of the kiln can be varied depending upon the operating conditions. The speed of the kiln ranges 0.25-0.75 rpm. Auxiliary drive of the kiln consists of by two AC motors.

The other main components of the kiln consists is given below:

- Feed end and discharge end transition housing welded steel construction with refractory lining including feed chute.
- Pneumatic cylinder actuated labyrinth air seal with auto lubricating system at feed end and discharge end.
- On board equipment like fans, manifolds, ports, slip ring, instrumentation etc.
- Cooling fans at feed end and discharged end.
- Feed end double pendulum valve & dust valves.

The kiln feed from the charging end consists of size Iron Ore (5-20), non-coking coal (6-25mm) and dolomite (1-4mm). Air is supplied to the kiln through shell mounted air fans. Requisite quantity of coal of size 3-6mm, or 6-12mm is fed from discharge end of the kiln. Slinger coal is withdrawn from the respective bins in suitable proportion and is pneumatically injected into the kiln.

In the kiln, the iron ore is dried and heated to the reduction temperature of 1000 to 1050 centigrade. The iron oxide of the ore is reduced to metallic iron by carbon monoxide generated in the kiln from coal. The heat required for the reduction process is generated by combustion of coal.

Thermocouples installed along the length of the kiln shell for measurement of thermal profile of the kiln. The temperature is controlled by regulating the amount of combustion air admitted into the kiln through various ports with the help of fans mounted on the kiln shell and by controlled coal slinging. The DC main drives helps kiln to rotate at variable speed. Auxiliary drive helps in slow rotation.

The reduced material from the kiln is cooled indirectly in a rotary cooler by an external water spray. The kiln consists of one rotary cooler. The main drive and the auxiliary drive of the cooler consists of one separate AC motor. The speed of the drive consists of about 1 rpm. The cooler consists of provided with one plain riding ring and one thrust riding ring and one set of hydraulic thrust roller with antifriction bearings. About 1 m end portion of the cooler act as screening section, which separates all the accretions larger than 50 mm from the reduced materials. These lumps consists of discharged separately via lump gate rest of the material consists of discharged on to the conveyor via double pendulum valve.

The cooler is lined with refractory castable for about 4.0m length from the feed end. Bypass arrangement is made at the discharge end of the cooler for emergency discharge of materials. The cooled product is conveyed to the product processing building by a system of belt conveyors. The cooling water collected in the trough below the cooler and sent to the cooling tower for cooling. The cooled water is re-circulated. Closed circuit cooling system is provided in the plant. The rotating part of the kiln and cooler consists of sealed suitably against the stationery parts at the connecting point to avoid leakage of dust laden gases.

Off Gas System: The kiln consists of separate off gas circuit. Hot waste gases leave the rotary kiln at about 950-100 centigrade through kiln feed end housing, dust settling chamber and come to an after burning chamber, where combustibles are burnt completely by supplying excess air. The gases at about 900-950 centigrade is led to air cooled heat exchanger and followed by an Electro static precipitator (ESP) before letting them out into the atmosphere through ID fan and stack of adequate height.

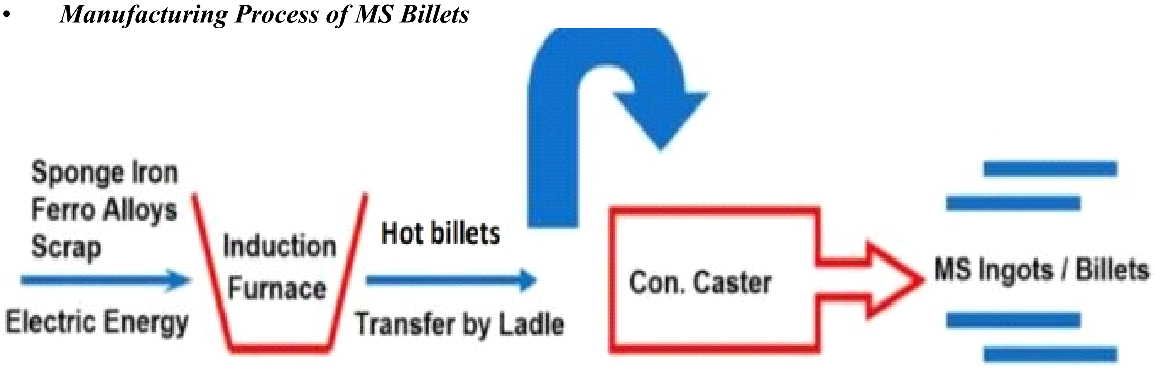
Product Processing and Storage: There is one product processing unit for handling the cooler discharge. The product containing sponge iron, charge and spent dolomite, from the cooler discharge end is discharged to a set of conveyors and sent to the product processing building. The kiln-cooler system has separate surge bin of approx 200-ton capacity. Product from surge bin is withdrawn through vibrating feeder and fed to the product processing building by conveyor. In the product processing building, the product is first screened in a double deck screen having 3mm and 20 mm screen. +20mm material is dumped as rejects. The screened product i.e., +3-20 mm and -3mm fraction is separately sent to the product storage separation. Sponge iron lump (3-20 mm) is sent to the product storage building for storing in two numbers of bunkers where three days production is storable. Sponge iron fines (-3mm) stored in the fines bunker in the product processing building with one day storage capacity. Sponge iron lump & sponge iron fines is discharged from respective bunkers by truck. The char/non magnetics is stored in separate bins.

- ***Manufacturing Process of Captive Power Plant***

Production of Sponge iron in DRI kiln releases/ generates huge quantities of hot flue gases carrying considerable sensible heat and various polluting gas. The energy content of these gases is used to generate electric power as well as steam for meeting various process requirements. Captive power plant helps to make the plant independent of external source of electric power to some extent but would also result in energy conservation and environment protection.

Steam Turbo Generators envisaged for the power plant consists of single cylinder multistage, extraction cum condensing type complete with condenser, air evacuation system, 2 x 100% condensate extraction pumps, electronic governing system, lubricating oil system, regenerative feed heating system etc. Turbine is fed with steam generated from HRSG in DRI Kiln, leading to rotation of turbine and with the rotation of turbine electrical energy is generated.

- ***Manufacturing Process of MS Billets***



Steel Melt Shop (SMS): SMS is crated to melt sponge iron along with melting scrap and fluxes to make pure liquid steel and further poured in moulds of required sizes. Shop consists of following equipment and sub-assemblies:

Induction Furnaces: Induction Furnaces melts charged material using electrical power. It consists of Crucible lined with water cooled induction coils, Electrical system provides controlled power to induction coil, Hydraulic tilting system, heat exchanger to cool the circulating water, water softener for generating soft water, furnace transformer, power factor improvement system and surge suppressor.

Ladles: Ladles are pots with refractory lining inside to withstand 1600 deg C temperature. It has side arms for lifting the same with the help of cranes. Ladles are used to store the liquid steel from Induction Furnace and take it for further processing. Ladles are with bottom nozzle and pneumatically operated gate for discharge of liquid.

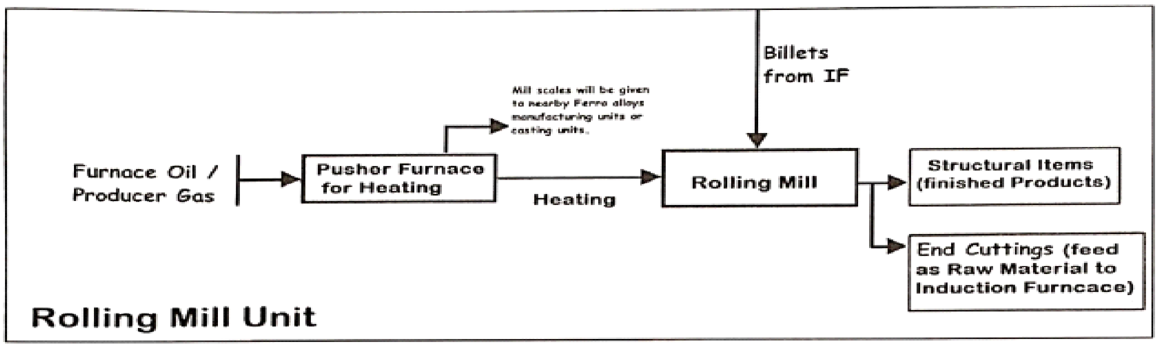
Ladles Refining Furnace: Ladle furnace is a mini electric arc furnace. It has three carbon electrodes, roof to cover the ladle, and furnace transformer of suitable capacity. The operation of electrodes, roof etc are controlled by hydraulic system. Ladle furnace is used either to keep the liquid steel for sequence casting or for further refining of the liquid steel to make better quality steel.

Cranes: Electric Over-head Cranes (EOT) of various capacities are used to carry the ladles/materials at different places. Cranes are used in melting hall to charge melting scrap, remove the ladles to the ladle refining furnace, further to place it over the Tundish of the continuous caster, to remove billets from the cooling bed and store at designated places, and also for other petty use. Accordingly, cranes of various sizes, capacity and numbers is used in process.

Continuous Casting Machine: CCM is used to continuously cast liquid steel in required cross section and in length. It consists of tundish, mould, bow with withdrawal mechanism, straightening mechanism and cooling bed, hydraulic system for withdrawal mechanism, water pumps and cooling towers for water spray on the withdrawn section as well as on the cooling bed. Dummy bar is provided to start the casting. Tundish is a rectangular vessel, lined with refractory and having discharge nozzle with pneumatically operated gate. A stand is erected over it where the ladle is stationed for discharging the liquid in it. Mould is made up of copper with water cooled jacked. Its cross-section in the bottom is of the size of which billet is to be drawn. Initially the dummy of the same size is kept inserted. When the liquid steel is poured in the mould the dummy bar is drawn slowly, so that the liquid steel in partially frozen state comes out of the mould. Water spray nozles are installed to spray water over the just drawn billet to cool it further and harden the skin of the drawn billet.

With Re-Heating Furnace: A pusher type furnace has been envisaged for the heating of billets. The furnace consists of end charging and side discharging. It consists of single row as well as double row charging facility. The 100mm x 100mm and 150 mm to 200 mm size of billet is fed to Billet Re-heating Furnace. The furnace consists of heated with FO/Pulverized coal. The furnace combustion system comprises of air blowers, FO storage, supply and preheating system and other associated facilities. The product of combustion will leave the furnace at charging end and exhausted through underground flue tunnel and passed through a metallic tubular recuperator before finally let off to a chimney of sufficient height after passing through bag filter.

- ***Manufacturing Process of TMT Bar***

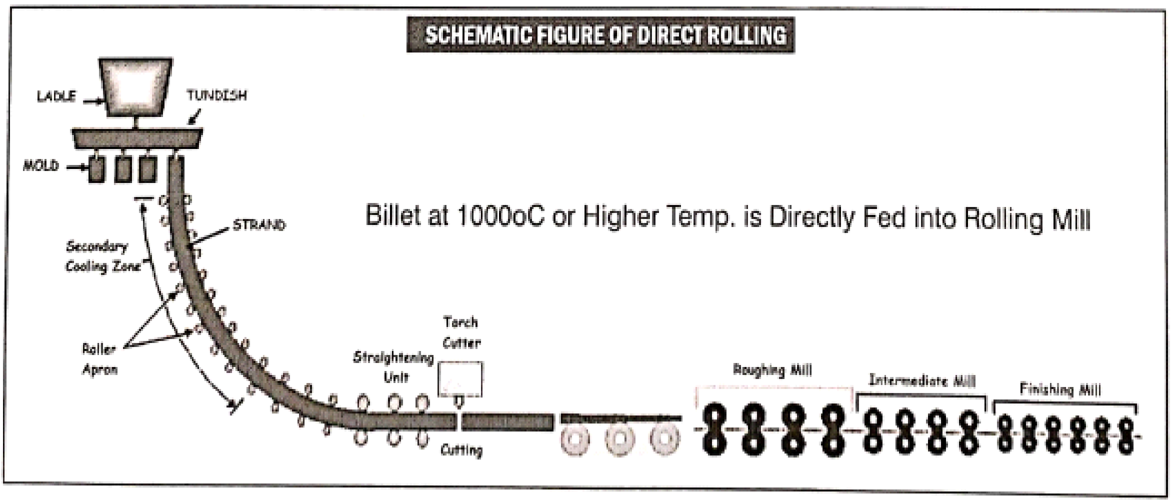


TMT Bar Mill: A cross country type mill has been envisaged for the plant. The stand has been grouped into roughing, intermediate and finishing groups. Roughing group will have 3 (Three) stands, intermediate group will have 4 (four) stand and finishing mill will have 6 (six) stands. Roughing group of stands consists of driven by one motor. 2 (two) numbers of intermediate stands consists of driven by two motors and balance 6 nos. consists of driven by a separate motor. Each stand of finishing group consists of driven by single motor.

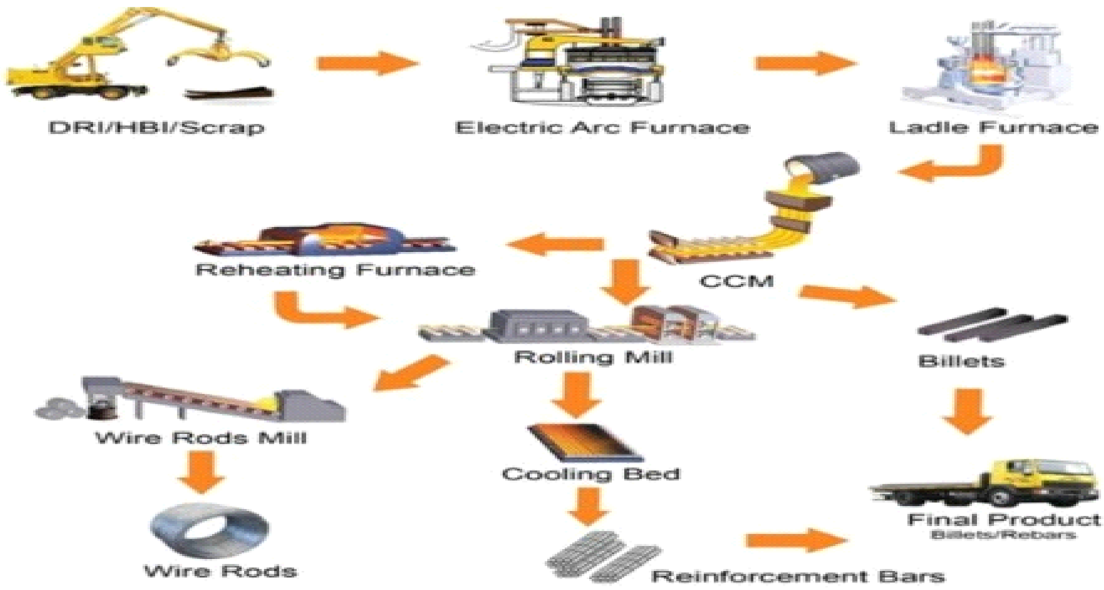
The rolling facility is structed to roll 8mm, 10mm and 12 mm to 32 mm rebars in stands. The rebars discharged from the mill on passing through water-cooling system comprising cooling pipes with high pressure water nozzles for rapid water quenching. At the cooling pipes the bar skip temperature consists of reduced to about 600^{O}C. The core of the bar still remains hot. The entrapped heat tempers the bar. This thermos mechanical treatment of the bars increases tensile strength without adversely effecting weld ability and elongation properties. This process eliminates requirement of cold twisting of bars for production of rebars.

The dividing shear divides all products to cooling bed lengths. Cooling bed consists of provided with incoming and outgoing roller tables. One cold shear is provided to cut the bar coming out of cooling bed into commercial length of 6 to 12 m. Numerous bar products are bundled and strapped by strapping machine.

- ***Manufacturing Process of Rolled Products Through Direct Hot Charging:***



Billet coming from CCM in red hot condition is cut either by automatic hot billet shearing machine before the same is used in TMT production. Automatic hot billet shear machines is installed with each strand. The gas cutting facility is maintained as a backup to the hot billet shearing machine. After the billet is cut into required length, then the same is pushed out to rolling stands for re-rolling. Steel pieces are rolled through all stands in order to get required shape of finished goods.



Plant and Machinery

Following are the details of the key equipment being used for business:

Sr. No	Particulars	Description	Capacity	Make*
Raipur Plant				
1.	Sponge Iron	Includes Kiln & Cooler, Gear Box, Conveyor System & Screening system, Stock House, Product House, Crusher Plant, ESP, Cooling Tower, Weigh Bridge machine, Electrical & Machinery Equipment, Laboratory Equipment and All other Accessories.	60,000 TPA	Shanti Gears Limited, Elecon Engineering, ABB Limited, Beekay Engineering Corporation, Cummins Limited
2.	Induction Melting Furnace & Continuous Casting Machine	Includes furnace, EOT cranes, HT transformer, Cooling Tower, Ladle, Electrical & Mechanical Equipment's, Laboratory equipment's and all other accessories	57,600 TPA	Electrotherm India Limited, Inductotherm Limited
3.	Power Plant	Includes Steam Turbine, Boiler, Alternator, gear Box, water Cooling Tower, DM Plant, Oil Filtration and cooling system, Condensor Set, Boiler Feed pump, PCC and MCC panel, Turbine Operation Panel, DCS Pan, Power and auxiliary transformer, LP & HP dosing system, DG set, Electrical and mechanical equipment's, Laboratory equipment's and all other accessories.	5 MW	Veesons Energy System, Siemens Limited, KSB Limited Ion Exchange
4.	Rolling Mill	Includes Stand, Slip ring Induction Motor with reduction and distribution gear box, End cut and front cut shearing machine, Pinch Roll Motor, Fly share motor, Universal testing machine, punching machine, Cooling Bar bad, Electrical and Mechanical equipment's and all other accessories.	54,000 TPA	GP Roll Makers, Kirlosker Electric

Sr. No	Particulars	Description	Capacity	Make*
Bilaspur Plant				
5.	Sponge Iron	Includes Kiln & Cooler, Gear Box, Conveyor System & Screening system, Stock House, Product House, Crusher Plant, ESP, Cooling Tower, Weigh Bridge machine, Electrical & Machinery Equipment, Laboratory Equipment and All other Accessories.	60,000 TPA	Beekay Engineering Corporation, Elecon Engineering, Electroguard, Moktali Engineering

*Each machine is assembled from various machines, parts and equipment.

Raw Materials

Raw Materials	Sources
Sponge Iron	
Iron Ore/ Iron Ore Pellet	Major supplier includes NMDC from Chhattisgarh, Godawari Power & Ispat Limited, Sarda Energy & Mineral Limited, Rungta Mines Limited etc.
Coal	Domestic coal is sourced from South Eastern Coalfields Limited through Fuel Supply Agreement and imported coal is sourced from supplier which includes Adani Enterprises Limited, Jan Man Trade India LLP, Agrawal Coal Corporation etc.
Dolomite	Sourced from local market in Chhattisgarh and Madhya Pradesh
MS Billets	
Sponge Iron	In house manufacturing
Pig Iron/ Scraps & Ferro Alloys	Sourced from Suppliers at Chhattisgarh and Odisha
TMT Bar	
MS Billets	In house manufacturing

Utilities

Water

Water is used in SID Coolers to cool off materials, in SMS for cooling the furnace coil and in CCM for billets and mould cooling, in Rolling Mill division for cooling rolls and billet, in Thermax in boiler and cooling tower to cool WHR process and is also sprinkled around the plant for dust suppression. It is sourced from Chhattisgarh Ispat Bhoomi Limited at Raipur Plant and ground water is used at Bilaspur.

Power

Our manufacturing plants has adequate power supply at Raipur with connected load of 5500 KVA and 5MW WRHB and Bilaspur with connected load of 825 KVA from Chhattisgarh State Power Distribution Company Limited.

Technical Collaborations

Our Company does not have any technical collaborations as on the date of this Draft Red Herring Prospectus.

Certifications

Our Company has been certified as confirming to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

Capacity and Capacity Utilisation

Installed & Capacity utilization details of our production facilities for the last three financial years are entailed below:

Sr. No	Particulars	Unit of Measurement	Installed Capacity as of Fiscal 2023	Utilised Capacity		
				Fiscal 2023	Fiscal 2022	Fiscal 2021
1.	Sponge Iron	TPA	120,000	95.29%	88.26%	83.42%
2.	MS Billets	TPA	57,600	79.41%	58.90%	66.14%
3.	TMT Bar	TPA	54,000	62.71%	39.93%	20.77%
4.	Captive Power Plant	MW	5	50.20%	42.80%	41.40%

Customer Base

We majorly sell our products to intermediaries who in turn sell it to end customers. The percentage of revenue derived from our top 5 and 10 customers during the three months period ended June 30, 2023 and Fiscals 2023, 2022 and 2021 is given below:

(₹ in million)

Sr. No	Particulars	June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
		Revenue	(%)	Revenue	(%)	Revenue	(%)	Revenue	(%)
1.	Income from top 5 customers	584.92	55.35%	2,032.52	39.42%	1,602.30	38.70%	1,108.48	38.13%
2.	Income from top 10 customers	819.66	77.56%	3,019.88	58.56%	2,528.30	61.06%	1,693.99	58.27%

Sales, Marketing & Pricing

Our sales and marketing team focuses on developing customer relationships, acquiring new orders, identifying new customers and generating business opportunities. We focus on strategically aligning ourselves with customers to create long-term relationships for continuous orders and smooth flow of business. We sell Sponge Iron and MS Billets through agents on a commission basis and TMT Bars directly to traders. Our business is B2B Model which enables us to have quicker encashment of debtors. We set the prices for our products based on market demand, our production capacity, transportation costs, inventory levels, competitors' prices and credit terms. Prices for different regions are also affected by local regulations and tax policies. A minimum price level is set for each type of products. Our sales department evaluates the factors affecting our selling price on a regular basis and adjusts our minimum prices when appropriate and also determines the various schemes, offers and discounts applicable on our products.

Competition

Our Company operates in highly competitive industry. Our manufacturing plants are set up in State of Chhattisgarh which is known as hub for iron and steel industry in India. Our Company faces intense competition in the Indian steel market, from various domestic and multinational companies in India. Some of our key peers include Tata Steel Limited, JSW Steel Limited, Steel Authority of India Limited (SAIL), Jindal Steel and Power Limited (JSPL), Godawari Power and ISPAT Limited (GPIL), ESL Steel Limited (ESL), Sarda Energy & Minerals Limited (SEML), Shyam Metalics and Energy Limited (SMEL) *(Source: CareEdge Report)*. For more information, see "*Industry Overview*" on page 106.

Human Resources

As of June 30, 2023, we had a workforce of 533 comprising of 298 permanent employees including 4 Directors comprising 7 employees at the Registered Office, 200 employees at Raipur Plant and 87 employees at Bilaspur Plant and 235 contract workers. We consider our human resource as a critical factor to our success and engage in a human resource strategy that focuses on recruiting, training and retaining our employees, as well as offering them competitive compensation. Our Company aims to recruit a talented and qualified work force, facilitate their integration and encourage development of their skills in order to facilitate the growth of our operations. We are also committed to providing an empowering environment that motivates and facilitates growth and rewards contribution.

Intellectual Property

Our Company uses "Vraj" brand logo for its product TMT Bars . and our corporate logo is .
The Company has registered the following trademarks:

Trademark no.	Description	Issuing authority	Applicant	Status	Date of issue	Date of expiry	Trademark
4519128	Common metals and their alloys; metal building materials – TMT Bars *Class: 6*	Registrar of Trademarks, Trade Marks Registry, Mumbai	The Company	Registered	June 3, 2020	June 2, 2030	VRAJ TMT AND BARS

The Company has made the following applications for registration of certain trademarks:

Trademark Application no.	Description of goods	Status	Date of Application	Trademark
5546059	Metals and metal alloys; Alloys of common metals; Common metals and their alloys; metal building materials – TMT Bars. *Class 6*	Pending	July 07, 2022	
6225885	Metals and metal alloys; Alloys of common metals; Common metals and their alloys; metal building materials – TMT Bars. *Class: 6*	Pending	December 19, 2023	
6225858	Metals and metal alloys; Alloys of common metals; Common metals and their alloys; metal building materials – TMT Bars. *Class: 6*	Pending	December 19, 2023	WORD: VRAJ IRON AND STEEL LIMITED

Properties

Owned Properties:

Sl. No.	Description of Property	Details	Purpose
1.	Land located at Village-Dighora, Dist.-Bilaspur Chhattisgarh -495002 Total Area- 33.66 acres	Khasara No- 252, 253, 248/2, 249/3, 251/2, 251/3, 251/4, 249/2,279/3, 279/4, 281/3, 275/2, 251/1, 257, 246, 266, 264, 278/1, 281/2, 250, 248/1, 278/2, 281/1, 265, 280, 249/1, 279/2, 286/2, 286/1, 288/3, 289/3, 255, 279/1, 286/3, 245/2, 276, 415, 416, 417, 259/1, 259/3, 259/5, 259/4, 258/1, 258/2, 260/3, 411/8, 413/1, 413/2 and 247/1	Manufacturing Plant
2.	Flat located on 19th Floor, UrbanWaves, Kadeshwari Marg, Bandra West, Mumbai - 400050 (Maharashtra) Area- 1152 sq. ft.	Flat No.1901 (CTS No- B-906B/1& CTS No-B-1152)	Under Construction-Guest House

Leasehold/Rented Properties:

Sl. No.	Description of Property	Details	Lessor	Purpose
1.	Building located at Mother Teresa Ward No. 43, Jalvihar Colony, Raipur, Chhattisgarh-492001.	First floor at 63 & 66, Ph. No. 113	Gopal Sponge and Power Private Limited	Registered office
2.	Land located at Vill.-Siltara,Phase-2,Dist.-Raipur Chhattisgarh -493111. Area- 19.267 acres	Plot No- 38, 39, 40,41,48, 49, 50, 51,52,42 and 47	Chhattisgarh State Industrial Development Corporation Limited, The Governor of Chhattisgarh	Manufacturing Plant

Insurance

We maintain insurance coverage that we consider is necessary for our business. Details of our insurance policies are as below:

Sr. No	Insurance Company	Description	Sum Insured	Period	Plant
1.	The New India Assurance Co Limited	Standard Fire & Special Perils Policy	777.50 million	February 20, 2023 to February 19, 2024	Raipur Plant
2.	The New India Assurance Co Limited	New India Bharat Laghu Udyam Suraksha Policy	255.000 million	December 29, 2022 to December 28, 2023	Bilaspur Plant
3.	The New India Assurance Co Limited	Group Personal Accident Insurance Policy	284.84 million	December 05, 2023 to December 04, 2024	Raipur Plant
4.	Cholamandalam MS General Insurance Company Limited	Group Personal Accident Insurance Policy	120.29 million	December 04, 2023 to December 03, 2024	Bilaspur Plant
5.	Cholamandalam MS General Insurance	Public Liability Insurance Policy	Any one Year-150.00	September 29, 2023 to	Bilaspur Plant and

Sr. No	Insurance Company	Description	Sum Insured	Period	Plant
	Company Limited		million Any one Accident- 5 million	September 28, 2024	Raipur Plant
6.	Cholamandalam MS General Insurance Company Limited	Workmen Compensation Policy	3.60 million	October 14, 2023 to October 13, 2024	Bilaspur Plant (20 Persons)
7.	Cholamandalam MS General Insurance Company Limited	Workmen Compensation Policy	29.70 million	December 07, 2023 to December 06, 2024	Raipur Plant (165 Persons)
8.	TATA AIA Life Insurance Maha Raksha Supreme	Life Insurance	800.00 million	March 23, 2023 to March 23, 2065	Company

CSR Activities

We believe that sustainable community development is essential for harmonious development of both the community and our industry. Our corporate social responsibilities ("CSR") initiatives are focused on promoting education, rural sports, eradicating hunger, etc. For the three months period ended June 30, 2023 and Fiscal 2023, Fiscal 2022, Fiscal 2021, CSR expenses were ₹ 1.50 million, ₹ 4.00 million, ₹ 2.59 million and ₹ 2.57 million, respectively.

KEY REGULATIONS AND POLICIES IN INDIA

In carrying on our business as described in the section titled "Our Business" on page 175 of this Draft Red Herring Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see "Government and Other Statutory Approvals" on page 321 of this Draft Red Herring Prospectus.

Our Company is engaged in manufacturing of Sponge Iron, M.S. Billets, and TMT bars. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our Company's business. Our Company is required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye-laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by our Company:

A. INDUSTRY RELATED LEGISLATION

1. The Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory. The Factories Act requires that the 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 especially in respect of safety and proper maintenance of the factory, such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. The Factories Act also provides for fines to be paid and imprisonment of the manager of the factory in case of any contravention of the provisions of the Factories Act.

2. National Steel Policy, 2017 ("NSP 2017")

The NSP 2017 seeks to enhance domestic steel production with focus on creating a technologically advanced and globally competitive steel industry in India that promotes economic growth. The NSP 2017 aims to creating environment for attaining (i) Self-sufficiency in steel production by providing policy support and guidance to private manufacturers, MSME steel producers, CPSEs and encourage adequate capacity additions; (ii) Development of globally competitive steel manufacturing capabilities; (iii) Cost-efficient production and domestic availability of iron ore, coking coal and natural gas; (iv) Facilitate investment in overseas asset acquisitions of raw materials; and (v) Enhance domestic steel demand . The intent is to strengthen the research and development of national importance in the iron and steel sector by utilizing tripartite synergy among industry, national research and development laboratories and academic institutions. The NSP 2017 covers, inter alia, steel demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferro-alloys, land, water, power, infrastructure and logistics, and environmental management.

3. Industrial Disputes Act, 1947 ("ID Act") and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain 108 requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay- offs and retrenchment

4. The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950

Under the provisions of the Indian Boilers Act, 1923 ("**Boilers Act**"), an owner of a boiler is required to get the boiler registered and certified for its use. The Boilers Act provides for inter alia the safety of life and property of persons from the danger of explosions of steam boilers and regulates the possession of steam boilers. It sets out the requirements for achieving uniformity in registration and inspection during operation and maintenance of boilers in India and provides for penalties for illegal use of boilers. It also prescribes standard requirements with respect to material, construction, safety and testing of boilers. The Indian Boiler Regulations, 1950 provides for, inter alia, standard requirements with respect to material, construction, safety and testing of boilers.

5. Electricity Act, 2003

The Electricity Act, 2003 ("**Electricity Act**") was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorising a person to carry on the above acts either by availing a license or by seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days' notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police, as the case may be, containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorises the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorises the State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid.

6. Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011

The Legal Metrology Act, 2009 ("**Legal Metrology Act**") replaces the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks 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 Legal Metrology Act inter-alia requires any person who manufactures, repairs or sells, or offers, exposes or possesses for repair or sale, any weight or measure, to obtain a license issued by the Controller of Legal Metrology. It has been clarified that no license to repair is required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same. The Legal Metrology Act inter-alia provides that any person who is required to obtain a license under the Legal Metrology Act or the rules made thereunder, repairs or sells, or offers, exposes or possesses for repair or sale, any weight or measure, without being in possession of a valid license, will be punished in the first instance with fine and for a subsequent offence, with imprisonment and/or fine.

In this regard, the Legal Metrology (Packaged Commodities) Rules, 2011 ("**LM Rules**") were framed which lays down specific provisions governing the packaging and labelling of commodities. These rules are applicable to packages intended for retail sale, wholesale packages and for export of packaged commodities and registration of manufacturers, packers and importers. Also, States may frame State specific rules under the Act to provide for the time limits for verification of weights and measures, maintenance of registers and records, stipulating the manner of notifying government authorities, fees for compounding of offences etc. Further, the Legal Metrology (Government Approved Test Centre) Rules, 2013 have laid down specifications regarding verification of weights and measures specified therein by Government approved test centers.

Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016 ("BIS Act") provides for the establishment of the Bureau of Indian Standards ("BIS") for the harmonious development of the activities of standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

7. Steel and Steel Products (Quality Control) Order, 2020

The Steel and Steel Products (Quality Control) Order, 2020 ("**QC Order**") was notified by the Ministry of Steel, Government of India, to vide Gazette Notification No. S.O 4637(E) dated December 22, 2020 to bring certain steel products under mandatory BIS certification. All manufacturers of steel and steel products are required to apply for certification and ensure compliance with the QC Order. The QC Order further provides that every steel and steel products stated therein shall bear the standard mark under a license from BIS, as provided in Bureau of Indian Standards (Conformity Assessment) Regulations, 2018.

8. The Mines and Minerals (Development and Regulations) Act, 1957

The Mines and Minerals (Development and Regulations) Act, 1957, as amended, ("MMDR Act"), was enacted to provide for the development and regulation of mines and minerals, under the control of the Union of India. The MMDR Act lays down the substantive law pertaining to the grant, renewal and termination of reconnaissance, mining and prospecting licenses, and mining leases. The Mineral Concession Rules, 1960, outline the procedures for obtaining a prospecting license or a mining lease, as well as the terms and conditions of such licenses and the model form in which they are to be issued. The Central Government has also framed the Mineral Conservation and Development Rules, 1988, that lay down guidelines for ensuring mining is carried out in a scientific and environmentally friendly manner.

B. EMPLOYEE AND LABOUR RELATED LEGISLATIONS:

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include, among others, the following: (i) Contract Labour (Regulation and Abolition) Act, 1970; (ii) The Child Labour and Adolescent (Prohibition and Regulation) Act, 1986 (iii) Relevant state specific shops and commercial establishment legislations; (iv) Employees' Provident Funds and Miscellaneous Provisions Act, 1952; (v) Employees' State Insurance Act, 1948; (vi) Minimum Wages Act, 1948; (vii) Payment of Bonus Act, 1965; (viii) Payment of Gratuity Act, 1972; (ix) Payment of Wages Act, 1936; (x) Maternity Benefit Act, 1961; (xi) Apprenticeship Act, 1961; (xii) Equal Remuneration Act, 1976; (xiii) Employees' Compensation Act, 1923; and (xiv) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to rationalize and reform labour laws in India, the Government has enacted the following codes, which will be brought into force on a date to be notified by the Central Government:

Code on Wages, 2019

The Code on Wages regulates and amalgamates wage and bonus payments and subsumes four existing laws namely –the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employee. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the central advisory board.

Code on Social Security, 2020

The Code on Social Security amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, Building and Other Construction Worker'' Welfare Cess Act, 1996 and the Payment of Gratuity Act,

1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund Organisation and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

C. TAX RELATED LAWS:

1. Income-tax Act, 1961

Income-tax Act, 1961 ("**IT Act**") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its 'Residential Status' and 'Type of Income' involved. Every assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

2. Central Goods and Services Tax Act, 2017

The Central Goods and Services Tax Act, 2017 ("**CGST Act**") regulates the levy and collection of tax on the intra- State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

3. Integrated Goods and Services Tax Act, 2017

Integrated Goods and Services Tax Act, 2017 ("**IGST Act**") is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act.

4. The Customs Act, 1962 and the Customs Tariff Act, 1975

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any company requiring to import or export any goods is required to get itself registered under this Act and obtain an Importer Exporter Code number. The Customs Tariff Act, 1975 provides the rates at which duties of customs will be levied under the Customs Act, 1962.

5. Foreign Trade (Development and Regulation) Act, 1992

In India, the main legislation concerning foreign trade is Foreign Trade (Development and Regulation) Act, 1992 ("**FTA**"). The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign

Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/ divisions/ units/factories.

C. INTELLECTUAL PROPERTY LAWS

The Trademarks Act, 1999

Under the Trademarks Act, 1999 ("**Trademarks Act**"), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("**the Registrar**"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

D. ENVIRONMENTAL LAWS

1. The Environment Protection Act, 1986 and Environment (Protection) Rules, 1986 and Environmental Impact Assessment Notification, 2006

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exists among water, air and land, and human beings and other living creatures such as plants, micro-organisms and property. Further, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment which is assessed by the Ministry in detail before granting clearances for such proposed projects. 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.

2. The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 ("**the Water Act**") prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("**State PCB**"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

3. Water (Prevention & Control of Pollution) Cess Act, 1977 (the "Water Cess Act") and Water (Prevention & Control of Pollution) Cess Rules, 1978 (the "Water Cess Rules")

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the central and State PCB for the prevention and control of water pollution constituted under the Water Act. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, inter alia, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

4. The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 **("the Air Act")** requires that any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent. The Air Act prescribes penalties for contravention in terms of fine, imprisonment or both.

5. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Wastes Rules")

The Hazardous Waste Rules define the term "hazardous waste" and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous or other waste is classified as an "occupier". In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or similar activities in relation to hazardous waste. The Hazardous Waste Rules also prescribe the hierarchy in the sequence of priority of prevention, minimization, reuse, recycling, recovery and co-processing. Further, State PCBs are mandated to prepare an inventory of the waste generated, waste recycled, recovered and utilized including co-processed, re-exported and disposed, based on annual returns received from occupiers and operators, and submit it to the Central Pollution Control Board on an annual basis.

6. Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substance. A list of hazardous substances covered by the Public Liability Act has been enumerated by the Government of India by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute a sum equal to the premium paid on the insurance policies towards the environment relief fund.

E. OTHER APPLICABLE LAWS

1. The Companies Act, 2013

The Companies Act, 2013 ("**Companies Act**") deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning, and winding up of companies. The Companies Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial, and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors.

2. The Consumer Protection Act, 1986

The Consumer Protection Act, 1986 ("**Consumer Protection Act**") has been enacted with an intent to protect the interests of consumers and to establish competent authorities in order to timely and effectively administer and settle consumer disputes. Consumer Protection Act provides for establishment of a Central Consumer Protection Authority to regulate, among other things, matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers. In order to address the consumer disputes 'redressal mechanism, it provides a mechanism (three tier consumer redressal mechanism at national, state and district levels) for the consumers to file a complaint against a trader or service provider. Consumer Protection Act provides for penalty for, among others, manufacturing for sale or storing, selling or distributing or importing products containing adulterants and for publishing false or misleading advertisements. The scope of the punitive restraint measures employed by the act include both – monetary penalties for amounts as high as ₹5 million to imprisonment which may extend to life sentences, for distinct offences under the Consumer Protection Act.

3. The Transfer of Property Act, 1882

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 ("**T.P. Act**"). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price, paid or promised to be paid.
- Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.
- Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

4. The Sale of Good Act, 1930

The Sale of Goods Act, 1930 provides for the setting up of contracts where the seller transfers or agrees to transfer the title (ownership) in the goods to the buyer for consideration. It is applicable all over India. Under the act, goods sold from owner to buyer must be sold for a certain price and at a given period of time.

5. The Registration Act, 1908

The Registration Act, 1908 ("**Registration Act**") was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

6. The Indian Contract Act, 1872

The Indian Contract Act, 1872 **("Contract Act")** lays down the essentials of a valid contract, it provides a framework of rules and regulations that govern the validity, execution and performance of a contract and codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

7. The Specific Relief Act, 1963

The Specific Relief Act, 1963 **("Specific Relief Act")** is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

8. Competition Act, 2002

The Competition Act, 2002 **("Competition Act")** aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India **("Competition Commission")** which became operational from May 20, 2009, has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising, or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

9. Legislations pertaining to Stamp Duty

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 ("**Stamp Act**") which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments in the respective schedules of the respective legislations pertaining to stamp duty as applicable in the State. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one State to another. Certain State in India have enacted their own legislation in relation to stamp duty while the other State have adopted and amended the Stamp Act, as per the rates applicable in the State. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from State to State.

F. REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign Exchange Management Act, 1999

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 **("FEMA")**, as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, The Department for Promotion of Industry and Internal Trade **("DPIIT")**, Ministry of Commerce and Industry has issued the Consolidated FDI Policy which consolidates the policy framework on Foreign Direct Investment **("FDI Policy")**, with effect from October 15, 2020. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till October 15, 2020.

In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

Our Company is engaged in the activity of manufacturing of Iron and Steel Products. The FDI Policy issued by the DIPP permits foreign investment up to 100% in the manufacturing sector under the automatic route. No approvals of the Administrative Ministries/Departments or the RBI are required for such allotment of equity Shares under this Issue. Our Company will be required to make certain filings with the RBI after the completion of the Issue.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as "Phil Ispat Private Limited" as a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated June 16, 2004 issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh. Pursuant to special resolution passed by the shareholders of our Company at the extraordinary general meeting held on September 29, 2023, the name of our Company was changed to "Vraj Iron & Steel Private Limited" and a fresh certificate of incorporation pursuant to change of name dated October 30, 2023 was issued by Registrar of Companies, Chhattisgarh. Thereafter, our Company was converted to a public limited company, pursuant to a special resolution passed by the shareholders of our Company at the extraordinary general meeting held on October 31, 2023 and the name of our Company was changed to "Vraj Iron & Steel Limited" and a fresh certificate of incorporation consequent upon conversion to a public limited company dated November 10, 2023 was issued to our Company by the Registrar of Companies, Chhattisgarh. The Corporate Identity Number of the Company is U27101CT2004PLC016701.

Corporate Profile of our Company

For information on our Company's business profile, activities, services, managerial competence, and customers, see *"Our Business"* and *"Our Management"* on page 175 and 208 respectively, of this Draft Red Herring Prospectus.

Changes in Registered Office

The registered office of our Company is situated at First Floor, Plot No 63& 66, Ph No 113, Mother Teresa Ward No. 43, Jalvihar Colony, Raipur, Chhattisgarh, India, 492001.

Except as disclosed below, there has been no change in the registered office of our Company since the date of our incorporation:

Date of change of registered office	Details of Registered Office	Reason for change
At Incorporation	11-B, Sai Plaza, Link Road, Bilaspur, Chhattisgarh - 495001	N.A.
February 20, 2007	Kalindi Kunj, Ring Road No. 2, Near Dr. Gatlib House, Bilaspur, Chhattisgarh – 495001	For Business Convenience
April 01, 2011	Jalaram Kripa, Kranti Nagar, near Saraswati Park, Bilaspur, Chhattisgarh - 495001	For Business Convenience
April 07, 2012	Village – Dighora, Near Bilha Mode, Raipur Road, Bilaspur, Chhattisgarh - 495001	For Business Convenience
June 25, 2015	Shiv Mohan Bhawan, Jeewan Bima Marg, Pandri, Raipur, Chhattisgarh, 492001	For Business Convenience
June 07, 2018	First Floor, Plot No. 63 & 66, Ph No. 113, Mother Teresa Ward No. 43, Jalvihar Colony, Raipur, Chhattisgarh – 492001.	For Business Convenience

Major events and milestones in the History of our Company

Year	Major events and milestones
2004	• The Company was incorporated as a Private Limited Company under the name of Phil Ispat Private Limited. • Installation of factory and commencement of production of Sponge Iron at Bilaspur Plant.
2012	Change in management of the Company due to acquisition of Equity Shares by our Promoters viz. Gopal Sponge & Power Private. Ltd. and Ram Gopal Jhanwar from erstwhile promoters of the Company.
2018	The Company achieved a revenue of ₹1,000 million.
2020	The Company acquired a plant for manufacturing of Sponge Iron, MS Billets and TMT Bars at Raipur, as a going concern on slump sale basis.
2022	The Company achieved a revenue of ₹4,000 million.
2023	• Change in name of the Company from Phil Ispat Private Limited to Vraj Iron and Steel Private Limited. • Conversion of the Company from Private Limited Company i.e. Phil Ispat Private Limited to a Public Limited Company i.e. Vraj Iron and Steel Limited. • The Company achieved a revenue of ₹5,000 million.

Awards and accreditations received by our Company

As of the date of this Draft Red Herring Prospectus, our Company has not received any material awards or accreditations.

Objects of our Company

1. To carry out on the business as manufacturers, producers, processors, milters, refiners, traders, dealers, stockiest, distributor, agent, importer and exporter, acquire, take on lease, etc. of ferrous and non – ferrous metals/alloys/products including iron and steel, aluminium, brass, tin, nickel, raw steel, mild steel, special steel and stainless steel, Ferro alloy, Nobel alloy, silicon alloy, Sponge Iron, Pig Iron, Pellets (Beneficiation & Pelletization of Iron Ore, Ferro Alloys (of all grades and forms), Alloys Steel, Ingot, Slabs, Blooms, Billets, TMT, Steel Tubes, pipes, shutters, profiles, flats, rails, joists, angle, channels, rounds, squares, hexagons, octagons, strips, sheets, plates, bars, galvanized/black pipes, Hot & cold Rolled Steel Products, Re – Rolled Steel Products, Cast & Ductile Iron Products etc and all related forward and backward integration, etc and to carry on, work, operate, maintain, manage, acquire, deal, supervise, take on lease such businesses.

2. To acquire whether on lease or otherwise and possess mines of iron ore and coal and to undertake mining of iron ore, coal and all types of mining related work.

3. To carry on, manage, supervise and control the business of transmitting, manufacturing, supplying, generating, distributing and dealing in electricity and all forms of energy and power generated by any source whether nuclear, Waste Heat Recovery Boiler (WHRB), Fluidized bed combustion (FBC), Coal Based, Solar Based, Bio-mass Based, Steam Based, Hydro or Tidal Based, Water Based, Wind Based, Hydrocarbon Fuel Based or any other form of Power Plant, kind or description.

4. To carry on the business of sellers, manufactures, processors, rollers, re-rollers, importers, exporters of and dealers in all kinds of ferrous or non-ferrous metals and its materials, articles or things meant for any industrial or non-industrial use and to carry on the business in cold or hot rolling, re-rolling, sitting, edge milling, sheeting, stamping, anodizing, forging, extruding, drawing, flattening, pressing, straightening and heat treatment of all kinds of aluminium, steel and other such metals of all kinds or any other kind of strips, sheets, foils, tapes, wire rods, plates and in any other sections, shapes or forms.

5. To carry on the business of construction as contractors, Builder, Town planner Infrastructure developers Estate developer and Estate agent, and to acquire, buy, sell, lease, grant licenses, easement and other right of residential buildings, multi- family homes, apartments, and condominiums, commercial properties or

other similar arrangements of immovable and moveable properties and to undertake contracts and subcontracts relating to construction, modification, renovation, repairing, alteration, construction, removal, redecoration, redesigning, enlarging, improving and designing of civil work, for whatever use, roads, approach roads, streets, circles, squares, parks, gardens, statues, parking places and to erect, construct, build, water proofing, sewage, demolish, fabricate, execute, carry out, improve, work, develop and enlarge, rebuild, repair, maintenance, administer, manage or control in India or abroad- on any land or immovable property of the Company or upon any other land or immovable property in any capacity and conveniences of all kinds.

To carry on in India or elsewhere the business of generation, storage, accumulation, transmission, distribution, supply, purchase, sale, exchange, export, import, trading and otherwise dealing of power, electricity and other sources of energy whether conventional or non-conventional, renewable or non-renewable and to construct, laydown establish, fix and carry-out all necessary infrastructures including power stations, cables, wires, transmission lines, accumulators, lamps and works and other equipment relating to power, electricity, and other sources of energy.

Amendments to our Memorandum of Association

Following changes have been incorporated in the Memorandum of Association of our Company, after approval of our shareholders, since the date of incorporation of the Company until the date of this Draft Red Herring Prospectus:

Sr. No.	Date of Shareholders' Approval	AGM/EGM	Particulars of amendment
1.	September 27, 2004	EGM	Clause [V] of the Memorandum of Association of our Company was amended to reflect increase in the Authorized Share Capital from Rs. 1 million to Rs. 2.5 million divided into 250,000 equity shares of Rs. 10/- each.
2.	January 6, 2005	EGM	Clause [V] of the Memorandum of Association of our Company was amended to reflect increase in the Authorized Share Capital from Rs. 2.5 million to Rs. 7.5 million divided into 750,000 equity shares of Rs. 10 each.
3.	March 28, 2008	EGM	Clause [V] of the Memorandum of Association of our Company was amended to reflect increase in the Authorized Share Capital from Rs. 7.5 million to Rs. 2 million divided into 2,000,000 equity shares of Rs. 10/- each.
4.	January 4, 2010	EGM	Clause [V] of the Memorandum of Association of our Company was amended to reflect increase in the Authorized Share Capital from Rs. 2 million to Rs. 5 million divided into 5,000,000 equity shares of Rs. 10/- each.
5.	December 31, 2020	AGM	The Company altered its Memorandum of Association, in order to comply with the applicable provisions of the Companies Act, 2013 Clause III(A) being main objects to be pursued on incorporation of the Company was amended by substituting the contents of the existing Clause III(A) with the following clauses: "1. To carry on the business as manufacturers, producers, processors, melters, refiners, traders, dealers, stockiest, distributor, agent, importer and exporter, acquire, take on lease, etc. of ferrous and non-ferrous metals/ alloys/products including iron and steel, aluminium, brass, tin, nickel, raw steel, mild steel, special steel and stainless steel, Ferro alloy, Nobel alloy, silicon alloy, Sponge Oron, Pig Iron, Pellets (Beneficiation & Pelletization of Iron Ore), Ferro Alloys (of all grades and forms), Alloys Steel, Ingot, Slabs, Blooms, Billets, TMT, Steel Tubes, pipes, shutters, profiles, flats, rails, joists, angle, channels, rounds,

Sr. No.	Date of Shareholders' Approval	AGM/EGM	Particulars of amendment
			squares, hexagons, octagons, strips, sheets, plates, bars, galvanized black pipes, Hot & cold Rolled Steel Products, Re-Rolled Steel Products, Cast & Ductile Iron products, etc. and all related forward and backward integration, etc. and to carry on, work to operate, maintain, manage, acquire, deal, supervise, take on lease such businesses. 2. To acquire whether on lease or otherwise and possess mines of iron ore and coal and to undertake mining of iron ore, coal and all types of mining related work. 3. To carry on, manage, supervise and control the business of transmitting, manufacturing, supplying, generating, distributing and dealing in electricity and all forms of energy and power generated by any source whether nuclear, Waste Heat Recovery Boiler (WHRB), Fluidized bed combustion (FBC), Coal Based, Solar Based, Bio-mass Based, Steam Based, Hydro or Tidal Based, Water Based, Wind Based, Hydrocarbon Fuel Based or any other form of Power Plant, kind or description. 4. To carry on the business of sellers, manufactures, processors, rollers, re-rollers, importers, exporters of and dealers in all kinds of ferrous or non-ferrous metals and its materials, articles or things meant for any industrial or non-industrial use and to carry on the business in cold or hot rolling, re-rolling, sitting, edgemilling, sheeting, stamping, anodizing, forging, extruding, drawing, flattening, pressing, straightening and heat treatment of all kinds of aluminum, steel and other such metals of all kinds or any other kind of strips, sheets, foils, tapes, wire rods, plates and in any other sections, shapes or forms."
6.	November 1, 2022	EGM	The Company altered its Memorandum of Association, in order to comply with the applicable provisions of the Companies Act, 2013 Clause III(A) being main objects to be pursued on incorporation of the Company was amended by adding the following clause as Clause no. 5: "5. To carry on the business of construction as contractors, Builder, Town planner Infrastructure developers Estate developer and Estate agent, and to acquire, buy, sell, lease, grant licenses, easement and other right of residential buildings, multi-family homes, apartments, and condominiums, commercial properties or other similar arrangements of immovable and moveable properties and to undertake contracts and subcontracts relating to construction, modification, renovation, repairing, alteration, construction, removal, redecoration, redesigning, enlarging, improving and designing of civil work, for whatever use, roads, approach roads, streets, circles, squares, parks, gardens, statues, parking places and to erect, construct, build, water proofing, sewage, demolish, fabricate, execute, carry out, improve, work, develop and enlarge, rebuild, repair, maintenance, administer, manage or control in India or abroad- on any land or immovable property of the Company or upon any other land or immovable property in any capacity and conveniences of all, kinds."

Sr. No.	Date of Shareholders' Approval	AGM/EGM	Particulars of amendment
7.	September 29, 2023	EGM	Clause [V] of the Memorandum of Association of our Company was amended to reflect increase in the Authorized Share Capital from Rs. 5 million to Rs. 40 million divided into 40,000,000 Equity Shares of Rs. 10/- each. Clause I of the Memorandum of Association of our Company was amended to reflect the change in the name of our Company from "Phil Ispat Private Limited" to "Vraj Iron and Steel Private Limited". Clause III(A) being main objects to be pursued on incorporation of the Company was amended by adding the following clause as Clause no. 6: "6. To carry on in India or elsewhere the business of generation, storage, accumulation, transmission, distribution, supply, purchase, sale, exchange, export, import, trading and otherwise dealing of power, electricity and other sources of energy whether conventional or non-conventional, renewable or non-renewable and to construct, laydown establish, fix and carry-out all necessary infrastructures including power stations, cables, wires, transmission lines, accumulators, lamps and works and other equipment leading to power, electricity, and other sources of energy." The relevant and appropriate objects mentioned under Clause III(C) – "Other Objects" were merged with Clause III(B) – "Objects Incidental or Ancillary to the attainment of Main Objects" and consequently the object numbering was appropriately changed.
8.	October 31, 2023	EGM	Clause I of the Memorandum of Association of our Company was amended to reflect the change in our name from "Vraj Iron and Steel Private Limited" to "Vraj Iron and Steel Limited" pursuant to conversion from a private to a public company.

Time and cost over – runs in setting up projects and certain other adverse remarks

As on the date of this Draft Red Herring Prospectus, our Company has not experienced any material time/cost overrun in setting up any project or business operations.

Material acquisition or disinvestment of Business / Undertakings

Except the acquisition of a plant for manufacturing of Sponge Iron, MS Billets and TMT Bars at Raipur, as a going concern on slump sale basis, in the year 2020 viz. the Raipur Plant, our Company has not made any material acquisition or divestments of business / undertakings in the last 10 (ten) years.

Details of Merger/Amalgamation

There has been no merger/amalgamation pertaining to our Company in the last 10 (ten) years.

Revaluation of assets

Our Company has not revalued its assets in the last 10 (ten) years.

Defaults or Rescheduling of Borrowings with Financial Institutions/Banks

There have been no defaults or rescheduling/restructuring by any financial institution or bank, in relation to borrowings availed by our Company in the last 10 (ten) years. For details of borrowings availed by our Company, please see "*Financial Indebtedness*" on page 288.

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 in the History of our Company*" on pages 175 and 202 respectively of this Draft Red Herring Prospectus.

Significant financial or strategic partnerships

The Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Capacity/facility creation, location of plants

For details with respect to our capacity/facility creation, location of plants, see "*Our Business*" on page 175 of this Draft Red Herring Prospectus.

Shareholders Agreement and Other Agreements

Our Company, our Directors, our Promoters, the members of the Promoter Group and / or, the Shareholders are not party to any agreements, including any deed of assignment, acquisition agreement, shareholders agreement, inter-se agreement/arrangement or agreements of like nature, with respect to securities of our Company and which provide any special rights to any Shareholders / Stakeholders. We confirm there are no other clauses or covenants which our Company, our Directors, our Promoters, the members of the Promoter Group or the Shareholder are a party to, in relation to securities of our Company, which are material and adverse or pre-judicial to the interest of the minority / public shareholders. Further as on the date of this Draft Red Herring Prospectus, there are no subsisting shareholders agreement among our shareholders vis-à-vis our Company. Further any special rights to any shareholders / stakeholders; post listing shall be subject to approval of the Shareholders by way of a special resolution, in a general meeting of the Company held post listing of the Equity Shares.

Key terms of other subsisting material agreements

The Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of the Company.

Agreements with Key Managerial Personnel or Senior Managerial Personnel or Directors or Promoters or any other employee of the Company

There are no agreements entered into by the Key Managerial Personnel or Senior Managerial Personnel or Directors or Promoters or any other employee of the Company, either by themselves or on behalf of any person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

Our Holding Company

As on date of this Draft Red Herring Prospectus, Gopal Sponge and Power Private Limited is the holding company of our Company. For details, see "*Our Promoters and Promoter Group*" on page 219 of this Draft Red Herring Prospectus.

Subsidiary

The Company does not have any subsidiary as on the date of the DRHP.

Joint Venture and Associates of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any Joint Ventures.

As on the date of this Draft Red Herring Prospectus, our Company has 1 (one) Associate.

The Associate of our Company is set out as below:

1. Vraj Metaliks Private Limited

Corporate Information

Vraj Metaliks Private Limited was originally incorporated as Vraj Colliery Private Limited on January 30, 2015 under the Companies Act, 2013. The name was changed to Vraj Metaliks Private Limited and fresh certificate of incorporation was issued on December 8, 2016 by the Registrar of Companies, Chhattisgarh. The registered office is located at Shiv Mohan Bhawan, Jeevan Bima Marg Pandri, Raipur, Chhattisgarh, India, 492001. The Corporate Identification Number of Vraj Metaliks Private Limited is U27100CT2015PTC001642.

Nature of Business

Vraj Metaliks Private Limited is engaged in the business of manufacturing Sponge Iron.

Capital Structure

The authorised share capital of Vraj Metaliks Private Limited is Rs. 550,000,000/- divided into 55,000,000 shares of face value of Rs. 10/- each and the issued subscribed and paid – up share capital of Vraj Metaliks Private Limited is Rs. 292,500,000/- divided into 29,250,000 shares of face value of Rs. 10/- each.

As on date of the Draft Red Herring Prospectus, our Company holds 35.56% shareholding of Vraj Metaliks Private Limited.

Accumulated profits or losses not accounted for by our Company.

As on this date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Vraj Metaliks Private Limited not accounted for by our Company.

OUR MANAGEMENT

The Companies Act, 2013 requires our Board to have at least 3 (three) Directors and not more than 15 (fifteen) Directors. As on the date of this DRHP, our Board comprises of 6 (six) Directors, including 3 (three) Independent Directors of which 1 (one) is a Woman Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors as on the date of filing of this DRHP with SEBI:

Board of Directors

Sr. No.	Name, DIN, Designation, Period of Directorship, Term, Date of Birth, Age, Nationality, Address, Occupation	Other Directorships
1.	**Vijay Anand Jhanwar** **DIN:** 00826103 **Designation:** Chairman and Managing Director **Term:** 5 years with effect from November 10, 2023 to November 9, 2028 **Period of Directorship:** Since April 7, 2012 **Address:** Bungalow No. 4, Las Vista Colony, VIP Road, Amlidih, Raipur, Chhattisgarh - 492001 **Occupation:** Business **Date of Birth:** July 9, 1980 **Nationality:** Indian **Age:** 43	**Indian Companies** 1. Vraj Metaliks Private Limited 2. Utkal Ispat Private Limited 3. Gopal Sponge and Power Private Limited 4. Kirti Ispat Private Limited 5. V A Transport Private Limited 6. Bhinaswar Commercial Private Limited 7. Vraj Commercial Private Limited **Foreign Companies** Nil
2.	**Prasant Kumar Mohta** **DIN:** 06668452 **Designation:** Whole-Time Director **Term:** 5 years with effect from June 17, 2019 to June 17, 2024 **Period of Directorship:** Since August 26, 2013 **Address:** D 1 Devendra Nagar, Section 1, Raipur, Chhattisgarh - 492001 **Occupation:** Service **Date of Birth:** March 24, 1978 **Nationality:** Indian **Age:** 45	**Indian Companies** 1. Vraj Commercial Private Limited **Foreign Companies** Nil
3.	**Praveen Somani** **DIN:** 09297084 **Designation:** Whole-Time Director **Term:** 5 years with effect from September 7, 2021 to September 7, 2026 **Period of Directorship:** Since September 7, 2021 **Address:** Duplex 2, Babji Park Colony, Ring Road no. 2	**Indian Companies** Nil **Foreign Companies** Nil

Sr. No.	Name, DIN, Designation, Period of Directorship, Term, Date of Birth, Age, Nationality, Address, Occupation	Other Directorships
	Bilaspur, Civil Line, Rajendra Nagar, Bilaspur, Chhattisgarh - 495001 **Occupation:** Service **Date of Birth:** October 3, 1980 **Nationality:** Indian **Age:** 43	
4.	**Sanjeeta Mohta** **DIN:** 07786544 **Designation:** Non-Executive Independent Director **Term:** 5 years with effect from November 10, 2023 to November 9, 2028 **Period of Directorship:** Since November 10, 2023 to November 9, 2028 **Address**: Mohta House, E 1, Anupam Nagar, Behind TV Tower, Raipur, Chhattisgarh, 492007 **Occupation:** Service **Date of Birth:** January 16, 1979 **Nationality:** Indian **Age:** 44	**Indian Companies** 1. Truvalue Developers Private Limited 2. Plakstech Private Limited **Foreign Companies** Nil
5.	**Sumit Deb** **DIN:** 08457819 **Designation:** Non-Executive Independent Director **Term:** 5 years with effect from December 19, 2023 to December 18, 2028 **Period of Directorship:** Since December 19, 2023 **Address:** D-3/4 Animikha Housing Complex, 10, MA Road, Rajarhat, New Town, North 24 Parganas, West Bengal, 700156 **Occupation:** Retired **Date of Birth:** February 18, 1963 **Nationality:** Indian **Age:** 60	**Indian Companies** 1. Federation of India Mineral Industries **Foreign Companies** Nil
6.	**Pramod Kumar Vaswani** **DIN:** 01627359 **Designation:** Non-Executive Independent Director **Term:** 5 years with effect from December 19, 2023 to December 18 2028 **Period of Directorship:** Since December 19, 2023. **Address:** Vaswani Vatika, Near Gaurav Garden, VIP Road, Amlihdih, Raipur, 492001. **Occupation:** Business	**Indian Companies** 1. Gold Star Steels Private Limited 2. Wellprosper Buildcon Private Limited **Foreign Companies** Nil

Sr. No.	Name, DIN, Designation, Period of Directorship, Term, Date of Birth, Age, Nationality, Address, Occupation	Other Directorships
	Date of Birth: March 01, 1969 **Nationality:** Indian **Age:** 54	

Brief Profile of the Directors:

Vijay Anand Jhanwar aged 43 years, is the Chairman and Managing Director of our Company. He is also the Managing Director of one of our Promoters, Gopal Sponge and Power Private Limited. He has been on the Board of Directors of our Company since April 7, 2012. He holds a Bachelor's degree in Engineering from Nagpur University. He was the General Secretary, President and also the Co-Chairman of Chhattisgarh Sponge Iron Manufacturers Association**.** He was also an expert member of Steel Consumer Council of India under the Ministry of Steel, Government of India, during the period commencing from the year 2016 to 2019. He was also an apex committee member of Joint Plant Committee of the Ministry of Steel, Government of India**.** Further, he has also been appointed as an Industry Member in Chhattisgarh State Council for Science and Technology. He is currently holding directorships in Utkal Ispat Private Limited, Gopal Sponge and Power Private Limited, Vraj Commercial Private Limited, Kirti Ispat Private Limited, V.A. Transport Private Limited, Bhinaswar Commercial Private Limited and Vraj Metaliks Private Limited. He has approximately 22 years of experience.

Prasant Kumar Mohta is a Whole-Time Director of our Company. He has been on the Board of Directors of our Company since August 26, 2013. He holds a Bachelor's degree in Commerce from Utkal University. He has worked as a Senior Accountant in Utkal Ispat Private Limited. Further, he looks after the accounts and finance of the Company and other statutory compliances. He has approximately 20 years of experience.

Praveen Somani is a Whole-Time Director of our Company. He has been associated with our Company as a Director since September 7, 2021. He does not have any specific qualification and does not hold any Bachelor/Masters or any professional degree. He joined the Company in 2012 as General Manager of the Bilaspur Plant. He is responsible for all the day to day work of the Bilaspur Plant. He has approximately 11 years of experience.

Sumit Deb is a Non-Executive Independent Director of our Company. He has been associated with our Company since December 19, 2023. He holds a degree in Bachelor of Science in Mechanical Engineering from Orissa University of Agriculture and Science, Bhuvneshwar. He has worked as a Chairman and Managing Director at NMDC Limited, as a Managing Director at NMDC Steel Limited, as a Director at Federation of India Mineral Limited, Indian Iron and Steel Sector Skill Council, NMDC CSR Foundation, and as a Nominee Director at Krishnapatnam Railway Company Limited. He has over 3 (three) decades of experience.

Sanjeeta Mohta is a Non-Executive Independent Director of our Company. She has been associated with our Company since November 10, 2023. She holds a Post Graduate Diploma in Family Business Management from Symbiosis Centre for Management and Human Resource Development, Pune. She has worked at various organizations at various posts like General Manager – Talent and Financial at Learning Spiral Private Limited, State Finance Officer at Poorest Areas Civil Society Programme (PACS), Raipur etc. She has approximately 20 years of work experience.

Pramod Kumar Vaswani is a Non-Executive Independent Director of our Company. He has been associated with our Company since December 19, 2023. He holds a degree in Master of Commerce in Finance and Financial Management Services from Ravi Shankar University, Raipur. He is a Director at Gold Star Steels Private Limited, Wellprosper Buildcon Private Limited. He was also a Director at Vaswani Industries Limited, C.G.Ispat Private Limited, Cosmos Sponge and Power Limited, Kwality Iron Foundry India Limited, Vaswani Energy Limited, Vaswani Cement Limited, Vaswani Ispat Limited and Shubh Infrastructures Private Limited. He has experience in trading of iron and steel for approximately 20 years.

Confirmations

i. None of the Directors of our Company are Wilful Defaulters or Fraudulent Borrowers as on the date of this DRHP. None of the Directors of our Company are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018. Further, our Directors are not debarred from accessing the capital markets by SEBI.

ii. None of our directors are or have been directors in any of the listed companies, which have been/ were delisted from the stock exchange(s). None of our directors are or have been directors in any of the listed companies whose shares have been/were suspended from being traded on the BSE Limited / National Stock Exchange of India Limited.

iii. None of our directors are or have been directors in any of the listed companies in the 5 (five) years preceding the date of this DRHP, whose shares have been/were suspended from being traded on any of the stock exchange(s) during his / her tenure in that Company(ies).

iv. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the abovementioned Directors was selected as director or member of senior management.

v. The Company has not entered into any service contracts with its Directors providing for benefits upon termination of employment.

Relationship between our Directors and any of our Directors and our Key Managerial Personnel and Senior Management Personnel

Except as stated below, none of the Directors and Key Managerial Personnel and Senior Management Personnel are related to each other:

Sr. No.	Name of Director/Key Managerial Personnel/Senior Management Personnel	Related to	Relationship
1.	Divya Jhanwar	Vijay Anand Jhanwar	Wife

Borrowing Powers

Pursuant to a special resolution passed at an Extra-Ordinary General Meeting of our Company held on November 10, 2023 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), the Members of the Company, authorized the Board of Directors of the Company, to borrow money together with the money already borrowed by the Company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, up to a sum not exceeding Rs. 10,000 million (Rupees Ten Thousand Million only) at any point in time, in its absolute discretion deem beneficial and in the best interest of the Company.

Remuneration/Compensation/Commission paid to Directors

The details of remuneration of the Managing Director:

Vijay Anand Jhanwar, Chairman and Managing Director

Particulars	Remuneration
Basic Salary	₹18 million per annum
Perquisites	He shall be entitled to the benefits under the schemes, privileges and amenities as are granted to the most senior executives of the Company in accordance with the Company’s practice, rules and regulation in force from time to time as decided by Board of Directors.

In Fiscal 2023, he received an aggregate compensation of ₹ 1.2 million.

The details of remuneration of the Directors:

Prasant Kumar Mohta, Whole-Time Director

Particulars	Remuneration
Basic Salary	₹ 0.70 million per annum
Perquisites	He shall be entitled to gratuity, as per rules of the Company, subject to a maximum ceiling as may be prescribed in the Payment of Gratuity Act, 1972 from time to time.

In Fiscal 2023, he received an aggregate compensation of ₹ 0.54 million

Praveen Somani, Whole-Time Director

Particulars	Remuneration
Basic Salary	₹0.60 million per annum
Perquisites	He shall be entitled to gratuity, as per rules of the Company, subject to a maximum ceiling as may be prescribed in the Payment of Gratuity Act, 1972 from time to time.

In Fiscal 2023, he received an aggregate compensation of ₹ 0.48 million

Payment of sitting fees to Non-executive Independent Directors of our Company

As on the date of this Draft Red Herring Prospectus, pursuant to a resolution passed by our Board on December 23, 2023, our Non-Executive Independent Directors are each entitled to receive a sitting fee of up to ₹ 0.01 million each for attending meeting of our Board and ₹ 0.01 million for every meeting of the various committees of our Board.

The abovementioned remuneration and perquisites are subject to the ceiling laid down in Section 197 and Schedule V of the Companies Act and all other applicable provisions of the Companies Act as may be amended from time to time. In case of payment of remuneration in excess of the prescribed limits, recovery of the excess amount may be waived by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee and with the approval of the Central Government as per the proviso to Section 197(1) of Companies Act, 2013.

Except as stated in this DRHP, no amount or benefit has been paid by our Company within the 2 (two) preceding years or is intended to be paid or given by our Company to any of our Company's officers including our Directors and key managerial personnel

Our Company does not have any bonus or profit-sharing plan for its Directors.

There is no contingent or deferred compensation payable to our Directors.

Shareholding of the Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. Except as disclosed below, none of our Directors hold any Equity Shares in our Company as on date of this Draft Red Herring Prospectus:

S. No.	Name of Director	No. of Equity Shares held	% of Pre-Issue Equity Shares Capital	% of Post-Issue Equity Shares
1.	Vijay Anand Jhanwar	991,645	4.01%	[●]
2.	Praveen Somani	10	Negligible	[●]
3.	Prasant Kumar Mohta	10	Negligible	[●]

Interest of Directors

Our Directors are interested in our Company in the following manner:

(a) All the Directors may be deemed to be interested to the extent of fees/remuneration, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles of Association. For further details of interest of our Directors in our Company, see "*Our Management - Remuneration/Compensation/Commission paid to Directors*" beginning on page 211 of this DRHP.

(b) All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them to the extent of any dividends payable to them and other distributions in respect of the said Equity Shares;

(c) Except Vijay Anand Jhanwar, our Promoter, none of our Directors have any interest in the promotion of our Company by way of being Promoters of our Company, as on the date of this Draft Red Herring Prospectus.

(d) Certain of our Directors may also be regarded as interested in Equity Shares held by them, if any, or that may be held their relatives, or the entities with which they are associated as promoters or directors, and to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. For details, see "*Capital Structure*" on page 71 of this Draft Red Herring Prospectus.

(e) Except the Rent Agreement dated December 1, 2023 entered into between the Company and our Chairman and Managing Director, Viay Anand Jhanwar for taking the property being land admeasuring 3.77 Acres at Mauja-Muru, P.H.N 35, Block/Tehsil- Takhatpur, District Bilaspur, Chhattisgarh, on leave and license for a period of 11 (eleven) months, from December 1, 2023 to October 31, 2024, our Directors have no interest in any property acquired by our Company or proposed to be acquired by our Company as of date of this DRHP.

(f) No sum has been paid or agreed to be paid to any of our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or qualify him/her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

(g) Except as disclosed in this DRHP, no amount or benefit has been paid or given within the 2 (two) preceding years or is intended to be paid or given to any of our Directors either to induce them to become or to qualify them as Directors except the normal remuneration for services rendered by them as Directors.

(h) Our Promoter, Vijay Anand Jhanwar and our Whole-time Director, Prasant Kumar Mohta are interested to the extent of personal guarantees given by them and the corporate guarantee given by Gopal Sponge and Power Private Limited in favour of our Company against the loans sanctioned to our Company from our lender. For further details please see, "*Restated Consolidated Financial Statements – Note 40 – Related Party Disclosures*" on page 275.

(i) Certain of our Directors may be deemed to be interested in the transactions or arrangements, including for purchase / sale of goods, entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or in which they are a member. For further details, please see "*Summary of the Offer Document – Summary of Related Party Transactions*" on page 25.

Changes in our Board of Directors during the last 3 (three) years

The following changes have taken place in the Board of Directors of our Company during the last 3 (three) years:

Sr. No	Name	Date of Appointment/ change	Reason
1.	Mr. Amal Kumar Choudhary	December 31, 2020	Change in designation to Director
2.	Mr. Praveen Somani	September 7, 2021	Appointment as Whole-Time Director
3.	Mr. Amal Kumar Choudhary	September 19, 2023	Resignation as a Director
4.	Vijay Anand Jhanwar	November 10, 2023	Appointment as Chairman and Change in designation to Managing Director
5.	Sanjeeta Mohta	November 10, 2023	Appointment as Non-Executive Independent Director
6.	Sumit Deb	December 19, 2023	Appointment as Non-Executive Independent Director
7.	Pramod Kumar Vaswani	December 19, 2023	Appointment as Non-Executive Independent Director

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable provisions of the SEBI Listing Regulations, and the Companies Act, 2013, in respect of corporate governance including constitution of our Board of Directors and committees thereof.

Our Board of Directors has been constituted in compliance with the Companies Act, 2013, the SEBI Listing Regulations and in accordance with best practices in corporate governance. Our Board of Directors functions either as a full board, or through various committees constituted to oversee specific functions.

Currently our Board of Directors has 6 (six) Directors of which 3 (three) are Executive Directors, 3 (three) are Independent Directors including 1 (one) woman Director on our Board.

Committees of the Board in accordance with the SEBI Listing Regulations

I. Audit Committee

Audit Committee was constituted vide Board Resolution dated December 20, 2023. The existing Audit Committee of our Company comprises of the following: -

(i) Sanjeeta Mohta – Chairperson;

(ii) Pramod Kumar Vaswani– Member;

(iii) Vijay Anand Jhanwar – Member;

The Audit Committee shall meet at least four times a year with maximum interval of 120 days between two meetings of the Audit Committee.
The role of the Audit Committee shall be in accordance with section 177 of the Companies Act, 2013 and all other applicable provision, if any, of the Companies Act, 2013 and the Companies (Meeting and Its Powers) Rules, 2014, and any other law for the time being enforce. The role of the Audit Committee shall include the following:

(1). oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2). recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of statutory auditors of the Company ;

(3). approval of payments to statutory auditors for any other services rendered by the statutory auditors;

(4). reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a. 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, as amended;

   b. changes, if any, in accounting policies and practices and reasons for the same;

   c. major accounting entries involving estimates based on the exercise of judgment by the management;

   d. significant adjustments made in the financial statements arising out of audit findings;

   e. compliance with all legal requirements relating to financial statements;

   f. disclosure of any related party transactions ; and

   g. qualifications/modified opinion(s) in the draft audit report;

(5). reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;

(6). 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7). reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

(8). approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;

(9). formulating a policy on related party transactions, which shall include materiality of related party transactions;

(10). scrutiny of inter-corporate loans and investments;

(11). valuation of undertakings or assets of the Company, wherever it is necessary;

(12). evaluation of internal financial controls and risk management systems;

(13). establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(14). reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(15). 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;

(16). discussion with internal auditors of any significant findings and follow up there on;

(17). 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;

(18). 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;

(19). to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(20). to review the functioning of the whistleblower mechanism;

(21). 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; and

(22). carrying out any other function as is mentioned in the terms of reference of the audit committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or any other law.

II. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted vide Board Resolution dated December 20, 2023. The members of the Nomination and Remuneration Committee are:

(i) Sumit Deb – Chairperson;

(ii) Sanjeeta Mohta – Member;

(iii) Pramod Kumar Vaswani – Member.

The Nomination and Remuneration Committee shall meet at once a year.

The role of the Nomination and Remuneration Committee shall be in accordance with Section 178 and all other applicable provision, if any, of the Companies Act, 2013 and the Companies (Meeting and Its Powers) Rules, 2014, and any other law for the time being enforce as follows:

(1). formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2). formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3). devising a policy on diversity of board of directors;

(4). 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 of directors their appointment and removal;

(5). 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.

(6). analysing, monitoring and reviewing various human resource and compensation matters;

(7). determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(8). determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), usually consisting of a fixed and variable component;

(9). reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(10). framing suitable policies, procedures and systems to ensure that there is no violation, by any employee of any applicable laws in India or Overseas;

(11). performing such other activities as may be delegated by the Board of Directors and/or specified/provided under the Companies Act, 2013.

III. Stakeholders Relationship Committee

Stakeholders Relationship Committee was constituted vide the Board meeting held on December 20, 2023. The members of the Stakeholders Relationship Committee are:

(i) Pramod Kumar Vaswani – Chairperson;

(ii) Vjay Anand Jhanwar – Member;

(iii) Prasant Kumar Mohta – Member.

The frequency of meetings of Stakeholders Relationship Committee is at least once in a year.

The role of the Stakeholders Relationship Committee shall be in accordance with Section 178 and all other applicable provision, if any, of the Companies Act, 2013 and the Companies (Meeting and Its Powers) Rules, 2014, and any other law for the time being enforce. and is as follows:

(1). efficient transfer of shares including review of cases for refusal of transfer/transmission of shares and debentures;

(2). redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;

(3). monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/transmission of shares and debentures;

(4). allotment and listing of shares in future;

(5). review of cases for refusal of transfer/transmission of shares and debentures;

(6). reference to statutory and regulatory authorities regarding investor grievances;

(7). ensure proper and timely attendance and redressal of investor queries and grievances; and

(8). to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

IV. Corporate Social Responsibility Committee

Corporate Social Responsibility Committee was constituted vide the Board meeting held on December 20, 2023. The members of the Corporate Social Responsibility Committee are:

(i) Vijay Anand Jhanwar – Chairperson;

(ii) Praveen Somani– Member;

(iii) Sanjeeta Mohta – Member.

The role of the Corporate Social Responsibility Committee shall be in accordance with Section 135 and all other applicable provision, if any, of the Companies Act, 2013 along with the rules made thereunder, and any other law for the time being enforce as follows:

(1). formulate and recommend to the Board of Directors, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;

(2). recommend the amount of expenditure to be incurred by the Company for CSR;

(3). monitor the Corporate Social Responsibility Policy of the Company from time to time; and

(4). to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Key Managerial Personnel

For details of the biographies of our Managing Director and Whole-time Directors, see - Brief Profile of Directors on page 210 of this DRHP.

Given below are the details of our Key Managerial Personnel, other than the Company's Executive Directors in terms of the SEBI ICDR Regulations, and Companies Act, 2013 as on the date of this DRHP are set forth below:

1. **Priya Namdeo** is the Company Secretary and Compliance Officer of our Company. She has been appointed as the Company Secretary and Compliance Officer w.e.f December 1, 2023**.** She holds a degree of Masters in Commerce from Pt. Ravi Shankar Shukla University, Raipur, Chhattisgarh. She has also worked as a Company Secretary at Vraj Metaliks Private Limited, Utopia Infrastructure Private Limited, Prime Ispat Limited and Shivalik Engineering Industries Limited. In the Fiscal 2023, she received a gross remuneration of Rs. 0.12 million. She has approximately 6 years of work experience.

2. **Shriram Verma** is the Chief Financial Officer of our Company. He has been appointed as the Chief Financial Officer w.e.f December 1, 2023.He holds a Post Graduate Diploma in Computer Application from Nishita Computer Center, Shailendra Nagar, Raipur. He was also working as a Manager Accounts at the Company from 2015 to 2023 and at Indo Lahari Bio Power Limited from 1999 to 2015. In the Fiscal 2023, he received a gross remuneration of Rs. 0.49 million. He has approximately 24 years of experience.

Senior Management Personnel

1. **Rakesh Kumar Soni** is the Factory Head for the Raipur Plant. He has been appointed as the Plant head w.e.f. July 25, 2022**.** He holds a degree in Bachelor in Commerce from University of Rajasthan. He was Plant Head of S.K. Sarawagi & Co. Pvt. Ltd., Raipur from 2007 to 2019. He was also working as Company Manager at S.K. Sarawagi & Co. Pvt. Ltd., Vishakapatnam A.P. from 1988 to 2007. In Fiscal 2023, he received a gross remuneration of ₹0.51 million. He has approximately 34 years of experience.

2. **Divya Jhanwar** is the Administration Head of the Company. She has been appointed as the Administration Head w.e.f. December 1, 2020**.** She holds a degree in Bachelor of Arts from Maharshi Dayanand Saraswati University. She was holding directorship in our Group Entities viz. Bhinaswar Commercial Private Limited, VA Transport Private Limited and Vraj Commercial Private Limited. In Fiscal 2023, she received a gross remuneration of ₹4.8 million. She has over a decade of experience.

Other Confirmations

i. Further, our Company has not entered into any service contracts, pursuant to which its KMPs are entitled to benefits upon termination of employment. Except statutory benefits upon termination of their employment in our Company or superannuation, no KMPs are entitled to any benefit upon termination of employment or superannuation.

ii. There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the abovementioned KMPs have been recruited as KMPs.

iii. All the key managerial personnel mentioned above are permanent employees of our Company and none of them are related to each other or to any Director of our Company.

iv. As on the date of filing of this DRHP, our Company does not have a performance linked bonus or a profit sharing plan with the KMPs.

v. There is no contingent or deferred compensation payable to our KMPs, which does not form part of their remuneration.

vi. No non-salary-related payments or benefits have been made to our KMPs based on targets achieved and general performance**.**

vii. Attrition of KMPs in the Company is not high as compared to the industry.

Shareholding of Key Management Personnel and Senior Management Personnel

Except as disclosed below, none of our KMPs and SMPs hold any Equity Shares in our Company as on date of the DRHP.

S. No.	Name of Director	No. of Equity Shares held	% of Pre-Issue Equity Shares Capital	% of Post-Issue Equity Shares
1.	Shriram Verma	10	Negligible	[●]

Employees

As of June 30, 2023, we have of 533 comprising of 298 permanent employees including 4 Directors comprising 7 employees at the Registered Office, 200 employees at Raipur Plant and 87 employees at Bilaspur Plant and 235 contract workers

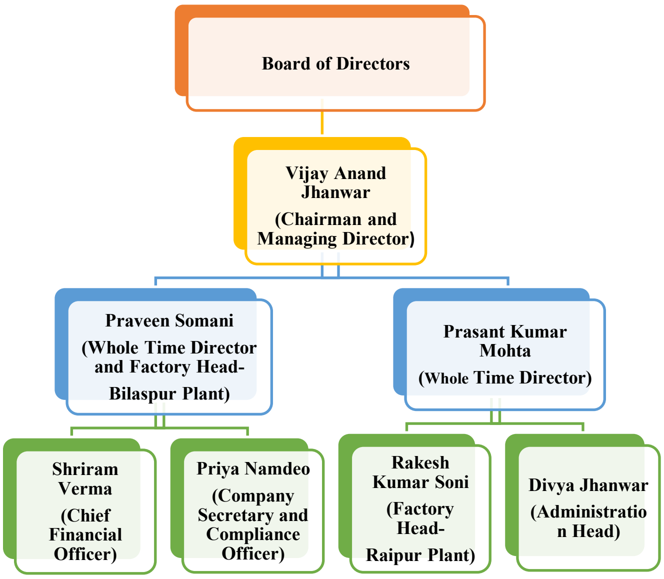
Employee stock option and stock purchase schemes

As on date of this DRHP, our Company does not have any employee stock option and stock purchase schemes.

Payment or Benefit to Key Managerial Personnel of our Company

No amount or benefit has been paid or given to any officer of our Company within the 2 (two) years preceding the date of this DRHP or is intended to be paid or given, other than in the ordinary course of their employment.

Management Organizational Structure



Changes in the Key Managerial Personnel and Senior Managerial Personnel of our Company in the last 3 (three) years preceding the date of this DRHP

Sr. No.	Name	Designation	Reason	Date of Appointment / Change in designation
1.	Shriram Verma	Chief Financial Officer	Appointment as Chief Financial Officer	December 1, 2023
2.	Priya Namdeo	Company Secretary and Compliance Officer	Appointment as Company Secretary and Compliance Officer	December 1, 2023
3.	Rakesh Kumar Soni	Factory Head at Raipur Plant	Appointment as Factory Head at Raipur Plant	July 25, 2022

OUR PROMOTERS AND PROMOTER GROUP

Vijay Anand Jhanwar, Gopal Sponge and Power Private Limited and V.A. Transport Private Limited are the Promoters of our Company. As on date of this Draft Red Herring Prospectus, our Promoters in aggregate, hold 25,430,045 Equity Shares in our Company, representing 99.22% of the issued, subscribed and paid-up Equity Share capital of our Company.

For details of the build-up of the Promoters' Equity shareholding in our Company, see *"Capital Structure – History of the Equity Share capital held by our Promoters*", on page 76 of this Draft Red Herring Prospectus.

Details of the Individual Promoter:

Name and Details	
	**Vijay Anand Jhanwar**, aged 43 years, is the Promoter, Chairman and the Managing Director of our Company. For his complete profile along with the details of his date of birth, address, educational qualification, experience in the business, positions/posts held in past, directorships held, other ventures, special achievements, his business and financial activities, see **"***Our Management - Brief Profile of the Directors*" on page 210 of this Draft Red Herring Prospectus. PAN: AFHPJ5998Q

Our Company confirms that the permanent account number, bank account number(s), driving license and Aadhaar card numbers of Vijay Anand Jhanwar shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Details of the Corporate Promoters

I. Gopal Sponge and Power Private Limited

Corporate Information

Gopal Sponge and Power Private Limited was incorporated as a private company on March 26, 2004 under the Companies Act, 1956. Its Corporate Identification Number is U27109CT2004PTC016504. The registered office of Gopal Sponge and Power Private Limited is situated at First floor, Plot No 63 & 66, Ph No 113 Mother Teresa Ward No. 43, Jalvihar Colony, Raipur, Chhattisgarh, India, 492001.

Nature of Business

Gopal Sponge and Power Private Limited is primarily engaged in the business of manufacturing, buying, selling, importing, exporting or otherwise dealing in sponge iron, pig iron, ferro manganese, silico manganese, ferro chrome, to manufacture, roll, reroll, draw, cast and deal in all varieties or products of iron and steel, carbon steel, alloy steel, mild steel and non-ferrous metals and scrap thereof including ingots, blooms, billets, bars, wires, flats, angles, channels, rounds, joints, rails, sheets, plates and steel structures and to do all kinds of foundry work.

Shareholding Pattern of Gopal Sponge and Power Private Limited

The following table sets forth the details of the shareholding pattern of the Gopal Sponge and Power Private Limited, as on the date of this Draft Red Herring Prospectus:

Sr. No	Name of Shareholder	Number of Equity Shares	Percentage (%) of shareholding
1.	Kirti Ispat Private Limited	2,577,000	66.74
2.	Bhinaswar Commercial Private Limited	971,000	25.15
3.	V. A. Transport Private Limited	290,000	7.51
4.	Vijay Anand Jhanwar	20,000	0.52
5.	Kusum Lata Maheshwari	3,000	0.08
	Total	**3,861,000**	**100.00**

Promoters of Gopal Sponge and Power Private Limited

The promoters of Gopal Sponge and Power Private Limited are Kirti Ispat Private Limited, Vijay Anand Jhanwar, Kusum Lata Maheshwari, Bhinaswar Commercial Private Limited and V. A. Transport Private Limited.

Board of Directors of Gopal Sponge and Power Private Limited

The directors of Gopal Sponge and Power Private Limited are Vijay Anand Jhanwar and Amal Kumar Choudhary

Shareholding Pattern of Kirti Ispat Private Limited

Sr. No	Name of Shareholder	Number of Equity Shares	Percentage (%) of shareholding
1.	Vijay Anand Jhanwar	124,760	12.60
2.	V. A. Transport Private Limited	865,240	87.40

Board of Directors of Kirti Ispat Private Limited

The directors of Kirti Ispat Private Limited are Vijay Anand Jhanwar and Kusum Lata Maheshwari.

Shareholding Pattern of Bhinaswar Commercial Private Limited

Sr. No	Name of Shareholder	Number of Equity Shares	Percentage (%) of shareholding
1.	Utkal Ispat Private Limited	741,000	50.75
2.	Kusum Lata Maheshwari	535,980	36.71
3.	V. A. Transport Private Limited	131,510	9.01
4.	Vijay Anand Jhanwar	51,510	3.53

Board of Directors of Bhinaswar Commercial Private Limited

The directors of Bhinaswar Commercial Private Limited are Vijay Anand Jhanwar and Kusum Lata Maheshwari.

Change in control of Gopal Sponge and Power Private Limited

There has been no change in the control of Gopal Sponge and Power Private Limited during the last 3 (three) years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the permanent accounts number, bank account number(s), as applicable, corporate registration and the address of the Registrar of Companies where Gopal Sponge and Power Private Limited is registered shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

II. V.A. Transport Private Limited

Corporate Information

V.A. Transport Private Limited was incorporated as a private company on October 9, 1996 under the Companies Act, 1956. Its Corporate Identification Number is U45202WB1996PTC081673. The registered office of V A Transport Private Limited is situated at 1/G, Khudiram Bose Sarani, Saltee Plaza, 6th floor, Room no. 607, Kolkata, West Bengal, India, 700080.

Nature of Business

V.A. Transport Private Limited is primarily engaged in the business to take over the running concern of Anand Transport Company with its head office at Calcutta & Branches at Barbut, Orissa and to carry on the business of builders, contractor, developers, carriers, transporters, hirers, freight broker, lease operators, decorators, plumbers and sanitary engineers and for this to construct, execute, carryout, improve, repair, alter, develop, decorate, maintain, furnish, administer, manage or control. Public and Private works and conveyances of all kinds including railways, ropeways, bridges, docks, harbors, mines, reservoirs, irrigations, improvement, savage, drainage, sanitary, water, gas, electric, light, telephone, telegraphic and power supply works and hotels, warehouses, market, bazars, amusement park, garden, shop, offices, crushing works, factories & public buildings & all other works of conveniences or other public or private utility.

Shareholding Pattern of V.A. Transport Private Limited

The following table sets forth the details of the shareholding pattern of the V.A. Transport Private Limited, as on the date of this Draft Red Herring Prospectus:

Sr. No	Name of Shareholder	Number of Equity Shares	Percentage (%) of shareholding
1.	Kusum Lata Maheshwari	20,100	21.11
2.	Vijay Anand Jhanwar	75,100	78.89
	Total	**95,200**	**100.00**

Promoters of V.A. Transport Private Limited

The promoters of V.A. Transport Private Limited are Kusum Lata Maheshwari and VijayAnand Jhanwar.

Board of Directors of V.A. Transport Private Limited

The directors of V.A. Transport Private Limited are Vijay Anand Jhanwar and Kusum Lata Maheshwari.

Change in control of V.A. Transport Private Limited

There has been no change in the control of V.A. Transport Private Limited during the last 3 (three) years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number(s), as applicable, corporate registration and the address of the Registrar of Companies where V.A. Transport Private Limited is registered shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Kirti Ispat Private Limited, Utkal Ispat Private Limited and V.A Transport Private Limited had made a Company Application for submitting a Scheme of Arrangement for amalgamation with Gopal Sponge and Power Private Limited before the Hon'ble National Company Law Tribunal, Cuttack and the Hon'ble National Company Law Tribunal, Kolkata. However, subsequently Kirti Ispat Private Limited, Utkal Ispat Private Limited and V.A Transport Private Limited have made an Application for Withdrawal for the above Scheme of Arrangement before the Hon'ble National Company Law Tribunal, Cuttack and the Hon'ble National Company Law Tribunal, Kolkata.

Other ventures of our Promoters

Except as set out in this chapter under heading "Promoter Group" and in the chapter titled "Our Management-Board of Directors" our Promoters are not involved with any other venture.

Change of control of our Company

Our Promoters are not the original promoters of our Company. However, there has not been any change in the management or control of our Company during the last 5 (five) years preceding the date of this Draft Red Herring Prospectus. For further details, see "*Capital Structure*" beginning on page 71.

Experience in the proposed line of business

Our Promoter, Vijay Anand Jhanwar has adequate experience in the business activities undertaken by our Company.

Interest of Promoters

1. The Promoters are interested in our Company to the extent that (i) that they are the promoters of our Company; (ii) of their shareholding in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by them; and (iii) shareholding of their relatives and entities in which they have interest. For further details, see "*Capital Structure*" and "*Restated Consolidated Financial Statements*" on pages 71 and 229, respectively of this Draft Red Herring Prospectus.
2. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters, or (iii) in which they

hold directorships or any partnership firm in which they are partners. For further details of interest of our Promoters in our Company, see "*Restated Consolidated Financial Statements – Annexure VII- Note 40 – Related Party Disclosure*" on page 275.

3. Our Individual Promoter namely Vijay Anand Jhanwar is also interested in our Company as Managing Director on the Board of our Company and he is a director on the board of directors of our Promoters and therefore maybe deemed to be interested to the extent of remuneration, commission and reimbursement payable to him in the capacity of a director as per the terms of his appointment, the Article of Association of our Company and of the Promoters and the relevant provisions of the Companies Act.

4. Our Company has entered into a leave and license agreement dated September 15, 2023 with our Promoter Gopal Sponge and Power Private Limited under which it has given on rent the property being First Floor, Plot No 63& 66, Ph No 113, Mother Teresa Ward No. 43, Jalvihar Colony, Raipur, Chhattisgarh, India, 492001to our Company for a license fee amounting to Rs. 15,000/- per month for a period of 11 (eleven) months commencing from September 01, 2023 to July 31, 2024.

5. No sums have been paid or agreed to be paid to our Promoters or to firms or companies in cash or shares or otherwise by any person either to induce them to become, or qualify them as a Director or Promoter, or otherwise for services rendered by them or by such firms or companies in connection with the promotion or formation of our Company, in respect of a firms or companies in which our Promoters are interested as members.

6. Our Promoters do not have any interest in any land or property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements:

7. Our Promoters, Vijay Anand Jhanwar and Gopal Sponge and Power Private Limited, are interested to the extent of corporate and personal guarantees given by them in favour of our Company against the loans sanctioned to our Company from our lender. For further details please see, "*Restated Consolidated Financial Statements – Annexure VII - Note 40 – Related Party Disclosure*" on page 275.

8. Our Company and our Promoter namely Gopal Sponge and Power Private Limited both operate in the sponge iron manufacturing. Further, Kirti Ispat Private Limited which is the promoter of Gopal Sponge and Power Private Limited is permitted by its Memorandums of Association to operate in similar line of business as our Company. For further details, please see the section entitled "*Risk Factors*" on page 29.

Payment or benefits to our Promoters in the last two years

Except in the ordinary course of business and as disclosed in the section titled *"Restated Consolidated Financial Statements –Annexure VII - Note 40 –Related Party Disclosure"* on page 275, respectively, no benefits or amount have been given or paid to our Promoters or members of our Promoter Group within the two years immediately preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to our Promoters or members of our Promoter Group.

Material Guarantees

Our Promoters have not given any material guarantees to third parties with respect to the Equity Shares of the Company.

Companies or firms with which our Promoters have disassociated in the last 3 (three) years

Except as disclosed below, our Promoters have not disassociated themselves from any companies, firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Promoter	Name of Entity	Date of disassociation	Reason
1.	Gopal Sponge and Power Private Limited	Chhattisgarh Steel and Power Limited	August 1, 2023	By sale of shares
2.	Gopal Sponge and Power Private Limited	Lenon Agritech Private Limited	May 26, 2022	By sale of shares through buyback

Compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

1. Our Promoters or members of our Promoter Group are not debarred from accessing the capital markets by SEBI.
2. None of the Promoters of our Company is a Promoter of any other company, which is debarred from accessing the capital market by SEBI.
3. None of our Promoters or Promoter Group members have been categorized as a Wilful Defaulter or a Fraudulent Borrower (as defined in the SEBI ICDR Regulations).
4. None of our Promoters or Promoter Group members have been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018 and amendments thereof

Our Promoters and members of Promoter Group confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them, as on the date of this Draft Red Herring Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities forming part of our Promoter Group as defined under Regulations 2(1)(pp) of the SEBI ICDR Regulations are mentioned below:

(i) Individuals forming part of the Promoter Group

The following natural persons form part of the Promoter Group as immediate relatives of our Individual Promoter:

Name of the Promoter	Relationship	Name of Immediate Relative
Vijay Anand Jhanwar	Wife	Divya Jhanwar
	Mother	Kusum Lata Maheshwari
	Sister	Sangita Mohta
	Sister	Sunita Malhotra
	Sister	Seema Jakhotia
	Spouse's father	Jagdish Prasad Lahoti
	Spouse's mother	Raj Kumari Lahoti
	Spouse's brother	Deepak Lahoti
	Son	Khush Jhanwar
		Vraj Jhanwar

(ii) Body Corporates forming part of the Promoter Group:

Following are the Promoter Group entities:

Sl. No.	Name of Entities
1.	Bhinaswar Commercial Private Limited
2.	Kirti Ispat Private Limited
3.	Kolkata Diagnostics Private Limited
4.	Utkal Ispat Private Limited
5.	Vraj Commercial Private Limited
6.	MVK Industries Private Limited.

(iii) Other entities forming a part of the Promoter Group

1. Vijay Anand Jhanwar HUF; and
2. Shiv Shakti Stone Crusher.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "***Group Companies***", includes (i) such companies (other than promoter(s) and subsidiaries) with which there were related party transactions during the period for which financial information is disclosed, in accordance with Ind AS 24, as disclosed in the Restated Consolidated Financial Statements ("**Relevant Period**"), including any additions or deletions in such companies, after the Relevant Period and until the date of the respective offer documents; and (ii) any other companies considered material by the Board of Directors.

Accordingly, all such companies with which the Company had related party transactions, in accordance with Ind AS 24, during the Relevant Period and as disclosed in the Restated Consolidated Financial Statements, which is contained in this Draft Red Herring Prospectus, shall be considered as Group Companies in accordance with the SEBI ICDR Regulations for the purpose of disclosure in this Draft Red Herring Prospectus to be filed in relation to the Issue.

Pursuant to a resolution of the Board dated December 23, 2023, with respect to item (ii) mentioned above, the Board has considered that such companies, which are a part of the Promoter Group (as defined in the SEBI ICDR Regulations) with whom the Company has entered into one or more transactions during Fiscals 2023, 2022 and 2021, the monetary value of which individually or cumulatively exceeds 5% of the total revenue of the Company for the Relevant Period as per the Restated Consolidated Financial Statements shall also be considered as Group Companies of the Company.

Based on the parameters outlined above, the Board has identified the following companies as the Group Companies of the Company:

1. Bhinaswar Commercial Private Limited;
2. Kirti Ispat Private Limited;
3. Utkal Ispat Private Limited;
4. Vraj Metaliks Private Limited;
5. Vraj Commercial Private Limited; and
6. MVK Industries Private Limited.

A. *Details of the Group Companies*

Set out below are details of the top 5 (five) Group Companies based on their respective turnover.

1. Bhinaswar Commercial Private Limited

Corporate Information

Bhinaswar Commercial Private Limited was incorporated on August 13, 1994 under the Companies Act, 1956. The registered office is located at N-01-804, Ujjwala Apartment, Ambuja Realty, New Town, Rajarhat, Kolkata, West Bengal, India, 700156. The Corporate Identification Number of Bhinaswar Commercial Private Limited is U51109WB1994PTC064795.

Financial Information

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Bhinaswar Commercial Private Limited for the last three financial years, extracted from its audited financial statements (as applicable) is available at the website of the Company at www.vrajtmt.in.

It is clarified that such details available in relation Bhinaswar Commercial Private Limited on the website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

2. **Kirti Ispat Private Limited**

Corporate Information

Kirti Ispat Private Limited was incorporated on January 5, 1982 under the Companies Act, 1956. The registered office is located at Shiv Mohan Bhavan, Jeevan Bima Marg, Pandri, Raipur, Chhattisgarh, India, 492004. The Corporate Identification Number of Kirti Ispat Private Limited is U28991CT1982PTC001894.

Financial Information

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Kirti Ispat Private Limited for the last three financial years, extracted from its audited financial statements (as applicable) is available at the website of the Company at www.vrajtmt.in.

It is clarified that such details available in relation to Kirti Ispat Private Limited on the website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

Kirti Ispat Private Limited, Utkal Ispat Private Limited and V.A Transport Private Limited had made a Company Application for submitting a Scheme of Arrangement for amalgamation with Gopal Sponge and Power Private Limited before Hon'ble National Company Law Tribunal, Cuttack and National Company Law Tribunal, Kolkata. Further, Kirti Ispat Private Limited, Utkal Ispat Private Limited and V.A Transport Private Limited have made an Application for Withdrawal for the above Scheme of Arrangement.

3. **Utkal Ispat Private Limited**

Corporate Information

Utkal Ispat Private Limited was incorporated on August 3, 2001 under the Companies Act, 1956. The registered office is located at Main Road Barbil Orissa, District Keonjhar, Orissa, India, 758035. The Corporate Identification Number of Utkal Ispat Private Limited is U27102OR2001PTC006565.

Financial Information

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Utkal Ispat Private Limited for the last three financial years, extracted from its audited financial statements (as applicable) is available at the website of the Company at www.vrajtmt.in

It is clarified that such details available in relation to Utkal Ispat Private Limited on the website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

Kirti Ispat Private Limited, Utkal Ispat Private Limited and V.A Transport Private Limited had made a Company Application for submitting a Scheme of Arrangement for amalgamation with Gopal Sponge and Power Private Limited before the Hon'ble National Company Law Tribunal, Cuttack and the Hon'ble National Company Law Tribunal, Kolkata. Further, Kirti Ispat Private Limited, Utkal Ispat Private Limited and V.A Transport Private Limited have made an Application for Withdrawal for the above Scheme of Arrangement before the Hon'ble National Company Law Tribunal, Cuttack and the Hon'ble National Company Law Tribunal, Kolkata.

4. **Vraj Metaliks Private Limited**

Corporate Information

Vraj Metaliks Private Limited was originally incorporated as Vraj Colliery Private Limited on January 30, 2015 under the Companies Act, 2013. The name was changed to Vraj Metaliks Private Limited and fresh certificate of incorporation was issued on December 8, 2016 by the Registrar of Companies, Chhattisgarh. The registered office is located at Shiv Mohan Bhawan, Jeevan Bima Marg Pandri, Raipur, Chhattisgarh, India, 492001. The Corporate Identification Number of Vraj Metaliks Private Limited is U27100CT2015PTC001642.

Financial Information

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Vraj Metaliks Private Limited for the last three financial years, extracted from its audited financial statements (as applicable) is available at the website of the Company at www.vrajtmt.in

It is clarified that such details available in relation to Vraj Metaliks Private Limited on the website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

5. Vraj Commercial Private Limited

Vraj Commercial Private Limited was originally incorporated as Vraj Bastar Steel Private Limited on November 03, 2020 under the Companies Act, 2013. The name was changed to Vraj Commercial Private Limited and fresh certificate of incorporation was issued on July 16, 2021 by the Registrar of Companies, Chhattisgarh . The registered office is located at PRO/Shri Vijay Anand Jhawar, House No 63 Jalvihar Colony, Raipur, Chhattisgarh, India, 492001. The Corporate Identification Number of Vraj Commercial Private Limited is U15100CT2020PTC010858

Financial Information

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Vraj Commercial Private Limited for the last three financial years, extracted from its audited financial statements (as applicable) is available at the website of the Company at www.vrajtmt.in

It is clarified that such details available in relation to Vraj Commercial Private Limited on the website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

B. Details of the Other Group Companies

1. MVK Industries Private Limited

The registered office of MVK Industries Private Limited is located at Shiv Mohan Bhawan, Jeevan Bima Marg, Pandri, Raipur, Chhattisgarh, India, 492001.

C. Nature and Extent of Interest of the Group Companies

a) In the promotion of the Company

None of the Group Companies of the Company have any interest in the promotion of the Company.

b) In the properties acquired by the Company in the past three years before filing this Draft Red Herring Prospectus with SEBI or proposed to be acquired

None of the Group Companies are interested in the properties acquired by the Company in the 3 (three) years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by the Company.

c) In transactions for acquisition of land, construction of building and supply of machinery

The Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

D. Related Business Transactions within the Group Companies and significance on the financial performance of the Company

Other than the arrangements/ transactions disclosed in *"Our Business" and Restated Consolidated Financial Statements –Annexure VII - Note 40 – Related Party Disclosure"* on pages 175 and 275 of this Draft Red Herring Prospectus, the Group Companies do not have any business interest in our Company.

E. ***Common Pursuits amongst the Group Companies and the Company***

Our Company and Vraj Metaliks Private Limited operate in the sponge iron manufacturing. Further, our Company and Kirti Ispat Private Limited, Utkal Ispat Private Limited and MVK Industries Private Limited are permitted by their respective Memorandums of Association to operate in similar line of business. For further details, please see the section entitled "*Risk Factors*" on page 29.

F. ***Business Interest of the Group Companies***

Except in the ordinary course of business and other than the business arrangements/transactions disclosed in "*Restated Consolidated Financial Statements - Annexure VII – Note 40 - Related party disclosures*" on page 275 of this Draft Red Herring Prospectus, there are no other business arrangements/ transactions between the Company and Group Companies.

G. ***Litigation***

Except as disclosed in the section entitled "*Outstanding Litigation and Other Material Developments*" beginning on page 309 of this DRHP the Group Companies are not party to any pending litigation which has a material impact on the Company.

H. ***Confirmations***

As on the date of this Draft Red Herring Prospectus, none of the Group Companies have any securities listed on any stock exchanges in India or abroad.

None of the Group Companies have debt securities which are listed on any stock exchange in India or abroad.

None of the securities of the Group Companies have been refused listing by any stock exchange in India or abroad during the last ten years, nor have the Group Companies failed to meet the listing requirements of any stock exchange in India or abroad.

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

The declaration of any dividend will depend on a number of factors, including but not limited to our earnings, capital requirements, contractual restrictions, results of operations, financial condition, cash requirements, business prospects and any other financing arrangements, applicable legal restrictions and overall financial position of the Exchange. The Board may also, from time to time, declare interim dividends from the profits of a particular Fiscal in which such interim dividend is sought to be declared.

The past trend in relation to our payment of dividends, if any, is not necessarily indicative of future trends in declaration of dividend by our Company or our Company's dividend policy, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "*Risk Factors – Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.*" on page 48 of this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' EXAMINATION REPORT ON THE RESTATED CONSOLIDATED FINANCIAL INFORMATIONIN CONNECTION WITH THE PROPOSED INITIAL PUBLIC OFFERING OF VRAJ IRON AND STEEL LIMITED

To,
The Board of Directors
Vraj Iron and Steel Limited
(Formerly known as Vraj Iron and Steel Private Limited & Phil Ispat Private Limited)
1st Floor, Plot No 63 & 66,
Ph No 113 Mother Teresa Ward No. 43,
Jalvihar Colony,
Raipur - 492001

Dear Sirs/madam

1) We have examined the attached Restated Consolidated Financial Information of Vraj Iron and Steel Limited (Formerly known as Vraj Iron and Steel Private Limited & Phil Ispat Private Limited) (the "Holding Company") and its associate comprising the Restated Consolidated Statement of Assets and Liabilities as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Cash Flow Statement and the Restated Consolidated Statement of Changes in Equity for the three-month ended on June 30, 2023 and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on December 23, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO") prepared in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations") and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019), issued by the Institute of Chartered Accountants of India (the "ICAI"), as amended from time to time (the "Guidance Note").

2) The Company's Board of Directors is responsible for 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, NSE, and BSE, in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note B to the Restated Consolidated Financial Information. The respective Board of Directors of the Holding companies and its associate responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Holding company and its associate complies with the Act, ICDR Regulations and the Guidance Note.

3) We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 17, 2023 in connection with the proposed IPO of equity shares of the Company;

   b) The ICAI Guidance Note – The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d) 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 ICDR Regulations and the Guidance Note in connection with the IPO.

4) These Restated Consolidated Financial Information have been compiled by the Management from:

a) Audited special purpose Interim Consolidated Ind AS financial statements of the Holding Company and its associate as at and for the three month period ended June 30, 2023 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on December 23, 2023.

b) The Company was exempted from making Consolidated Financial Statements for the Financial Year 2020-21, Financial Year 2021-22 & Financial Year 2022-23 and hence no Consolidated Financial Statements were prepared on any of these periods. Audited special purpose Consolidated Ind AS financial statements of the Holding Company and its associate were prepared (as detailed below) for the limited purpose of complying with the requirement of the SEBI ICDR Regulations.

   i. Audited special purpose Consolidated Ind AS financial statements of the Holding Company & its Associate as at and for the year ended March 31, 2023 prepared in accordance with Indian Accounting Standard (Ind AS), specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors in their meeting held on December 23, 2023. This Special Purpose Consolidated Ind AS Financial Statements has been prepared by the management of the Company, using recognition and measurement principles of Ind AS, by adjusting Audited Standalone financial statements of the Company, which was approved by the Board of Directors in their meeting held on June 30, 2023 and Audited Standalone financial statements of the Associate, which was approved by their Board of Directors in their meeting held on June 30, 2023; both prepared in accordance with the Accounting Standards prescribed under the section 133 of the Act ("Indian GAAP") as at and for the year ended March 31, 2023.

   ii. Audited special purpose Consolidated Ind AS financial statements of the Holding Company & its Associate as at and for the year ended March 31, 2022 prepared in accordance with Indian Accounting Standard (Ind AS), specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors in their meeting held on December 23, 2023. This Special Purpose Consolidated Ind AS Financial Statements has been prepared by the management of the Company, using recognition and measurement principles of Ind AS, by adjusting Audited Standalone financial statements of the Company, which was approved by the Board of Directors in their meeting held on August 26, 2022 and Audited Standalone financial statements of the Associate, which was approved by their Board of Directors in their meeting held on August 31, 2022; both prepared in accordance with the Accounting Standards prescribed under the section 133 of the Act ("Indian GAAP") as at and for the year ended March 31, 2022.

   iii. Audited special purpose Consolidated Ind AS financial statements of the Holding Company & its Associates as at and for the year ended March 31, 2021 prepared in accordance with Indian Accounting Standard (Ind AS), specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors in their meeting held on December 23, 2023. This Special Purpose Consolidated Ind AS Financial Statements has been prepared by the management of the Company, using recognition and measurement principles of Ind AS, by adjusting Audited Standalone financial statements of the Company, which was approved by the Board of Directors in their meeting held on August 4, 2021and Audited Standalone financial statements of the Associate, which was approved by their Board of Directors in their meeting held on August 12, 2021; both prepared in accordance with the Accounting Standards prescribed under the section 133 of the Act ("Indian GAAP") as at and for the year ended March 31, 2021.

5) We have audited the financial statements of the Holding Company for the year ended March 31, 2023 prepared by the Company for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our audit report dated December 23, 2023on these financial statements to the Board of Directors who have approved these in their meeting held on December 23, 2023.

6) We have audited the special purpose Consolidated Ind AS Financial Statement of the Company for the Financial Year 2020-21, 2021-22 & 2022-23 prepared by the Company in accordance with the Indian Accounting Standard (Ind AS) for the limited purpose of consideration in preparation of Restated Financial Information, being prepared under Ind AS in relation to propose IPO, as per the SEBI request to the Association of Investment Bankers of India ("AIBI") in connection with the IPO. We have issued our report dated December 23, 2023 on these special purpose Ind AS financial statement to the Board of Directors who have approved these in their meeting held on December 23, 2023.

7) For the purpose of our examination, we have relied on:

a) Auditor's report issued by us dated December 23, 2023 on the Special Purpose Interim Consolidated Financial Statements of the Holding Company and its associate as at and for the three months period ended June 30, 2023 as referred in Paragraph 4 above;

b) Auditor's report issued by us dated December 23, 2023 on the Special Purpose Consolidated Financial Statements of the Holding Company and its associate as at and for the year ended March 31, 2023 as referred in Paragraph 4 above;

c) Auditor's report issued by us dated December 23, 2023 on the Special Purpose Consolidated Financial Statements of the Holding Company and its associate as at and for the year ended March 31, 2022 as referred in Paragraph 4 above;

d) Auditor's report issued by us dated December 23, 2023 on the Special Purpose Consolidated Financial Statements of the Holding Company and its associate as at and for the year ended March 31, 2021 as referred in Paragraph 4 above;

8) As indicated in our audit reports referred above, we did not audit the financial statements of the associate company, i.e., Vraj Metaliks Private Limited for the three-month ended on June 30, 2023 and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, whose share of profit/loss included in the Restated Consolidated Financial Statements, for the relevant period / years is tabulated below, which have been audited by other auditors, and which has been furnished to us by the Company's management and our opinion on the Restated Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the audited financial information furnished by management:

(Rs. in million)

Particulars	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Share of Net Profit / (loss)	9.38	28.86	13.42	14.45
Share of Other Comprehensive Income	-	(0.08)	0.05	0.05

In our opinion and according to the information and explanations given to us by the Management, this financial information as mentioned above is not material to the Holding company. Our opinion is not modified in respect of this matter.

9) 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 after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2023, 2022 and 2021 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the three months period ended June 30, 2023;

b) There are no qualifications in the auditor's reports on the audited special purpose consolidated financial statements of the Holding Company and its associate for the three month periods ended June 30, 2023, and on the audited financial statements of the Company for the years ended March 31, 2023, March 31, 2022 and March 31, 2021.

c) Do not require any adjustment for modification as there is no modification in the underlying Audit reports; and

d) Have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note, as applicable

10) The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim consolidated Ind AS financial statements and Audited special purpose Consolidated Ind AS financial statements in Paragraph 4 above.

11) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13) Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, NSE and BSE in connection with the proposed IPO. 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, AMITABH AGRAWAL & CO.
CHARTERED ACCOUNTANTS
FRN - 006620C

AMITABH AGRAWAL
(PARTNER)
M. NO. 075315

UDIN: 23075315BGYVGE1195

PLACE : RAIPUR
DATE : DECEMBER 23, 2023

VRAJ IRON AND STEEL LIMITED

Annexure I

Restated Consolidated Assets & Liabilities

` ₹ in Millions

	Particulars	Notes	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	ASSETS					
1	**Non- Current Assets**					
a	Property, Plant & Equipment	2	483.71	496.46	545.42	604.55
b	Right-of-Use assets	3	32.95	33.06	33.47	33.88
c	Capital Work in Progress	4	21.36	1.94	1.94	1.57
d	Investments accounted for using equity method	5	169.29	159.90	136.10	117.86
e	Financial Assets					
i	Investments	6	16.01	16.01	14.48	11.24
ii	Other Financial Assets	7	38.26	38.26	28.16	37.86
f	Other Non Current Assets	8	132.83	71.31	15.14	7.53
			894.42	**816.94**	**774.72**	**814.50**
2	**Current Assets**					
a	Inventories	9	332.43	317.10	319.30	224.91
b	Financial Assets					
i	Trade Receivables	10	61.10	128.96	118.34	69.86
ii	Cash & Cash equivalents	11	3.45	2.64	2.78	1.08
iii	Bank Balances other than (ii) above	12	348.48	86.83	36.91	32.95
iv	Loans	13	134.91	355.91	0.57	0.57
v	Other Financial Assets	14	3.41	1.61	1.23	1.19
c	Other Current Assets	15	164.96	201.34	249.82	114.21
d	Current Tax Assets (Net)	21				
			1,048.74	**1,094.39**	**728.96**	**444.78**
	Total Assets		**1,943.16**	**1,911.32**	**1,503.67**	**1,259.27**
	EQUITY & LIABILITIES					
1	**Equity**					
a	Equity Share Capital	16	49.44	49.44	49.44	49.44
b	Other Equity	17	1,518.98	1,355.64	817.88	524.43
	Total Equity		**1,568.42**	**1,405.08**	**867.32**	**573.88**
	Liabilities					
2	**Non- Current Liabilities**					
a	Financial Liabilities					
i	Borrowings	18	55.93	79.91	170.92	282.40
ii	Lease Liabilities	19	14.14	14.14	14.15	14.15
b	Provisions	20	6.78	6.78	5.32	3.73
c	Deferred Tax Liabilities (Net)	21	25.49	25.45	25.25	20.19
			102.35	**126.28**	**215.63**	**320.46**
3	**Current Liabilities**					
a	Financial Liabilities					
i	Borrowings	22	93.67	149.92	254.22	175.41
ii	Lease Liabilities	23	1.57	1.57	1.57	1.57
iii	Trade Payables	24				
	Total outstanding dues of micro enterprises & small enterprises		0.35	2.38	0.11	0.39
	Total outstanding dues of creditors other than micro enterprises & small enterprises		75.51	132.60	78.88	119.28
iv	Other Financial Liabilities	25	28.86	25.36	23.23	31.86
b	Other Current Liabilities	26	38.14	30.91	27.80	32.23
c	Provisions	27	0.51	0.51	0.47	0.37
d	Current Tax Liabilities (Net)	21	33.77	36.71	34.43	3.83
			272.38	**379.95**	**420.72**	**364.94**
	Total Equity & Liabilities		**1,943.16**	**1,911.32**	**1,503.67**	**1,259.27**

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, statement on adiustments to the restated consolidated financial information appearing in Annexure VI and notes to the restated consolidated financial information appearing in Annexure VII.

As per our report of even date attached

For AMITABH AGRAWAL AND CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 006620C

AMITABH AGRAWAL
PARTNER
MEMBERSHIP NO.: 075315

PLACE : RAIPUR
DATE : 23 December 2023
UDIN : 23075315BGYVGE1195

For and on behalf of the Board of Directors of
VRAJ IRON AND STEEL LIMITED
CIN : U27101CT2004PLC016701

VIJAY ANAND JHANWAR
MANAGING DIRECTOR
DIN : 00826103
PLACE : RAIPUR
DATE : 23 December 2023

PRASANT KUMAR MOHTA
DIRECTOR
DIN : 06668452
PLACE : RAIPUR
DATE : 23 December 2023

PRIYA NAMDEO
COMPANY SECRETARY
MEMBERSHIP NO: A50205
PLACE : RAIPUR
DATE : 23 December 2023

SHRIRAM VERMA
CHIEF FINANCIAL OFFICER
PAN : ADIPV4463B
PLACE : RAIPUR
DATE : 23 December 2023

VRAJ IRON AND STEEL LIMITED
Annexure II
Restated Consolidated Statement of Profit & Loss

` ₹ in Millions

	Particulars	Notes	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
I	Revenue from Operations	28	1,056.78	5,156.71	4,140.43	2,907.06
II	Other Income	29	10.40	17.50	3.40	2.26
III	**Total Income (I+II)**		**1,067.18**	**5,174.21**	**4,143.84**	**2,909.32**
	Expenses					
	Cost of materials consumed	30	692.69	3,754.62	3,143.15	2,132.39
	Purchase of Stock in Trade		1.98	60.40	53.99	18.21
	Changes in inventories of finished goods, Work in Progress and Stock in trade	31	(13.85)	10.60	(12.07)	34.03
	Employee Benefits Expense	32	16.46	72.93	66.34	55.72
	Finance Costs	33	6.03	29.88	39.49	59.83
	Depreciation & Amortisation expenses	34	14.47	64.42	71.82	72.66
	Other Expenses	35	141.81	491.39	409.23	392.41
IV	**Total Expenses**		**859.58**	**4,484.23**	**3,771.95**	**2,765.25**
V	**Share of Profit of associates**	5	**9.38**	**28.86**	**13.42**	**14.45**
VI	**Profit/(loss) before Exceptional Items and Tax (III-IV+V)**		**216.98**	**718.84**	**385.31**	**158.51**
VII	**Exceptional Items**		-	-	-	-
VIII	**Profit/(loss) before Tax (VI-VII)**		**216.98**	**718.84**	**385.31**	**158.51**
IX	**Tax Expense**					
	Current Tax	21	53.60	178.06	95.09	39.30
	Deferred Tax	21	0.04	0.81	3.17	9.36
	Total Tax Expense		**53.64**	**178.87**	**98.26**	**48.66**
X	**Profit/(loss) after Tax (VIII-IX)**		**163.34**	**539.97**	**287.04**	**109.85**
XI	**Other Comprehensive Income/(Loss)**					
	Items that will not be reclassified to profit or Loss					
	Remeasurement of defined benefit obligation		-	0.74	0.23	0.02
	Income Tax credit/(expense) for defined benefit obligation		-	(0.19)	(0.06)	0.00
	Fair Valuation of investment in Equity Shares through OCI		-	1.50	3.24	0.93
	Income Tax credit/(expense) for Revaluation of investments		-	(0.34)	(0.74)	(0.21)
	Fair value adjustments in investment of Vraj Metaliks in Equity Shares of Chattisgarh Steel & Power Ltd through OCI	5	-	(4.98)	4.78	(14.19)
	Income Tax credit/(expense) for Revaluation of investments	5	-	1.14	(1.09)	3.25
	Share of Other Comprehensive Income in associates	5	-	(0.08)	0.05	0.05
	Total Other Comprehensive Income/(loss) net of taxes		**-**	**(2.21)**	**6.40**	**(10.17)**
XII	**Total Comprehensive Income/(loss) for the year (X+XI)**		**163.34**	**537.76**	**293.45**	**99.68**
	Earnings/(loss) per Share					
	Basic	36	33.04	109.21	58.05	22.22
	Diluted	36	33.04	109.21	58.05	22.22

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, statement on adiustments to the restated consolidated financial information appearing in Annexure VI and notes to the restated consolidated financial information appearing in Annexure VII.

As per our report of even date attached

For AMITABH AGRAWAL AND CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 006620C

AMITABH AGRAWAL
PARTNER
MEMBERSHIP NO.: 075315

PLACE : RAIPUR
DATE : 23 December 2023
UDIN : 23075315BGYVGE1195

For and on behalf of the Board of Directors of
VRAJ IRON AND STEEL LIMITED
CIN : U27101CT2004PLC016701

VIJAY ANAND JHANWAR
MANAGING DIRECTOR
DIN : 00826103
PLACE : RAIPUR
DATE : 23 December 2023

PRASANT KUMAR MOHTA
DIRECTOR
DIN : 06668452
PLACE : RAIPUR
DATE : 23 December 2023

PRIYA NAMDEO
COMPANY SECRETARY
MEMBERSHIP NO: A50205
PLACE : RAIPUR
DATE : 23 December 2023

SHRIRAM VERMA
CHIEF FINANCIAL OFFICER
PAN : ADIPV4463B
PLACE : RAIPUR
DATE : 23 December 2023

VRAJ IRON AND STEEL LIMITED
Annexure III
Restated Consolidated Statement of Cash Flow

` ₹ in Millions

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Cash Flow from Operating Activities				
Profit/(Loss) for the Year before share of profit/(loss) from Investments accounted using equity method	207.60	689.98	371.89	144.06
Adjustments for				
Depreciation & Amortisation Expense	14.47	64.42	71.82	72.66
Finance Cost	6.03	29.88	39.49	59.83
Interest Income	(10.35)	(16.90)	(3.26)	(2.09)
Profit/Loss on Sale of Property, Plant & Equipment	-	(0.03)	0.11	(0.09)
Operating Profit Before Working Capital Changes	**217.74**	**767.34**	**480.04**	**274.37**
Decrease/(Increase) in Inventories	(15.34)	2.21	(94.40)	13.84
Decrease/(Increase) inTrade Receivables	67.85	(10.61)	(48.49)	(21.34)
Decrease/(Increase) in Loans and Advances	0.07	(0.23)	(0.01)	(0.07)
Decrease/(Increase) in Other current & Non Current Assets	(25.14)	(7.69)	(143.21)	20.88
Decrease/(Increase) in Other Financial Assets	(1.80)	(10.49)	9.67	(17.47)
Increase/(decrease) in Other Current Liabilities	7.23	3.10	(4.42)	28.89
Increase/(decrease) in Other Financial Liabilities	3.50	2.13	(8.62)	23.82
Increase/(decrease) in Trade Payables	(59.12)	55.99	(40.68)	(68.77)
Increase/(decrease) in Provisions	-	2.25	1.92	1.29
Cash generated from/(used in) operations	**195.00**	**804.00**	**151.80**	**255.44**
Income Taxes Paid	(56.54)	(175.27)	(64.36)	(33.36)
Net Cash from/(used in) Operating Activities	**138.46**	**628.73**	**87.44**	**222.08**
Cash Flow from Investing Activities				
Payments for Property Plant & Equipment	(1.62)	(15.61)	(12.64)	(37.92)
Payment for Projects (Work In Progress)	(19.42)	-	(0.38)	(1.57)
Proceeds from sale of Property Plant & Equipment	-	0.60	0.25	0.11
Investment in other Companies	-	(0.03)	-	(3.93)
Change in Intercorporate Deposits	220.93	(355.11)	-	-
Fixed/restricted deposits with banks (placed)/realised (net)	(261.64)	(49.92)	(3.96)	(18.80)
Interest Received	10.35	16.39	3.13	2.09
Net Cash from/(used in) investing activities	**(51.40)**	**(403.68)**	**(13.59)**	**(60.01)**
Cash Flow from Financing Activities				
Repayment of Long Term Borrowings	(23.98)	(91.01)	(144.98)	(305.91)
Receipt of Long Term Borrowings	-	-	33.50	167.69
Proceeds/(Repayments) of short-term borrowings (net)	(56.25)	(104.31)	78.81	36.56
Repayment of Lease Liability	(0.39)	(1.57)	(1.57)	(1.57)
Interest Paid	(5.63)	(28.31)	(37.92)	(58.25)
Net Cash from/(used in) financing activities	**(86.25)**	**(225.19)**	**(72.15)**	**(161.49)**
Net increase/(decrease in Cash and Cash Equivalents	**0.81**	**(0.14)**	**1.70**	**0.58**
Cash & Cash Equivalents at the beginning of the period/ year	2.64	2.78	1.08	0.50
Cash & Cash Equivalents at the end of the period/ year	3.45	2.64	2.78	1.08

The above Annexure should be read with the basis of preparation and significant accounting policies appearing in Annexure V, statement on adiustments to the restated consolidated financial information appearing in Annexure VI and notes to the restated consolidated financial information appearing in Annexure VII.

As per our report of even date attached
For AMITABH AGRAWAL AND CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 006620C

AMITABH AGRAWAL
PARTNER
MEMBERSHIP NO: 075315

PLACE : RAIPUR
DATE : 23 December 2023
UDIN : 23075315BGYVGE1195

For and on behalf of the Board of Directors of
VRAJ IRON AND STEEL LIMITED
CIN : U27101CT2004PLC016701

VIJAY ANAND JHANWAR
MANAGING DIRECTOR
DIN : 00826103
PLACE : RAIPUR
DATE : 23 December 2023

PRASANT KUMAR MOHTA
DIRECTOR
DIN : 06668452
PLACE : RAIPUR
DATE : 23 December 2023

PRIYA NAMDEO
COMPANY SECRETARY
MEMBERSHIP NO: A50205
PLACE : RAIPUR
DATE : 23 December 2023

SHRIRAM VERMA
CHIEF FINANCIAL OFFICER
PAN : ADIPV4463B
PLACE : RAIPUR
DATE : 23 December 2023

VRAJ IRON AND STEEL LIMITED
Annexure IV
Restated Consolidated Statement of Changes in Equity

A. Equity Share Capital

` ₹ in Millions

Particulars	Amount
Balance as at Mar 31, 2020	**49.44**
Changes in Equity capital due to prior period errors	-
Restated Balance as at Apr 1, 2020	49.44
Issue of Shares during the year	-
Balance as at March 31, 2021	**49.44**
Changes in Equity capital due to prior period errors	
Restated Balance as at March 31, 2021	49.44
Issue of Shares during the year	-
Balance as at March 31, 2022	**49.44**
Changes in Equity capital due to prior period errors	
Restated Balance as at Mar 31, 2022	49.44
Issue of Shares during the year	-
Balance as at March 31, 2023	**49.44**
Changes in Equity capital due to prior period errors	
Restated Balance as at Mar 31, 2023	49.44
Issue of Shares during the quarter	-
Balance as at June 30, 2023	**49.44**
Changes in Equity capital due to prior period errors	
Restated Balance as at June 30, 2023	49.44

B. Other Equity

` ₹ in Millions

Particulars	Reserves & Surplus		Equity Instruments through Other Comprehensive Income	Total Other Equity
	Share premium	Retained Earnings		
Balance as at March 31, 2020	**172.83**	**250.99**	**0.93**	**424.75**
Profit for the year	-	109.85	-	**109.85**
Remeasurement of defined benefit obligation	-	0.01	-	**0.01**
Fair Valuation of Investments through OCI	-	-	(10.18)	**(10.18)**
Balance as at March 31, 2021	**172.83**	**360.85**	**(9.25)**	**524.43**
Profit for the year	-	287.04	-	**287.04**
Remeasurement of defined benefit obligation	-	0.18	-	**0.18**
Fair Valuation of Investments through OCI	-	-	6.23	**6.23**
Balance as at March 31, 2022	**172.83**	**648.07**	**(3.02)**	**817.88**
Profit for the year	-	539.97	-	**539.97**
Remeasurement of defined benefit obligation	-	0.56	-	**0.56**
Fair Valuation of Investments through OCI	-		(2.77)	**(2.77)**
Balance as at March 31, 2023	**172.83**	**1,188.60**	**(5.79)**	**1,355.64**
Profit for the Period	-	163.34	-	**163.34**
Remeasurement of defined benefit obligation	-	-	-	-
Fair Valuation of Investments through OCI	-	-	-	-
Balance as at June 30, 2023	**172.83**	**1,351.94**	**(5.79)**	**1,518.98**

As per our report of even date attached

For AMITABH AGRAWAL AND CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 006620C

AMITABH AGRAWAL
PARTNER
MEMBERSHIP NO.: 075315

PLACE : RAIPUR
DATE : 23 December 2023
UDIN : 23075315BGYVGE1195

For and on behalf of the Board of Directors of
VRAJ IRON AND STEEL LIMITED
CIN : U27101CT2004PLC016701

VIJAY ANAND JHANWAR
MANAGING DIRECTOR
DIN : 00826103
PLACE : RAIPUR
DATE : 23 December 2023

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COMPANY SECRETARY
MEMBERSHIP NO: A50205
PLACE : RAIPUR
DATE : 23 December 2023

SHRIRAM VERMA
CHIEF FINANCIAL OFFICER
PAN : ADIPV4463B
PLACE : RAIPUR
DATE : 23 December 2023

VRAJ IRON AND STEEL LIMITED

Annexure V

Notes 1 : forming part of Restated Consolidated Financial Information

A CORPORATE INFORMATION

Vraj Iron and Steel Limited ("Holding Company") is domiciled and incorporated in India and it is an unlisted Group. The registered office is situated at First Floor, Plot No. 63 & 66, Ph No. 113, Mother Teresa, Ward No. 43, Jalvihar Colony, Raipur, and Chhattisgarh - 492001. The Holding Company and its associate company is into manufacturing of Sponge Iron, M S Billet and TMT Bars. It also has a power plant which generates electricity for captive consumption. The Restated Consolidated Financial information of the Holding Company and its associates for the period ended June 30, 2023 and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 were approved and authorized for issue by board of directors in their meeting held on December 23, 2023.

The functional currency of the Holding Company & its associate is 'Indian National Rupee'. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest million except share data or as otherwise stated.

B SIGNIFICANT ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The Restated Consolidated Statement of Assets and Liabilities of the Holding Company and its associates company as at June 30, 2023, March 31, 2023 , March 31, 2022 and March 31, 2021 and the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the Period ended June 30, 2023, March 31, 2023 , March 31, 2022 and March 31, 2021, the Summary Statement of Significant Accounting Policies and other explanatory information (together referred to as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.These Restated Consolidated Financial Information have been prepared by the Management of the Holding Companyfor the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP')/ Prospectus to be filed by the Holding 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 of the Company comprising of fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the "Offer").

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 Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(“ICDR”) as amended from time to time; and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) as amended (the “Guidance Note”) read with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through Lead Managers (the “SEBI Communication”), as applicable.

The Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III to the Companies Act, 2013, pursuant thereto, the amendments are applicable for the financial period beginning on or after April 1, 2021. Accordingly, and in consideration of the Guidance Note on Division II - Ind AS Schedule III to Companies Act, 2013 issued by the ICAI, management has provided relevant disclosures in these Restated Consolidated Financial Information, to the extent applicable.

These Restated Consolidated Financial Information have been compiled from:

a) Audited special purpose Interim Consolidated Ind AS financial statements of the Holding Company and its associates as at and for the three month period ended June 30, 2023 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on December 23, 2023.

b) The Company was exempted from making Consolidated Financial Statements for the Financial Year 2020-21, Financial Year 2021-22 & Financial Year 2022-23 and hence no Consolidated Financial Statements were prepared on any of these periods. Audited special purpose Consolidated Ind AS financial statements of the Holding Company were prepared for the limited purpose of complying with the requirement of the ICDR as detailed below :

i. Audited special purpose Consolidated Ind AS financial statements of the Holding Company & its Associate as at and for the year ended March 31, 2023 prepared in accordance with Indian Accounting Standard (Ind AS), specified under section 133 of the Act and other accounting principles generally accepted in India (the “Special Purpose Consolidated Ind AS Financial Statements”) which have been approved by the Board of Directors in their meeting held on December 23, 2023. This Special Purpose Consolidated Ind AS Financial Statements has been prepared by the management of the Company, using recognition and measurement principles of Ind AS, by adjusting Audited Standalone financial statements of the Company, which was approved by the Board of Directors in their meeting held on June 30, 2023 and Audited Standalone financial statements of the Associate, which was approved by their Board of Directors in their meeting held on June 30, 2023; both prepared in accordance with the Accounting Standards prescribed under the section 133 of the Act (“Indian GAAP”) as at and for the year ended March 31, 2023.

ii. Audited special purpose Consolidated Ind AS financial statements of the Holding Company & its Associate as at and for the year ended March 31, 2022 prepared in accordance with Indian Accounting Standard (Ind AS), specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors in their meeting held on December 23, 2023. This Special Purpose Consolidated Ind AS Financial Statements has been prepared by the management of the Company, using recognition and measurement principles of Ind AS, by adjusting Audited Standalone financial statements of the Company, which was approved by the Board of Directors in their meeting held on August 26, 2022 and Audited Standalone financial statements of the Associate, which was approved by their Board of Directors in their meeting held on August 31,2022; both prepared in accordance with the Accounting Standards prescribed undhe section 133 of the Act ("Indian GAAP") as at and for the year ended March 31, 2023. ard

iii. Audited special purpose Consolidated Ind AS financial statements of the Holding Company & its Associate as at and for the year ended March 31, 2021 prepared in accordance with Indian Accounting Standard (Ind AS), specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors in their meeting held on December 23, 2023. This Special Purpose Consolidated Ind AS Financial Statements has been prepared by the management of the Company, using recognition and measurement principles of Ind AS, by adjusting Audited Standalone financial statements of the Company, which was approved by the Board of Directors in their meeting held on August 4, 2021 and Audited Standalone financial statements of the Associate, which was approved by their Board of Directors in their meeting held on August 12, 2021; both prepared in accordance with the Accounting Standards prescribed under the section 133 of the Act ("Indian GAAP") as at and for the year ended March 31, 2021.

The Restated Consolidated Financial Information:

(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three months period ended June 30, 2023;

(b) do not require any adjustment for modification as there is no modification in the underlying audit reports.

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the board meetings for adoption of Special Purpose Consolidated Interim Financial Statements, Audited Standalone Financial Sattements of the company preparedin accordance with Ind AS and Audited financial statements prepared in accordance with IGAAP. The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the three months period ended June 30, 2023. There have been no reservations or qualifications or adverse remarks of the Statutory Auditors in the last three fiscal years and for the three-month period ended June 30, 2023. These Restated Consolidated Financial Information have been prepared for the Group as a going concern basis.

B.2 CURRENT AND NON-CURRENT CLASSIFICATION

The Holding Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it :–

* Expects to be realised or intends to sell or consume in normal operating cycle,
* Held primarily for the purpose of trading,
* Expected to be realised within twelve months after the reporting period, or
* Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when: -

* It is expected to settle in normal operating cycle,
* It is held primarily for the purpose of trading,
* It is due to be settled within twelve months after the reporting period, or
* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Holding Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

B.3 **USE OF ESTIMATES**

The preparation of the Restated consolidated financial information is in conformity with Ind AS requiring management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the restated consolidated financial information were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

B.4 **BASIS OF CONSOLIDATION**

The Restated consolidated financial information incorporate the financial statements of the Holding Company and entities controlled by the Holding Company i.e. its associates. It also includes the Associate's share of profits, net assets and retained post acquisition reserves of associates that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Holding Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power to direct the relevant activities of the entity.

The results of associates acquired or disposed off during the year are included in the Restated Consolidated Statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of associates to bring their accounting policies in line with those used by other members of the Group. No adjustment with respect to different depreciation method and useful life applied by Vraj Metaliks Private Limited, the only associate company (as detailed in Note 1- C.1), is made due to the nature of complexity involved.

B.5 INVESTMENT IN ASSOCIATES

Associates are those enterprises over which the Holding Company has significant influence, but does not have control or joint control. Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Holding company's share of net assets of the associate and impairment charges, if any. When the Holding company share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Holding company has incurred obligations in respect of the associate. Unrealised gains on transactions between the Holding company and its associates are eliminated to the extent of the Holding Company interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Holding Company accounting policies.

C SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C.1 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the asset to the location and condition necessary for its intended use.

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 entity and the cost can be measured reliably. Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately. Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Spare parts, procured along with the related Plant & Machinery or subsequently, if capitalized and added in the carrying amount of such item is depreciated over the residual useful life of the related plant and machinery or their useful life whichever is lower. Stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized and others are carried as inventory and recognized in the income statement on consumption.

If significant parts of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Holding Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Restated Statement of Profit & Loss as and when incurred.

Gains and losses on disposal/ derecognition (when no future economic benefits are expected or the same is held for sale) of a Property, Plant and Equipment are determined by comparing net disposal proceeds/ fair value (less estimated cost of sale) with the carrying amount of property, plant and equipment. These are included in profit or loss within other gains/ losses.

Residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Depreciation has been provided on written down method on useful life assigned to each asset in accordance with Schedule II of the Companies Act, 2013, on a pro-rata basis by the Holding Company.

Different Accounting Policy of Vraj Metaliks Private Limited, an associate company

Depreciation has been provided on straight line method on useful life assigned to each asset in accordance with Schedule II of the Companies Act, 2013, on a pro-rata basis. Bought out, used Sponge iron plant and machinery, is considered having useful life of 13 years.

C.2 INVESTMENT PROPERTIES

Property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes are covered herein. Property held for sale or for sublease are not classified as investment Properties. Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable in bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on prorata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Holding company and the cost of expenditure can be measured reliably. Fair Value of investment properties shall be disclosed, otherwise proper explanation shall be provided.

C.3 INTANGIBLE ASSETS

Intangible Assets are recognised, when it is probable that associated future economic benefits would flow to the Holding company, having definite useful lives (subsequent to initial recognition). It is reported at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use, but excludes trade discount, rebate, recoverable taxes.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period and adjusted prospectively, if appropriate. Useful life of Computer Software is estimated to be 6 years.

An Intangible asset is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal/ derecognition is recognized in the statement of Profit & Loss.

C.4 **CAPITAL WORK IN PROGRESS**

Projects under which assets are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses, expenditure in relation to survey and investigation and attributable interest. Such expenditure is either capitalized on completion of the project or the same is expensed in the year in which it is decided to abandon such project.

C.5 **LEASES**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The Holding Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Holding Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

A lease is classified on the inception date as a finance or an operating lease. Leases under which the Holding Company assumes substantially all the risks and rewards of ownership are classified as finance leases.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Holding Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Holding company uses incremental borrowing rate. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases under which substantially all the risks and rewards of ownership are not transferred to the Holding Company are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight line basis in the Restated Consolidated Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

For short-term and low value leases, the Holding Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

C.6 **INVENTORIES**

Cost of raw material, finished goods/ work in progress, Stores are measured at lower of cost or net realisable value after providing for obsolescence, if any, whereas by-products are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads (net of recoverable taxes) incurred in bringing them to their respective present location and condition. Costs includes all expenses incurred in bringing the inventories to their present location and condition.

Cost of finished goods/ work in progress is determined on weighted average basis. Cost of inventory is assigned using FIFO. Cost of opening and closing stock excludes taxes that are subsequently recoverable from taxing authorities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

C.7 **FINANCIAL INSTRUMENTS**

C.7.1 **FINANCIAL ASSETS**

C.7.1.1 INITIAL RECOGNITION AND MEASUREMENT

All Financial Assets are initially recognised at fair value and transaction costs. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, are adjusted to fair value and balance is expensed in the Restated Statement of Profit and Loss. Purchase and sale of Financial Assets are recognised using trade date accounting.

C.7.1.2 SUBSEQUENT MEASUREMENT

C.7.1.2.1 FINANCIAL ASSETS MEASURED AT AMORTISED COST (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

C.7.1.2.2 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

C.7.1.2.3 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Holding company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

C.7.1.3 OTHER EQUITY INVESTMENTS

All other equity investments are measured at fair value, with value changes recognised in Restated Statement of Profit and Loss, except for those equity investments for which the Holding Company has elected to present the value changes in ‘Restated Other Comprehensive Income’. However, dividend on such equity investments is recognised in Restated Consolidated Statement of Profit and Loss when the Holding's Company right to receive payment is established.

C.7.1.4 IMPAIRMENT OF FINANCIAL ASSETS

In accordance with Ind AS 109, the Holding company uses ‘Expected Credit Loss’ (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to:

• The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

• Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables the Holding company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Holding company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Holding company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Restated Statement of Profit and Loss.

C.7.2 FINANCIAL LIABILITIES

C.7.2.1 INITIAL RECOGNITION AND MEASUREMENT

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Restated Consolidated Statement of Profit and Loss as finance cost.

C.7.2.2 SUBSEQUENT MEASUREMENT

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C.7.3 DERECOGNITION OF FINANCIAL INSTRUMENTS

The Holding company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognised from the Restated consolidated financial statement when the obligation specified in the contract is discharged or cancelled or expires.

C.7.4 OFFSETTING

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Holding Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

C.7.5 DERIVATIVES

The Holding Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Restated Statement of Profit and Loss.

C.8 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further details are set out in note 39.

C.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Holding Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or Holding company of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Holding company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Restated Consolidated Statement of Profit and Loss to the extent, asset’s carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset’s fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

C.10 PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS

Provisions are recognised when the Holding company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Holding company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made. Contingent liabilities are not recognized but are disclosed in notes.

Contingent Assets are disclosed by way of a note only if inflow of economic benefits is probable.

C.11 GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the Restated Consolidated Statement of Profit and Loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the Restated Consolidated Statement of Profit and Loss by way of deduction from depreciation expense on a systematic basis over the useful life of the asset.

C.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term highly liquid investments (with a maturity within three months or less from the date of purchase) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

C.13 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the Net Profit or loss after tax for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid-up shares are included as fully paid equivalents according to the fraction paid-up.Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

C.14 BORROWING COSTS

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, assets that takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

C.15 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Restated Consolidated Financial information are presented in ₹, which is the functional currency of the Holding company and the presentation currency. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the retranslation or settlement of other monetary items are included in the Restated Consolidated Statement of Profit and Loss for the period.

Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

C.16 REVENUE RECOGNITION

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of return, trade discounts and volume rebates. Revenue is recognized when the control over the goods have been transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return can be estimated reliably and there is no continuing effective control or managerial involvement with, has not retained any significant risks of ownership or future obligations with, the goods, and the amount can be measured reliably.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Holding company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Due to the short nature of credit period given to/ advance received from customers, the same does not require adjustment of financing component and hence not accounted separately.

C.17 OTHER INCOME

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the Restated Consolidated Statement of profit and loss. Lease payments under operating leases are recognized as an income on a straight-line basis in the Restated Consolidated Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature. Dividend Income is recognised when the Holding company right to receive the amount has been established.

C.18 EMPLOYEE BENEFITS

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

The Holding Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Holding company only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Holding company obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Holding company.

Defined Contribution Plan: Contribution to Provident fund and Employee State Insurance are accounted for on accrual basis.

Defined Benefit Plan: Leaves cannot be carried forward to next year and the same is either availed or encashed at the year end. Actuarial gains or losses on gratuity are recognized in other Restated comprehensive income. Profit or loss does shall not include expected return on plan assets. Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other Restated comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

C.19 RESEARCH AND DEVELOPMENT EXPENSES

Research and Development Expenses of revenue nature are charged to the Restated Consolidated Statement of Profit and Loss.

C.20 TAXES

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Restated Statement of Profit and Loss, except to the extent that it relates to items recognised in the Restated Other Comprehensive Income. In which case, the tax is also recognised in Restated Other Comprehensive Income.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date and it includes adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Restated Financial information and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

C.21 STATEMENT OF CASH FLOWS

Statement of Cash flows are prepared in accordance with "Indirect Method" in accordance with Ind AS – 7 consisting of operating, investing and financing activity of the company.

C.22 SEGMENT REPORTING

Identification of Segments: The Holding company operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit. Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Segment Accounting Policies: The Holding company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Restated consolidated financial statements as a whole.

Inter-Segment Transfers: The Holding company generally accounts for intersegment transfers at an agreed transaction value.

Unallocated Items: Unallocated items include general corporate income and expense items which are not allocated to any business segment.

C.23 LOANS AND BORROWINGS

Loans and borrowings are initially recognized at fair value net of transaction costs incurred. Subsequently, these are measured at amortized cost using the effective interest rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Restated consolidated Statement of Profit and Loss.

C.24 TRADE AND OTHER PAYABLES

These amount represent liabilities for goods and services provided to the Holding company prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the EIR model.

C.25 ONEROUS CONTRACTS

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Holding company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating/exiting the contract and the expected net cost of fulfilling the contract.

C.26 OTHER ACCOUNTING POLICES

Accounting policies are referred to otherwise are consistent with generally accepted accounting principles.

C.27 IND-AS STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:-

Ind AS 1 – Presentation of Financial Statements: The amendments require companies to disclose the material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 12 – Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Holding company does not expect that these amendments shall have significant impact in the consolidated financial statements.

VRAJ IRON AND STEEL LIMITED

Annexure VI

Notes to Restated Consolidated Financial Information

Statement of Adjustment to Restated Consolidated Financial Information

` ₹ in Millions

Reconciliation between consolidated profit and restated consolidated profit

Particulars	Notes	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax as per audited consolidated financial statements		**163.34**	**539.97**	**287.04**	**109.85**
Adjustments :-					
NIL		-	-	-	-
Net Profit after Tax as per Restated Consolidated Financial Information		**163.34**	**539.97**	**287.04**	**109.85**

Reconciliation between consolidated equity and restated consolidated equity

Particulars	Notes	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total equity as per audited consolidated financial statements		**1,518.98**	**1,355.64**	**817.88**	**524.43**
Material restatement adjustements :-					
NIL		-	-	-	-
Total equity as per restated Consolidated financial information		**1,518.98**	**1,355.64**	**817.88**	**524.43**

VRAJ IRON AND STEEL LIMITED

Annexure VII

Notes forming part of Restated Consolidated Financial Information

` ₹ in Millions

2 Property, Plant & Equipment

Particulars	Land & Site Developments	Factory Building & Shed	Plant & Machinery	Office Equipments	Vehichles	Computers	Furniture & Fixtures	Total
GROSS BLOCK								
Cost as at Mar 31, 2020	**8.57**	**116.33**	**727.07**	**2.60**	**22.60**	**0.61**	**-**	**877.77**
Additions	1.85	-	34.72	-	1.25	0.11	-	37.92
Disposals					0.04			0.04
Cost as at March 31, 2021	**10.41**	**116.33**	**761.78**	**2.60**	**23.80**	**0.72**	**-**	**915.64**
Additions	4.23	-	8.38	-	-	0.03	-	12.64
Disposals	-	-	2.70	-	-	-	-	2.70
Cost as at March 31, 2022	**14.65**	**116.33**	**767.46**	**2.60**	**23.80**	**0.74**	**-**	**925.58**
Additions	-	-	10.74	0.05	2.49	0.18	2.15	15.61
Disposals	-	-	2.75	-	-	-	-	2.75
Cost as at March 31, 2023	**14.65**	**116.33**	**775.46**	**2.64**	**26.30**	**0.92**	**2.15**	**938.44**
Additions	-	-	1.44	0.08	0.07	0.02	-	1.62
Disposals	-	-	-	-	-	-	-	-
Cost As at June 30, 2023	**14.65**	**116.33**	**776.90**	**2.72**	**26.37**	**0.94**	**2.15**	**940.06**
DEPRECIATION								
Accumulated depreciation as at Mar 31, 2020	**1.34**	**13.63**	**209.60**	**1.89**	**11.86**	**0.54**	**-**	**238.86**
Depreciation for the year	-	9.75	58.89	0.23	3.32	0.05	-	72.25
Disposal/Adjustments	-	-	-	-	0.01	-	-	0.01
Accumulated depreciation as at March 31, 2021	**1.34**	**23.38**	**268.48**	**2.12**	**15.17**	**0.60**	**-**	**311.10**
Depreciation for the year	-	8.82	59.73	0.14	2.64	0.07	-	71.41
Disposal/Adjustments	-	-	2.34	-	-	-	-	2.34
Accumulated depreciation as at March 31, 2022	**1.34**	**32.20**	**325.87**	**2.27**	**17.81**	**0.67**	**-**	**380.16**
Depreciation for the year	-	7.99	53.06	0.09	2.42	0.08	0.37	64.00
Disposal/Adjustments	-	-	2.17	-	-	-	-	2.17
Accumulated depreciation as at March 31, 2023	**1.34**	**40.19**	**376.75**	**2.36**	**20.23**	**0.74**	**0.37**	**441.99**
Depreciation for the quarter	-	1.81	11.92	0.03	0.46	0.03	0.12	14.36
Disposal/Adjustments	-	-	-	-	-	-	-	-
Accumulated depreciation As at June 30, 2023	**1.34**	**42.00**	**388.67**	**2.39**	**20.70**	**0.77**	**0.48**	**456.35**
NET BLOCK								
As at March 31, 2021	**9.07**	**92.95**	**493.30**	**0.47**	**8.63**	**0.12**	**-**	**604.55**
As at March 31, 2022	**13.31**	**84.13**	**441.59**	**0.33**	**5.99**	**0.08**	**-**	**545.42**
As at March 31, 2023	**13.31**	**76.14**	**398.70**	**0.28**	**6.06**	**0.18**	**1.78**	**496.46**
As at June 30, 2023	**13.31**	**74.33**	**388.23**	**0.33**	**5.67**	**0.17**	**1.67**	**483.71**

VRAJ IRON AND STEEL LIMITED

Annexure VII

Notes forming part of Restated Consolidated Financial Information

3 Right-of-Use assets **` ₹ in Millions**

GROSS BLOCK	
Cost as at Mar 31, 2020	**34.37**
Additions	-
Disposals	-
Cost as at March 31, 2021	**34.37**
Additions	-
Disposals	-
Cost as at March 31, 2022	**34.37**
Additions	-
Disposals	-
Cost as at March 31, 2023	**34.37**
Additions	-
Disposals	-
Cost As at June 30, 2023	**34.37**
DEPRECIATION	
Accumulated depreciation as at Mar 31, 2020	**0.07**
Depreciation for the year	0.41
Disposal/Adjustments	-
Accumulated depreciation as at March 31, 2021	**0.48**
Depreciation for the year	0.41
Disposal/Adjustments	-
Accumulated depreciation as at March 31, 2022	**0.90**
Depreciation for the year	0.41
Disposal/Adjustments	-
Accumulated depreciation as at March 31, 2023	**1.31**
Depreciation for the quarter	0.10
Disposal/Adjustments	-
Accumulated depreciation As at June 30, 2023	**1.42**
NET BLOCK	
As at March 31, 2021	33.88
As at March 31, 2022	33.47
As at March 31, 2023	33.06
As at June 30, 2023	32.95

Right of Use Assets (ROU) represents Leasehold Land (lease expiring on 09.03.2103) duly registered in the name of Holding company & there has been no revaluation of ROU

VRAJ IRON AND STEEL LIMITED

Annexure VII

Notes forming part of Restated Consolidated Financial Information

4 Capital Work in Progress **` ₹ in Millions**

i

Particulars	**As at June 30, 2023**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Balance at the beginning	1.94	1.94	1.57	-	7.46
Add : Additions	19.42	-	0.38	1.57	-
Less : Capitalised during the year	-	-	-	-	7.46
Balance at the end	**21.36**	**1.94**	**1.94**	**1.57**	**-**

ii **Ageing of Capital Work in progress**

Particulars	**<1 year**	**1-2 year**	**2-3 year**	**>3 year**	**Total**
As at Mar 31, 2020	-	-	-	-	-
As at Mar 31, 2021	1.57	-	-	-	1.57
As at Mar 31, 2022	0.38	1.57	-	-	1.94
As at Mar 31, 2023	-	0.38	1.57	-	1.94
As at June 30, 2023	19.42	-	0.38	1.57	21.36

There is no any assets under Capital Work in progress whose completion is overdue or has exceeded its cost in relation to its original estimate.

Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

5 **Investments accounted for using equity method**

Investment in associates is accounted for using equity method. Under this method, investmentis is initially recognised at cost. The carrying amount is arrived after adjusting cost with the share of profit/loss since the acquisition date. Goodwill related to the investment is included in the carrying amount and not tested for impairment individually

	Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Unquoted Equity Shares				
a	Vraj Metaliks Private Limited				
	No of fully paid Equity shares of face value of ₹ 10/- each	10400000	10400000	10400000	10400000
	Carrying Amount of Investments	169.29	159.90	136.10	117.86
	Total	**169.29**	**159.90**	**136.10**	**117.86**

b **Summarised financial information of the associate based on its audited financial statements and reconcilation with the carrying amount is set out as below:**

i **Summarised Net Assets of Vraj Metaliks Private Limited**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Non Current Assets	563.13	560.50	483.47	488.91
Current Assets	249.02	254.05	319.18	213.31
Total Assets (A)	**812.15**	**814.55**	**802.64**	**702.23**
Non Currrent Liabilities	9.01	8.92	10.35	8.17
Current Liabilities	102.02	139.70	76.82	43.34
Total Liabilities (B)	**111.03**	**148.62**	**87.17**	**51.51**
Net Assets (A-B)	**701.12**	**665.93**	**715.47**	**650.71**
Group's Share of holding	**26.67%**	**26.67%**	**20.80%**	**20.80%**
Group's share of Net Assets (C)	**186.98**	**177.60**	**148.82**	**135.35**
Adjustment for fair Valuation of investment of Vraj Metaliks in Equity Shares of Chattisgarh Steel & Power Ltd through OCI (D)	**(13.63)**	**(13.63)**	**(8.65)**	**(13.42)**
Group's carrying amount of interest in associate (E) *	**169.29**	**159.90**	**136.10**	**117.86**
*** Capital Reserve included in above**	**4.07**	**4.07**	**4.07**	**4.07**

ii **Summarised Statement of Profit & Loss of Vraj Metaliks Private Limited**

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Income				
Revenue from Operations	620.99	2,296.86	2,188.65	1,315.66
Other Income	5.46	14.88	26.68	38.81
Profit/(loss) after Tax	35.19	108.24	64.52	69.46
Group's share of profit	9.38	28.86	13.42	14.45
Other Comprehensive Income/(loss) net of taxes	-	(0.31)	0.24	0.23
Group's share of Other Comprehensive Income/ (loss) net off taxes	-	(0.08)	0.05	0.05
Total Comprehensive Income/(loss) for the year	35.19	107.93	64.76	69.68
Group's share of Total Comprehensive Income/ (loss) net off taxes	**9.38**	**28.78**	**13.47**	**14.49**

iii **Reconciliation of Carrying Amount**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Initial Carrying Amount	159.90	136.10	117.86	117.55
Group's share of profit /(loss)	9.38	28.86	13.42	14.45
Group's share of Other Comprehensive Income/ (loss) net off taxes	-	(0.08)	0.05	0.05
Adjustment for fair Valuation of investment of Vraj Metaliks in Equity	-	(4.98)	4.78	(14.19)
Group's Carrying Amount of Interest in Associate	**169.29**	**159.90**	**136.10**	**117.86**

Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

6 **Investments (Non Current)**

	Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Unquoted Equity Shares				
a	**Chhattisgarh Steel & Power Limited**				
	No of fully paid Equity shares of face value of ₹ 10/- each	1527776	1527776	1527776	1527776
	Investment at Cost	4.13	4.13	4.13	4.13
	Investment at FVOCI	**8.65**	**8.65**	**9.32**	**7.32**
b	**MVK Industries Private Limited**				
	No of fully paid Equity shares of face value of ₹ 10/- each	396000	396000	392667	392667
	Investment at Cost	3.96	3.96	3.93	3.93
	Investment at FVOCI	**7.37**	**7.37**	**5.16**	**3.93**
	Total (FVOCI)	**16.01**	**16.01**	**14.48**	**11.24**
	Aggregate Amount of Quoted Investment	-	-	-	-
	Aggregate Amount of Unquoted Investments	**16.01**	**16.01**	**14.48**	**11.24**

7 **Other Financial Assets (Non Current)**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good				
Security Deposits	38.26	38.26	28.16	37.86
Total	**38.26**	**38.26**	**28.16**	**37.86**

8 **Other Non Current Assets**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, undisputed, considered good				
Capital Advances	125.71	65.79	6.56	1.40
Prepaid Expenses	4.52	5.17	8.19	5.79
Deposit & Recoverable with Statutory Authorities *	2.60	0.35	0.39	0.34
Total	**132.83**	**71.31**	**15.14**	**7.53**
* includes pre deposit provided against Contingent Liability	2.36	0.11	0.14	0.10

9 **Inventories**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
For valuation kindly Refer Note 1 (C.6)				
Raw Materials	281.56	280.07	271.47	188.68
Finished Goods	44.96	31.13	42.10	29.87
Stores & Consumables	5.41	5.41	5.62	6.08
By Products	0.51	0.49	0.12	0.29
Total	**332.43**	**317.10**	**319.30**	**224.91**

10 **Trade Receivables ***

	Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
a	Unsecured, Undisputed, considered good	61.10	128.96	118.34	69.86
	Unsecured, Undisputed, considered doubtful	-	-	-	-
	Less: Provision for Credit Impairment	-	-	-	-
	Total	**61.10**	**128.96**	**118.34**	**69.86**
b	* includes amounts due from Related Parties:	9.08	-	-	-

c For ageing report, Refer note 37(f)

11 **Cash & Cash Equivalents**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance with Banks	0.84	-	0.14	0.05
Cash on Hand	2.61	2.64	2.64	1.03
Total	**3.45**	**2.64**	**2.78**	**1.08**

VRAJ IRON AND STEEL LIMITED
Annexure VII
Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

12 Bank Balances other than Note 11 above

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Fixed Deposits given as security against Bank Guarantee, Letter of Credit etc	18.47	36.83	36.91	32.95
Fixed deposits (with maturity more than 3 months)	330.01	50.01	-	-
Total	**348.48**	**86.83**	**36.91**	**32.95**

13 Loans - Current

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good				
Employee Advances	0.23	0.30	0.07	0.57
Advances to Director	0.50	0.50	0.50	-
Inter Corporate Deposits to others	23.02	34.99	-	-
Inter Corporate Deposits to Related Party	111.16	320.13	-	-
Total	**134.91**	**355.91**	**0.57**	**0.57**

a **Amount of loan or advance in the nature of loan Outstanding from Inter Corporate Deposits to related party (repayable on demand)**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Promoter	-	-	-	-
Directors	0.50	0.50	0.50	-
KMPs	-	-	-	-
Related Parties	111.16	320.13	-	-

b **% to the Total Loans and Advances in the nature of loans Outstanding from Inter Corporate Deposits to related party (repayable on demand)**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Promoter	0.00%	0.00%	0.00%	0.00%
Directors	0.37%	0.14%	87.41%	0.00%
KMPs	0.00%	0.00%	0.00%	0.00%
Related Parties	82.40%	89.95%	0.00%	0.00%

c **Maximum amount outstanding of Loans/advances in the nature of loan outstanding from Related Party and Directors**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Vraj Commercial Private Limited	320.13	320.13	-	-
Praveen Somani	0.50	0.50	0.50	-

d All Inter Corporate Deposits has been given for the purpose of business.

e Interest free advance for House Purchase was given to Shri Praveen Somani, presently Director of the company, when he was merely an employee.

14 Other Financial Assets (Current)

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered good				
Interest Receivable	3.41	1.61	1.23	1.19
Total	**3.41**	**1.61**	**1.23**	**1.19**

15 Other Current Assets

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Advance to Suppliers				
Unsecured, Considered good	160.07	196.80	246.10	111.26
Unsecured, Considered doubtful	2.86	2.86	2.86	2.86
Less: Provision for doubtful advances	(2.86)	(2.86)	(2.86)	(2.86)
	160.07	**196.80**	**246.10**	**111.26**
Unsecured, Considered good				
Prepaid Expenses	2.28	3.69	1.28	2.59
Recoverables, Deposits and Dues from Governement	2.61	0.86	2.43	0.37
Total	**164.96**	**201.34**	**249.82**	**114.21**

` ₹ in Millions

16 Equity Share Capital

a

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital	50.00	50.00	50.00	50.00
Equity Shares of ₹ 10/- each (In Number)	5000000	5000000	5000000	5000000
Total	**50.00**	**50.00**	**50.00**	**50.00**
Issued, Subscribed & Paid up Capital	49.44	49.44	49.44	49.44
Equity Shares of ₹ 10/- each Fully paid up (in Number)	4944350	4944350	4944350	4944350
Total	**49.44**	**49.44**	**49.44**	**49.44**

b **Movement of Share Capital (in numbers)**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Equity Shares outstanding at the beginning of the year/Period	4944350	4944350	4944350	4944350
Add: Equity Shares issued during the year/Period	-	-	-	-
Less: Equity Shares buyback during the year/Period	-	-	-	-
Equity Shares outstanding at the end of the year/Period	**4944350**	**4944350**	**4944350**	**4944350**

c **Movement of Share Capital (in amount)**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Share Capital outstanding at the beginning of the year/Period	49.44	49.44	49.44	49.44
Add: Capital issued during the year/Period	-	-	-	-
Less: Buyback value during the year/Period	-	-	-	-
Share Capital outstanding at the end of the year/Period	**49.44**	**49.44**	**49.44**	**49.44**

d **Rights and restrictions attached to shares**

Equity Shares: The holding company has only one class of shares referred to as equity shares having face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, and distribution will be in proportion to the number of equity shares held by the shareholders.

e **Share in respect of each class in the company held by the holding company:**

Name	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Gopal Sponge & Power Private Limited	3596580	3596580	3596580	3596580

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

Name	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Holding Company				
Gopal Sponge & Power Private Limited	3596580	3596580	3596580	3596580
Ultimate Holding Company				
V. A. Transport Private Limited	1111100	1111100	1111100	1111100

g **Number of Shares held by shareholders holding more than 5% of the issued share capital**

Name	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Gopal Sponge & Power Private Limited	3596580	3596580	3596580	3596580
V. A. Transport Private Limited	1111100	1111100	1111100	1111100

h **%age of Shares held by shareholders holding more than 5% of the issued share capital**

Name	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Gopal Sponge & Power Private Limited	72.74%	72.74%	72.74%	72.74%
V. A. Transport Private Limited	22.47%	22.47%	22.47%	22.47%

i **Number of Shares held by Promoters**

Name	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Vijay Anand Jhanwar	198335	198335	198335	198335
Kusum Lata Maheshwari	38335	38335	38335	38335
V. A. Transport Private Limited	1111100	1111100	1111100	1111100
Gopal Sponge & Power Private Limited	3596580	3596580	3596580	3596580

j **Percentage of Shares held by Promoters**

Promoter	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Vijay Anand Jhanwar	4.01%	4.01%	4.01%	4.01%
Kusum Lata Maheshwari	0.78%	0.78%	0.78%	0.78%
V. A. Transport Private Limited	22.47%	22.47%	22.47%	22.47%
Gopal Sponge & Power Private Limited	72.74%	72.74%	72.74%	72.74%

Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

k **Percentage Change in Promoters' holding**

Promoter	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Vijay Anand Jhanwar	0.00%	0.00%	0.00%	0.00%
Kusum Lata Maheshwari	0.00%	0.00%	0.00%	0.00%
V. A. Transport Private Limited	0.00%	0.00%	0.00%	0.00%
Gopal Sponge & Power Private Limited	0.00%	0.00%	0.00%	0.00%

17 **Other Equity**

	Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
a	**Retained Earnings**				
	Opening Balance	1,188.60	648.07	360.85	250.99
	Add: Profit/(loss) during the year/Period	163.34	539.97	287.04	109.85
	Add : Remeasurement of defined benefit obligation	0.00	0.56	0.18	0.01
	Closing Balance	**1,351.94**	**1,188.60**	**648.07**	**360.85**
b	**Other Comprehensive Income**				
	Opening Balance	(5.79)	(3.02)	(9.25)	0.93
	Add : Profit| Loss during the year/Period	0.00	(2.77)	6.23	(10.18)
	Closing Balance	**(5.79)**	**(5.79)**	**(3.02)**	**(9.25)**
c	**Securities Premium**				
	Opening Balance	172.83	172.83	172.83	172.83
	Less : Transfer during the year/period				
	Closing Balance	**172.83**	**172.83**	**172.83**	**172.83**
	Total	**1,518.98**	**1,355.64**	**817.88**	**524.43**

18 **Borrowings (Non-Current)**

	Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
A	**Secured Loan**				
	From HDFC Bank				
a	Vehicle Loan	0.27	0.53	1.54	5.13
	Less : Current Maturities	0.27	0.53	1.00	3.59
	Secured against first and exclusive charge on vehicles acquired out of the loan.				
		-	**-**	**0.53**	**1.54**
b	GECL Loan	64.78	70.04	90.32	65.00
	Less : Current Maturities	23.08	22.57	20.70	8.18
	Secured by way of Second charge hypothecation on stocks, advance to suppliers and book debts and Mortgage of Collateral Security: 1. Industrial Property/KH NO. 248/2, 249/3, 251/2, 251/3, 251/4, 249/2, 281/3, 251/1, 278/1, 281/2, 250, 248/1, 281/2, 278/2, 280, 415,416,417, Muru Tehsil Takhatpur-Dist -Bilaspur Chhattisgarh, Dighora, Yogantar Industries, Bilaspur- , 495001 2. Industrial Property / Plot No 38 TO 41, 48 TO 52, Vill Siltara, Near Shublal Company, Raipur-493111 and Personal guarantee of Vijay Anand Jhawar and Prasant Kumar Mohta and corporate guarantee of Gopal Sponge & Power Private Limited.				
		41.70	**47.47**	**69.62**	**56.82**
c	DG Loan	-	-	1.03	3.93
	Less : Current Maturities	-	-	1.03	2.90
	Secured against first and exclusive charge on DG acquired out of the loan.				
		-	**-**	**-**	**1.03**

` ₹ in Millions

	Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
d	Term Loan	84.55	101.12	165.16	224.58
	Less : Current Maturities	70.32	68.68	64.39	59.42
	Secured against First Charge of Plant & Machinery of Company and Collaterally secured by charge on : 1. Industrial Property/KH NO. 248/2, 249/3, 251/2, 251/3, 251/4, 249/2, 281/3, 251/1, 278/1, 281/2, 250, 248/1, 281/2, 278/2, 280, 415,416,417, Muru Tehsil Takhatpur-Dist -Bilaspur Chhattisgarh, Dighora, Yogantar Industries, 495001, Bilaspur, Chhattisgarh 2. Industrial Property / Plot No 38 TO 41, 48 TO 52, Vill Siltara, Near Shublal Company, Raipur-493111 and Personal guarantee of Vijay Anand Jhawar and Prasant Kumar Mohta and corporate guarantee of Gopal Sponge & Power Private Limited.				
		14.23	**32.44**	**100.77**	**165.16**
	Total Secured Loan	**55.93**	**79.91**	**170.92**	**224.54**
B	**Unsecured Loan**				
	Repayable on demand				
	From Related parties	-	-	-	57.86
	From Others	-	-	-	-
	Total Unsecured Loan	**-**	**-**	**-**	**57.86**
	Total	**55.93**	**79.91**	**170.92**	**282.40**

19 Lease Liabilities (Non- Current)

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	14.14	14.14	14.15	14.15
Total	**14.14**	**14.14**	**14.15**	**14.15**

20 Provisions (Non- Current)

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	6.78	6.78	5.32	3.73
Total	**6.78**	**6.78**	**5.32**	**3.73**

21 Income Tax

a **Deferred Tax Liability/ (Asset) (Net)**

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Deferred Tax Liability				
Tax impact arising out of temporary difference in depreciable assets	28.31	28.27	26.90	23.24
Tax Impact arising out of Fair valuation of Equity Shares	(1.30)	(1.30)	(0.51)	(2.34)
	27.01	**26.96**	**26.39**	**20.90**
Deferred Tax Asset				
Tax impact of expenses allowable against taxable income in future years	0.13	0.13	0.13	0.13
Tax impact arising out of provision of gratuity not funded	1.39	1.39	1.01	0.59
	1.52	**1.52**	**1.14**	**0.72**
Deferred Tax Liability/ (Asset) Net	**25.49**	**25.45**	**25.25**	**20.19**

b **Movement in Deferred Tax Balance**

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Deferred Tax Liability Opening Balance	26.96	26.39	20.90	14.25
Tax impact arising out of temporary difference in depreciable assets	0.04	1.37	3.65	9.69
Tax Impact arising out of Fair valuation of Equity Shares	-	(0.80)	1.83	(3.03)
Deferred Tax Liability Closing Balance	**27.01**	**26.96**	**26.39**	**20.90**
Deferred Tax Asset Opening Balance	1.52	1.14	0.72	0.40
Tax impact arising out of provision of gratuity not funded	-	0.38	0.42	0.32
Tax impact of expenses allowable against taxable income in future years				
Deferred Tax Asset Closing Balance	**1.52**	**1.52**	**1.14**	**0.72**
Net Deferred Tax Liability/(Asset) Balance	**25.49**	**25.45**	**25.25**	**20.19**
Net Deferred Tax Liability/ (Asset) created during the year/Period	**0.04**	**0.20**	**5.06**	**6.33**

` ₹ in Millions

c **Current Tax**

Current Tax Liability/(Asset) (Net)

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Opening	-	-	10.90	-
Provision for Current Tax	53.60	178.40	95.00	28.25
Taxes Paid	(19.83)	(141.69)	(71.47)	(24.42)
Total	**33.77**	**36.71**	**34.43**	**3.83**

d **Income Tax expenses reconciled to the accounting profit as follows:-**

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Computed Tax Expense				
Profit before Income Taxes	216.98	718.84	385.31	158.51
Adjustment of Associate Profits	(9.38)	(28.86)	(13.42)	(14.45)
Statutory Tax Rate in India	25.17%	25.17%	25.17%	25.17%
Computed Tax Expense	52.25	173.65	93.60	36.26
Tax Expense as per Income Tax Act				
Profit before Income Taxes	216.98	718.84	385.31	158.51
Adjustment of Associate Profits	(9.38)	(28.86)	(13.42)	(14.45)
Financial Charges on lease Liabilities	0.39	1.57	1.57	1.57
Rent Payment	(0.39)	(1.57)	(1.57)	(1.57)
Depreciation on ROU	0.10	0.41	0.41	0.41
Interest on Security Deposit	0.00	0.00	0.00	0.00
Rent Expense on Security Deposit not allowable in Income Tax	0.01	0.06	0.06	0.06
Gratuity Disallowance	-	2.25	1.92	1.29
Difference between Tax Depreciation and Book depreciation	0.18	(5.45)	(14.51)	(38.49)
Expenses not allowable	-	4.29	3.02	2.72
Disallowance u/s 43B	-	-	0.38	0.22
Other Adjustments	0.03	0.05	0.11	(0.09)
Taxable Profit	207.92	691.58	363.27	110.19
Income Tax Expense	52.33	174.06	91.43	27.73
Interest on delayed payment of Income Tax	1.27	4.34	3.57	0.52
Current Year Tax	53.60	178.40	95.00	28.25
Effective Income Tax Rate	**25.82%**	**25.86%**	**25.55%**	**19.61%**
Current Year Tax	53.60	178.40	95.00	28.25
Tax For Previous Year	-	(0.34)	0.09	11.05
Current Tax Provision	**53.60**	**178.06**	**95.09**	**39.30**

22 **Borrowings (Current)**

	Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
a	**Secured Loan**				
i	Cash Credit	-	58.13	167.10	101.31
	Secured by hypothecation by way of First charge on stocks, advance to suppliers and book debts ; and Collateral Security by charge on : 1. Industrial Property/KH NO. 248/2, 249/3, 251/2, 251/3, 251/4, 249/2, 281/3, 251/1, 278/1, 281/2, 250, 248/1, 281/2, 278/2, 280, 415,416,417, Muru Tehsil Takhatpur-Dist -Bilaspur Chhattisgarh, Dighora, Yogantar Industries, 495001, Bilaspur, Chhattisgarh 2. Industrial Property / Plot No 38 TO 41, 48 TO 52, Vill Siltara, Near Shublal Company, Raipur-493111 and Personal guarantee of directors and corporate guarantee of Gopal Sponge & Power Private Limited.				
ii	Current maturities of Non Current Borrowings	93.67	91.78	87.12	74.10
	Total	**93.67**	**149.92**	**254.22**	**175.41**

23 **Lease Liabilities (Current)**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	1.57	1.57	1.57	1.57
Total	**1.57**	**1.57**	**1.57**	**1.57**

` ₹ in Millions

24 Trade Payables

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total Outstanding dues of Micro & Small enterprises				
Disputed				
Undisputed	0.35	2.38	0.11	0.39
Total	**0.35**	**2.38**	**0.11**	**0.39**
Total Outstanding dues of Creditors other than Micro & Small enterprises				
Disputed				
Undisputed *	75.51	132.60	78.88	119.28
Total	**75.51**	**132.60**	**78.88**	**119.28**
Total of Trade Payables	**75.86**	**134.98**	**78.99**	**119.67**
a * includes amounts due to Related Parties	0.95	-	-	-

b **Ageing**

Particulars	Outstanding for following periods from due date of payment				
	< 1 year	1-2 years	2-3 years	>3 years	Total
As at June 30, 2023					
Undisputed Micro & Small enterprises	0.35	-	-	-	0.35
Undisputed Other than Micro & Small enterprises	75.01	0.16	0.34	-	75.51
	75.36	**0.16**	**0.34**	**-**	**75.86**
As at March 31, 2023					
Undisputed Micro & Small enterprises	2.38	-	-	-	2.38
Undisputed Other than Micro & Small enterprises	132.26	0.34	-	-	132.60
	134.64	**0.34**	**-**	**-**	**134.98**
As at March 31, 2022					
Undisputed Micro & Small enterprises	0.11	-	-	-	0.11
Undisputed Other than Micro & Small enterprises	44.08	34.80	-	-	78.88
	44.19	**34.80**	**-**	**-**	**78.99**
As at March 31, 2021					
Undisputed Micro & Small enterprises	0.39	-	-	-	0.39
Undisputed Other than Micro & Small enterprises	119.17	0.11	-	-	119.28
	119.56	**0.11**	**-**	**-**	**119.67**

25 Other Financial Liabilities (Current)

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Payable for expenses	21.33	21.12	19.40	28.23
Employee Benefits	7.53	4.24	3.83	3.63
Total	**28.86**	**25.36**	**23.23**	**31.86**

26 Other Liabilities (Current)

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Payable to Statutory Authorities	33.33	30.81	18.38	31.63
Customer Advances	4.81	0.10	9.42	0.59
Total	**38.14**	**30.91**	**27.80**	**32.23**

27 Provisions (Current)

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	0.51	0.51	0.47	0.37
Total	**0.51**	**0.51**	**0.47**	**0.37**

VRAJ IRON AND STEEL LIMITED
Annexure VII
Notes forming part of Restated Consolidated Financial Information

` ₹ in Millions

28 Revenue from Operations

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Products				
Manufactured Goods & By products	1,054.79	5,095.01	4,086.47	2,890.88
Traded Goods	1.99	61.70	53.97	16.17
Total	**1,056.78**	**5,156.71**	**4,140.43**	**2,907.06**

* Manufactured Goods Sold in Quarter ended June 30, 2023 includes ₹ 6.35 millions of captive consumption of TMT Bars (computed at cost of production) used in capital projects of the holding company.

29 Other Income

	Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
a	**Interest Income**				
	Intercorporate Deposits	6.94	12.19	0.29	-
	Bank Deposits	2.93	2.92	1.61	1.03
	Others	0.48	1.79	1.37	1.06
	Income Tax Refund	-	0.51	0.13	-
b	Sundry Balance written off	0.04	0.06	0.01	0.08
c	Profit on Sale of Property, Plant & Equipment	-	0.03	-	0.09
	Total	**10.40**	**17.50**	**3.40**	**2.26**

30 Cost of materials consumed

	Particulars	Quarter ended Jun 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
a	Cost of materials consumed	692.69	3,754.62	3,143.15	2,132.39
	Total	**692.69**	**3,754.62**	**3,143.15**	**2,132.39**
b	**Imported & Indigenous Cost of Materials Consumed**				
	Indigenous in value	692.69	3,754.62	3,143.15	2,132.39
	Indigenous in %age	100%	100%	100%	100%
	Imported in value	-	-	-	-
	Imported in %age	-	-	-	-

31 Changes in inventories of finished goods, Work In Progress and Stock in trade

Particulars	Quarter ended Jun 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year/period				
Finished Goods & By Product	45.47	31.62	42.22	30.15
	45.47	**31.62**	**42.22**	**30.15**
Inventories at the beginning of the year/Period				
Finished Goods & By Product	31.62	42.22	30.15	64.18
	31.62	**42.22**	**30.15**	**64.18**
Net Change	**(13.85)**	**10.60**	**(12.07)**	**34.03**

32 Employee Benefits Expense

Particulars	Quarter ended Jun 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Salary & Wages	15.90	65.14	60.17	50.56
Contribution to Employee Provident Fund & other Funds	0.28	4.45	3.75	3.59
Gratuity Expenses	0.13	2.25	1.92	1.29
Staff Welfare Expenses	0.14	1.09	0.49	0.29
Total	**16.46**	**72.93**	**66.34**	**55.72**

33 Finance Costs

Particulars	Quarter ended Jun 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Bank Interest	5.63	28.04	30.47	32.45
Interest on Intercorporate Deposits	-	0.03	7.20	25.74
Other Interest	0.39	1.82	1.82	1.63
Total	**6.03**	**29.88**	**39.49**	**59.83**

Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

34 Depreciation & Amortisation expenses

Particulars	Quarter ended Jun 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property, Plant and Equipment	14.36	64.00	71.41	72.25
Depreciation on Right-of-Use assets	0.10	0.41	0.41	0.41
Total	**14.47**	**64.42**	**71.82**	**72.66**

35 Other Expenses

Particulars	Quarter ended Jun 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of Stores and Spares (100% Indigenous)	35.91	121.36	108.36	118.11
Consumption of Diesel	5.07	23.47	22.96	19.12
Commission	2.02	10.29	14.68	5.35
Production Charges	14.04	53.35	45.14	36.96
Power Charges	64.80	223.86	178.95	174.25
Vehicle Hire Charges	1.16	4.62	1.77	0.26
Sampling Testing	0.03	0.05	0.29	0.30
Payment to auditors (refer note (a) below)	-	0.10	0.10	0.10
Lease Rent	0.02	0.06	0.06	0.56
Bank and Financial Charges	0.54	4.92	4.50	2.25
Miscellaneous Expenses	0.56	0.71	0.87	0.25
Professional Fees, Legal & Other Service Charges	1.82	4.79	4.59	2.84
Water Charges	0.72	3.19	1.98	2.06
Advertisement Expenses	-	1.13	0.10	0.02
Transportation Charges	0.72	2.34	1.79	2.47
Security Charges	0.63	3.77	4.13	3.74
CSR Expenses	1.50	4.00	2.59	2.57
Repairs & Maintenance				
-Building	0.40	4.64	1.17	6.26
-Plant & Machinery	3.73	14.72	11.94	11.11
-Others	0.44	1.22	0.55	0.80
Rates and taxes	5.38	0.45	0.03	0.63
Travelling & Conveyance	0.97	0.42	0.24	0.73
Printing & Stationery	0.06	0.33	0.30	0.37
Telephone Expenses	0.12	0.40	0.36	0.28
Donation	-	0.29	0.25	0.14
Insurance Charges	1.15	6.72	1.28	0.78
Office Rent	0.03	0.17	0.12	0.12
Loss on Sale of Property, Plant & Equipment	-	-	0.11	-
Total	**141.81**	**491.39**	**409.23**	**392.41**

a **Payments to auditors**

Particulars	Quarter ended Jun 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
For Statutory Audit	-	0.07	0.07	0.04
For Tax Audit	-	0.03	0.03	0.02
Total	**-**	**0.10**	**0.10**	**0.05**

36 Computation of Earnings per Equity Share (Basic and Diluted)

Particulars	Quarter ended Jun 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Basic				
(i) Number of Equity Shares at the beginning of the year/Period	4944350	4944350	4944350	4944350
(ii) Number of Equity Shares at the end of the year/Period	4944350	4944350	4944350	4944350
(iii) Weighted average number of Equity Shares outstanding during the year/Period	4944350	4944350	4944350	4944350
(iv) Face Value of each Equity Share	10	10	10	10
(v) Amount of Profit after tax attributable to Equity Shareholders	163.34	539.97	287.04	109.85
(vi) Basic Earnings per Equity Share	**33.04**	**109.21**	**58.05**	**22.22**
Diluted				
(i) Number of Equity Shares at the beginning of the year/period	4944350	4944350	4944350	4944350
(ii) Number of Equity Shares at the end of the year/Period	4944350	4944350	4944350	4944350
(iii) Weighted average number of Equity Shares outstanding during the year/Period	4944350	4944350	4944350	4944350
(iv) Amount of Profit after tax attributable to Equity Shareholders	163.34	539.97	287.04	109.85
(v) Diluted Earnings per Equity Share	**33.04**	**109.21**	**58.05**	**22.22**

Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

37 Financial Risk Management Objectives and policies

The group companies' financial liabilities, other than derivatives, comprise borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group companies' financial assets include trade and other receivables, cash and cash equivalents, investments and deposits.

The management ensures that risks are identified, measured and managed in accordance with Risk Management Policy . The Board of Directors also review these risks and related risk management policy.

The market risks, liquidity risks and credit risks are further explained below:

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 risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include investments, trade payables, etc.

b **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. The group companies' exposure to the risk of changes in market interest rates relates primarily to the debt obligations.The group manages its interest rate risk by having a balanced portfolio of borrowings and equity.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Changes in basis points	Borrowings as at	Effect on profit before tax
	%		
As at June 30, 2023	50	149.61	0.75
	(50)		(0.75)
As at March 31, 2023	50	229.83	1.15
	(50)		(1.15)
As at March 31, 2022	50	425.14	2.13
	(50)		(2.13)
As at March 31, 2021	50	457.81	2.29
	(50)		(2.29)

c **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to this risk is not there as there are no foreign currecy transactions undertaken.

d **Equity price risks**

The group invests only inrelated companies which is a part of long term business planning and in strategic in nature. There is no other investment and hence there are no equity price risks exposure to the group.

e **Credit risks**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Maximum exposure to the credit risk is on account of outstanding balances in the trade receiveables account. But as per experience, the ageing of debtors is always kept less than six months and there are no bad debts encountered in past hence the risk is almost negligible. Credit Risk is managed by the group by monitoring their credit worthiness of customers, credit oplicies and deploying efficient resources for collection.

` ₹ in Millions

f **The ageing analysis of the Trade Receivables is given below:-**

	Outstanding for the following periods from due date of payment					
Particulars	**Less than 6 months**	**6 months- 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at June 30, 2023						
Disputed Trade Receivable considered good	-	-	-	-	-	-
Undisputed Trade Receivable considered good	60.21	0.90	-	-	-	61.10
Disputed Trade Receivable considered doubtful	-	-	-	-	-	-
Undisputed Trade Receivable considered doubtful	-	-	-	-	-	-
Less: Credit impairment	-	-	-	-	-	-
Net balance	**60.21**	**0.90**	**-**	**-**	**-**	**61.10**
As at March 31, 2023						-
Disputed Trade Receivable considered good	-	-	-	-	-	-
Undisputed Trade Receivable considered good	128.45	0.50	-	-	-	128.96
Disputed Trade Receivable considered doubtful	-	-	-	-	-	-
Undisputed Trade Receivable considered doubtful	-	-	-	-	-	-
Less: Credit impairment	-	-	-	-	-	-
Net balance	**128.45**	**0.50**	**-**	**-**	**-**	**128.96**
As at March 31, 2022						-
Disputed Trade Receivable considered good	-	-	-	-	-	-
Undisputed Trade Receivable considered good	118.34	-	-	-	-	118.34
Disputed Trade Receivable considered doubtful	-	-	-	-	-	-
Undisputed Trade Receivable considered doubtful	-	-	-	-	-	-
Less: Credit impairment	-	-	-	-	-	-
Net balance	**118.34**	**0.00**	**-**	**-**	**-**	**118.34**
As at March 31, 2021						-
Disputed Trade Receivable considered good	-	-	-	-	-	-
Undisputed Trade Receivable considered good	69.86	-	-	-	-	69.86
Disputed Trade Receivable considered doubtful	-	-	-	-	-	-
Undisputed Trade Receivable considered doubtful	-	-	-	-	-	-
Less: Credit impairment	-	-	-	-	-	-
Net balance	**69.86**	**0.00**	**-**	**-**	**-**	**69.86**

g **Liquidity risks**

The group's source of liquidity is cash and cash equivalents and operating cash flow. The company believes that its working capital is sufficient to manage its current requirements, accordingly no liquidity risk is percieved.

Liquidity risks sensitivity
The table below summarises the maturity profile of the group’s financial liabilities on contractual undiscounted payments:

Particulars	**Next 1 year**	**1 - 5 years**	**More than 5 years**	**Total**
As at June 30, 2023				
Borrowings	93.67	55.93	-	149.61
Lease Liabilities	1.57	7.86	4.71	14.14
Trade Payables	75.86	-	-	75.86
Other Financial Liabilities	28.86	-	-	28.86
As at March 31, 2023				
Borrowings	149.92	79.91	-	229.83
Lease Liabilities	1.57	7.86	4.71	14.14
Trade Payables	134.98	-	-	134.98
Other Financial Liabilities	25.36	-	-	25.36
As at March 31, 2022				
Borrowings	254.22	170.92	-	425.14
Lease Liabilities	1.57	7.86	4.71	14.15
Trade Payables	78.99	-	-	78.99
Other Financial Liabilities	23.23	-	-	23.23
As at March 31, 2021				
Borrowings	175.41	282.40	-	457.81
Lease Liabilities	1.57	7.86	4.71	14.15
Trade Payables	119.67	-	-	119.67
Other Financial Liabilities	31.86	-	-	31.86

Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

38 Capital management

For the purpose of Capital management, capital includes issued equity capital, and all equity reserves. Its primary objective is to maximise shareholders' value.

The holding company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of financial covenants. Holding Company monitors capital using a gearing ratio which is Debt divided by equity wherein debt includes all borrowings and lease liabilites.

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Total Debt	165.32	245.55	440.86	473.53
Total Equity	1,568.42	1,405.08	867.32	573.88
Debt Equity Ratio	0.11	0.17	0.51	0.83

There have been no breaches in the financial covenants of any interest bearing loans and borrowings.
No changes were made in the objectives, policies or processes for managing capital during the above period.

39 Financial Instruments- Accounting, Classification and Fair Value Measurements

A **Financial Instruments by category**
As at June 30, 2023

Particulars	Total Fair Value	Carrying Value			Total
		Amortised Cost	FVTOCI	FVTPL	
Financial Assets					
Non Current	-	-	-	-	-
Investments	16.01	-	16.01	-	16.01
Other Financial Assets	38.26	38.26	-	-	38.26
Current					
Trade Receivables	61.10	61.10	-	-	61.10
Cash & Cash equivalents	3.45	3.45	-	-	3.45
Bank Balances other than above	348.48	348.48	-	-	348.48
Loans & Advances	134.91	134.91	-	-	134.91
Other Financial Assets	3.41	3.41	-	-	3.41
Total	**605.63**	**589.61**	**16.01**	**-**	**605.63**
Financial Liabilities					
Non Current	-	-	-	-	-
Borrowings	55.93	55.93	-	-	55.93
Lease Liabilities	14.14	14.14	-	-	14.14
Current					
Borrowings	93.67	93.67	-	-	93.67
Lease Liabilities	1.57	1.57	-	-	1.57
Trade payables	75.86	75.86	-	-	75.86
Other financial liabilities	28.86	28.86	-	-	28.86
Total	**270.04**	**270.04**	**-**	**-**	**270.04**

As at March 31, 2023

Particulars	Total Fair Value	Carrying Value			Total
		Amortised Cost	FVTOCI	FVTPL	
Financial Assets					
Non Current	-	-	-	-	-
Investments	16.01	-	16.01	-	16.01
Other Financial Assets	38.26	38.26	-	-	38.26
Current					
Trade Receivables	128.96	128.96	-	-	128.96
Cash & Cash equivalents	2.64	2.64	-	-	2.64
Bank Balances other than above	86.83	86.83	-	-	86.83
Loans & Advances	355.91	355.91	-	-	355.91
Other Financial Assets	1.61	1.61	-	-	1.61
Total	**630.23**	**614.21**	**16.01**	**-**	**630.23**
Financial Liabilities					
Non Current	-	-	-	-	-
Borrowings	79.91	79.91	-	-	79.91
Lease Liabilities	14.14	14.14	-	-	14.14
Current					
Borrowings	149.92	149.92	-	-	149.92
Lease Liabilities	1.57	1.57	-	-	1.57
Trade payables	134.98	134.98	-	-	134.98
Other financial liabilities	25.36	25.36	-	-	25.36
Total	**405.89**	**405.89**	**-**	**-**	**405.89**

` ₹ in Millions

As at March 31, 2022

Particulars	Total Fair Value	Carrying Value			Total
		Amortised Cost	FVTOCI	FVTPL	
Financial Assets					
Non Current	-	-	-	-	-
Investments	14.48	-	14.48	-	14.48
Other Financial Assets	28.16	28.16	-	-	28.16
Current					
Trade Receivables	118.34	118.34	-	-	118.34
Cash & Cash equivalents	2.78	2.78	-	-	2.78
Bank Balances other than above	36.91	36.91	-	-	36.91
Loans & Advances	0.57	0.57	-	-	0.57
Other Financial Assets	1.23	1.23	-	-	1.23
Total	**202.48**	**188.00**	**14.48**	**-**	**202.48**
Financial Liabilities					
Non Current	-	-	-	-	-
Borrowings	170.92	170.92	-	-	170.92
Lease Liabilities	14.15	14.15	-	-	14.15
Current					
Borrowings	254.22	254.22	-	-	254.22
Lease Liabilities	1.57	1.57	-	-	1.57
Trade payables	78.99	78.99	-	-	78.99
Other financial liabilities	23.23	23.23	-	-	23.23
Total	**543.08**	**543.08**	**-**	**-**	**543.08**

As at March 31, 2021

Particulars	Total Fair Value	Carrying Value			Total
		Amortised Cost	FVTOCI	FVTPL	
Financial Assets					
Non Current	-	-	-	-	-
Investments	11.24	-	11.24	-	11.24
Other Financial Assets	37.86	37.86	-	-	37.86
Current					
Trade Receivables	69.86	69.86	-	-	69.86
Cash & Cash equivalents	1.08	1.08	-	-	1.08
Bank Balances other than above	32.95	32.95	-	-	32.95
Loans	0.57	0.57	-	-	0.57
Other Financial Assets	1.19	1.19	-	-	1.19
Total	**154.76**	**143.52**	**11.24**	**-**	**154.76**
Financial Liabilities					
Non Current	-	-	-	-	-
Borrowings	282.40	282.40	-	-	282.40
Lease Liabilities	14.15	14.15	-	-	14.15
Current					
Borrowings	175.41	175.41	-	-	175.41
Lease Liabilities	1.57	1.57	-	-	1.57
Trade payables	119.67	119.67	-	-	119.67
Other financial liabilities	31.86	31.86	-	-	31.86
Total	**625.05**	**625.05**	**-**	**-**	**625.05**

Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

B Fair Values Hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three Levels are denied based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value measurement hierarchy for assets / liabilities

As at June 30, 2023

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Non Current	-	-	-	-
Investments	-	-	16.01	16.01
Total	**-**	**-**	**16.01**	**16.01**
Financial Liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

As at March 31, 2023

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Non Current	-	-	-	-
Investments	-	-	16.01	16.01
Total	**-**	**-**	**16.01**	**16.01**
Financial Liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

As at March 31, 2022

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Non Current	-	-	-	-
Investments	-	-	14.48	14.48
Total	**-**	**-**	**14.48**	**14.48**
Financial Liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

As at March 31, 2021

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Non Current	-	-	-	-
Investments	-	-	11.24	11.24
Total	**-**	**-**	**11.24**	**11.24**
Financial Liabilities	-	-	-	-
Total	**-**	**-**	**-**	**-**

VRAJ IRON AND STEEL LIMITED
Annexure VII
Notes forming part of Restated Consolidated Financial Information

40 Related Party Disclosure

I List of related parties where control exists and related parties with whom transactions have taken place and relationships:

a Key Managerial Personnel (KMP)

Name of Entity	**Nature of Relationship**
Vijay Anand Jhanwar	Managing Director w.e.f. 7 April 2012
Prashant Kumar Mohta	Whole Time Director w.e.f. 26 August 2013
Amal Kumar Choudhary	Director resigned w.e.f. 19 September 2023
Praveen Somani	Whole Time Director w.e.f. 07 September 2021
Pramod Kumar Vaswani	Independent Director w.e.f. 19 December 2023
Sumit Deb	Independent Director w.e.f. 19 December 2023
Shriram Verma	Chief Financial Officer w.e.f. 1 December 2023
Priya Namdeo	Company Secretary w.e.f. 1 December 2023
Sanjeeta Mohta	Independent Director w.e.f. 10 November 2023

b Holding Company

Name of Entity	**Nature of Relationship**
Gopal Sponge & Power Private Limited	Holding Company
Kirti Ispat Private Limited	Holding Company
V. A. Transport Private Limited	Ultimate Holding Company

c Related Enterprises where interest of the group company/directors exists (Others)

Name of Entity/Person	**Nature of Relationship**
Divya Jhanwar	Spouse of Vijay Anand Jhanwar
Vraj Metaliks Private Limited	Associate company
Bhinaswar Commercial Private Limited Utkal Ispat Private Limited Vraj Commercial Private Limited MVK Industries Private Limited	Entities over which KMPs and/ or their relatives are able to exercise significant influence

II Details of transactions with Related Party during the year other than reimbursements

` ₹ in Millions

	Particulars	**For Quarter ended June 30, 2023**			**Year ended March 31, 2023**			**Year ended March 31, 2022**			**Year ended March 31, 2021**		
		KMP	**Holding Co.**	**Others**	**KMP**	**Holding Co.**	**Others**	**KMP**	**Holding Co.**	**Others**	**KMP**	**Holding Co.**	**Others**
a	**Sale**												
	Gopal Sponge & Power Private Limited	-	24.22	-	-	158.80	-	-	271.17	-	-	253.22	-
	Vraj Commercial Private Limited	-	-	0.65	-	-	0.42	-	-	-	-	-	-
b	**Plant, Property & Equipment Purchased**												
	Gopal Sponge & Power Private Limited	-	-	-	-	-	-	-	8.35	-	-	-	-
c	**Raw Materials & Consumables, etc purchased**												
	Gopal Sponge & Power Private Limited	-	2.55	-	-	474.08	-	-	120.92	-	-	105.22	-
d	**Rent Paid**												
	Gopal Sponge & Power Private Limited	-	0.03	-	-	0.12	-	-	0.12	-	-	0.12	-
e	**Salary/ Directors Remuneration paid**												
	Vijay Anand Jhanwar	-	-	-	1.20	-	-	8.00	-	-	10.00	-	-
	Prasant Kumar Mohta	0.17	-	-	0.54	-	-	0.42	-	-	0.36	-	-
	Praveen Somani	0.15	-	-	0.48	-	-	0.28	-	-	-	-	-
	Divya Jhanwar	1.20	-	-	4.80	-	-	2.40	-	-	0.80	-	-

VRAJ IRON AND STEEL LIMITED
Annexure VII
Notes forming part of Restated Consolidated Financial Information

` ₹ in Millions

Particulars	For Quarter ended June 30, 2023			Year ended March 31, 2023			Year ended March 31, 2022			Year ended March 31, 2021		
	KMP	Holding Co.	Others	KMP	Holding Co.	Others	KMP	Holding Co.	Others	KMP	Holding Co.	Others
f **Loans / Advances Received**												
Gopal Sponge & Power Private Limited	-	-	-	-	-	-	-	35.00	-	-	60.00	-
Kirti Ispat Private Limited	-	-	-	-	-	-	-	-	-	-	1.60	-
V. A. Transport Private Limited	-	-	-	-	2.90	-	-	8.20	-	-	10.80	-
Utkal Ispat Private Limited	-	-	-	-	-	-	-	-	21.90	-	-	1.50
Bhinaswar Commercial Private Limited	-	-	-	-	-	2.60	-	-	12.50	-	-	21.80
g **Loans / Advances Returned back**												
Gopal Sponge & Power Private Limited	-	-	-	-	-	-	-	72.39	-	-	208.96	-
Kirti Ispat Private Limited	-	-	-	-	-	-	-	3.39	-	-	0.32	-
V. A. Transport Private Limited	-	-	-	-	2.91	-	-	16.10	-	-	3.53	-
Utkal Ispat Private Limited	-	-	-	-	-	-	-	-	29.93	-	-	20.67
Bhinaswar Commercial Private Limited	-	-	-	-	-	2.62	-	-	20.85	-	-	14.96
h **Interest paid**												
Gopal Sponge & Power Private Limited	-	-	-	-	-	-	-	2.39	-	-	18.93	-
Kirti Ispat Private Limited	-	-	-	-	-	-	-	0.33	-	-	0.23	-
V. A. Transport Private Limited	-	-	-	-	0.01	-	-	1.30	-	-	6.60	-
Bhinaswar Commercial Private Limited	-	-	-	-	-	0.02	-	-	0.85	-	-	0.48
Utkal Ispat Private Limited	-	-	-				-	-	2.33	-	-	2.57
i **Loans / Advances Given**												
Vraj Commercial Private Limited	-	-	-	-	-	310.00	-	-	-	-	-	-
Praveen Somani	0.50	-	-	0.50	-	-	0.50	-	-	-	-	-
j **Loans / Advances Received Back**												
Vraj Commercial Private Limited	-	-	215.13	-	-	1.13	-	-	-	-	-	-
k **Interest earned**												
Vraj Commercial Private Limited	-	-	6.16	-	-	11.25	-	-	-	-	-	-
l **Guarantee availed**												
Gopal Sponge & Power Private Limited	-	808.50	-	-	808.50	-	-	775.00	-	-	65.00	-
Prasant Kumar Mohta	808.50	-	-	808.50	-	-	775.00	-	-	65.00	-	-
Vijay Anand Jhanwar	811.33	-	-	811.33	-	-	790.99	-	-	80.99	-	-

VRAJ IRON AND STEEL LIMITED
Annexure VII
Notes forming part of Restated Consolidated Financial Information

` in Millions

	Particulars	For Quarter ended June 30, 2023			Year ended March 31, 2023			Year ended March 31, 2022			Year ended March 31, 2021		
		KMP	Holding Co.	Others	KMP	Holding Co.	Others	KMP	Holding Co.	Others	KMP	Holding Co.	Others
m	**Guarantee provided**												
	Vraj Metaliks Private Limited	-	-	250.00	-	-	250.00	-	-	250.00	-	-	100.00
n	**Share allotment received during the year**												
	MVK Industries Private Limited	-	-	-	-	-	-	-	-	-	-	-	3.93
III	**Outstanding as at Balance Sheet Date :**												
a	**Advances Given**												
	Vraj Commercial Private Limited	-	-	111.16	-	-	320.13	-	-	-	-	-	-
	Praveen Somani	0.50	-		0.50	-	-	0.50	-	-	-	-	-
b	**Borrowings**												
	Gopal Sponge & Power Private Limited	-	-	-	-	-	-	-	-	-	-		-
	Kirti Ispat Private Limited	-	-	-	-	-	-	-	-	-	-	3.06	-
	V. A. Transport Private Limited	-	-	-	-	-	-	-	-	-	-	6.60	
	Bhinaswar Commercial Private Limited	-	-	-	-	-	-	-	-	-	-	-	7.50
	Utkal Ispat Private Limited	-	-	-	-	-	-	-	-	-	-	-	5.70
c	**Payable as at year end**												
	Vraj Metaliks Private Limited	-	-	0.95	-	-	-	-	-	-	-	-	-
	Prashant Kumar Mohta	0.06	-	-	-	-	-	-	-	-	-	-	-
	Divya Jhanwar	0.28	-	-	-	-	-	-	-	-	-	-	-
	Praveen Somani	0.05	-	-	0.04	-	-	-	-	-	-	-	-
d	**Receivables at Year end**												
	Gopal Sponge & Power Private Limited	-	9.08	-	-	-	-	-	-	-	-	-	-
e	**Investments at year end made in**												
	MVK Industries Private Limited	-	-	3.96	-	-	3.96	-	-	3.93	-	-	3.93

` ₹ in Millions

41 Employee Benefits- Defined Obligation

a Defined Contribution

Expenses recognised in the Restated Statement of Profit & Loss

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Provident Fund	0.57	3.16	2.67	2.38
ESIC	0.22	1.30	1.08	0.85

b Defined Benefit

Gratuity

The group has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. Though the scheme is not yet funded with an insurance company.

The following tables summarise the components of net benefit expense recognised in the Restated Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plan i.e. Gratuity.

-

I Expenses recognised in the Restated Statement of Profit & Loss

	Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
1	Current Service Cost	-	1.84	1.63	1.09
2	Past Service Cost	-	-	-	-
3	Interest Cost	-	0.41	0.28	0.20
4	Expected Return on plan assets	-	-	-	-
	Total	**-**	**2.25**	**1.92**	**1.29**

II Expenses recognised in Restated OCI

	Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
1	Remeasurement due to financial assumptions	-	0.06	0.06	0.17
2	Remeasurements due to experience adjustments	-	(0.81)	(0.29)	(0.18)
3	Actuarial (Gains) / Losses				
	Total	**-**	**(744746)**	**(234001)**	**(15148)**

III Net Asset / (Liability) recognised in the Restated Asset & Liabilites

	Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
1	Present Value of Defined Benefit Obligation	7.29	7.29	5.79	4.10
2	Fair Value of Plan Assets	-	-	-	-
3	**Net Asset / (Liability)**	**7.29**	**7.29**	**5.79**	**4.10**

IV Change in Obligation during the Period/year

	Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
1	Present Value of Defined Benefit Obligation at the beginning of the Period/year	7.29	5.79	4.10	2.83
2	Current Service Cost / Plan amendments	-	1.84	1.63	1.09
3	Interest Cost	-	0.41	0.28	0.20
4	Benefits Paid	-	-	-	-
5	Actuarial (Gains) / Losses				
	Arising from changes in experience	-	(0.81)	(0.29)	(0.18)
	Arising from changes in demographic assumptions	-	-	-	-
	Arising from changes in financial assumptions	-	0.06	0.06	0.17
6	**Present Value of Defined Benefit Obligation at the end of the Period/Year**	**7.29**	**7.29**	**5.79**	**4.10**

Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

V **Change in the Fair Value of Plan Assets during the year/ period**

	Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
1	Plan assets at the beginning of the year/ period	-	-	-	-
2	Expected return on plan assets	-	-	-	-
3	Contribution by employer	-	-	-	-
4	Actual Benefits Paid	-	-	-	-
5	Actuarial Gains / (Losses)	-	-	-	-
6	Plan assets at the end of the year/ period	-	-	-	-
7	Actual return on Plan Assets				

VI **The major categories of plan assets as a percentage of the fair value of total plan assets**
The Provision is not funded yet

VII **Actuarial Assumptions**

	Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
1	Discount Rate	7.30%	7.30%	7.10%	6.90%
2	Expected rate of return on plan assets	NA	NA	NA	NA
4	Salary escalation	6.00%	6.00%	6.00%	6.00%
5	Mortality Table	IALM (2012-14) Table Ultimate			
6	Disability Rate	5% of Mortality Rate	5% of Mortality Rate	5% of Mortality Rate	5% of Mortality Rate
7	Retirement Age	60 years	60 years	60 years	60 years
8	Average Future Service	21.14	21.14	22.12	22.12

VIII The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

IX **Maturity profile of the defined benefit obligation**

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Expected benefit payments for the year/ period ending				
<1 year	0.51	0.51	0.47	0.37
1-5 years	0.71	0.71	0.48	0.20
6-9 years	0.73	0.73	0.83	0.64
10 years	0.23	0.23	0.04	0.11

X The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Liability under Base Scenario	7.29	7.29	5.79	4.10
Assumptions				
Discount Rate				
Up by 1 %	6.65	6.65	5.27	3.74
Down by 1%	8.09	8.09	6.42	4.55
Mortality Rate				
Up by 10 %	7.30	7.30	5.79	4.11
Down by 10%	7.29	7.29	5.78	4.10
Salary Escalation				
Up by 1 %	8.12	8.12	6.45	4.57
Down by 1%	6.61	6.61	5.24	3.72
Withdrawal Rate				
Up by 1 %	7.29	7.29	5.78	4.11
Down by 1%	7.32	7.32	5.82	4.12

Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

42 Lease Disclosure

a **As Lessor:**

Company has not given any assets under any lease arrangement.

b **As Lessee:**

At inception of contract, company assesses whether the contract contains lease or not, ie it contains the right to control the use of any specific asset for a specific period of time in exchange of consideration.

Holding Company recognises Right to Use assets and Lease liabilities at the inception of lease agreement. The right of use (ROU) is measured at cost which comprises of the initial amount of lease liability adjusted for any lease paymentsmade at or after commencement date. The Right of use is subsequently amortised at straight line basis over the term of the lease.

Lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the company's incremental borrowing rate.

Company has elected not to recognise lease of less than 12 months and also of cases wherein monthly lease payment is of less than ₹ 0.01 million.

Incremental borrowing rate applied to lease liability is 10%.

c **Amount recognised in Restated Statement of Profit & Loss**

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expense on Leases	0.39	1.57	1.57	1.57
Depreciation on Right of use of Assets	0.10	0.41	0.41	0.41
Total	**0.50**	**1.99**	**1.99**	**1.99**

d **Details of movement in Right of Use Of Assets**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening Balance	33.06	33.47	33.88	34.30
Addition during the year/Period	-	-	-	-
Deletion during the year/Period	-	-	-	-
Depreciation during the year/Period	(0.10)	(0.41)	(0.41)	(0.41)
Closing Balance	**32.95**	**33.06**	**33.47**	**33.88**

e **Details of movement in Lease Liability**

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening Balance	15.72	15.72	15.72	15.72
Addition during the year/Period	-	-	-	-
Payments during the year/Period	(0.39)	(1.57)	(1.57)	(1.57)
Finance Cost for the year/Period	0.39	1.57	1.57	1.57
Closing Balance	**15.72**	**15.72**	**15.72**	**15.72**

` ₹ in Millions

43	Financial Ratios			Quarter ended June 30, 2023		Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2021	
i	Particulars	Numerator	Denominator	Ratio	% age change over preceeding period	Ratio	% age change over preceeding period	Ratio	% age change over preceeding period	Ratio	% age change over preceeding period
a	Current Ratio	Current Assets	Current Liabilities	3.85	33.68%	2.88	66.24%	1.73	42.16%	1.22	(4.81%)
b	Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.11	(39.68%)	0.17	(65.62%)	0.51	(38.40%)	0.83	(31.97%)
c	Debt Service Coverage Ratio	PBT + Depreciation + Interest	Finance Cost + Repayments of Non Current / Current Term Borrowings	9.53	42.56%	6.68	70.39%	3.92	80.53%	2.17	41.70%
d	Return on Equity	Profit after Tax	Avg. Shareholder's Equity	0.44	(7.53%)	0.48	19.31%	0.40	4.05%	0.38	45.28%
e	Inventory Turnover Ratio	Revenue from Operations	Average Inventory	13.02	(19.68%)	16.21	6.50%	15.22	21.34%	12.54	58.60%
f	Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	44.48	6.66%	41.70	(5.22%)	44.00	(10.41%)	49.11	49.10%
g	Trade Payables Turnover Ratio	Purchases	Average Trade Payables	23.11	(24.93%)	30.78	13.61%	27.10	136.53%	11.46	33.09%
h	Net Capital Turnover Ratio	Revenue from Operations	Average Working Capital	5.67	(43.77%)	10.08	(52.74%)	21.34	(70.70%)	72.82	187.62%
i	Net Profit Ratio	Profit after Tax	Revenue from Operations	0.15	47.61%	0.10	51.04%	0.07	83.47%	0.04	(26.91%)
j	Return on Capital Employed	EBIT	Capital Employed	0.54	11.25%	0.49	29.95%	0.38	36.23%	0.28	161.53%
k	Return on Investment	Income from investments	Average Investments	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%

ii **Value of Numerator & Denominator**

` ₹ in Millions

	Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
a	Current Assets	1,048.74	1,094.39	728.96	444.78
b	Current Liabilities	272.38	379.95	420.72	364.94
c	Total Debt	165.32	245.55	440.86	473.53
d	Shareholders Equity	1,568.42	1,405.08	867.32	573.88
e	EBIT	237.47	813.14	496.61	291.00
f	Finance Cost + Repayments of Non Current / Current Term Borrowings	99.70	121.67	126.61	133.93
g	Revenue from Operations	1,056.78	5,156.71	4,140.43	2,907.06
h	Profit after Tax	163.34	539.97	287.04	109.85
i	Average Inventory	324.76	318.20	272.11	231.83
j	Average Trade Receivables	95.03	123.65	94.10	59.19
k	Average Trade Payables	105.42	106.98	99.33	154.05
l	Purchases	609.02	3,293.45	2,691.49	1,764.83
m	Income from investments	-	-	-	-
n	Capital Employed	1,743.52	1,660.36	1,317.71	1,051.87
o	Average Investments	164.59	148.00	126.98	117.71
p	Working Capital	776.36	714.43	308.24	79.84
q	Average Working Capital	745.40	511.34	194.04	39.92
r	Average Shareholders Equity	1,486.75	1,136.20	720.60	286.94

VRAJ IRON AND STEEL LIMITED
Annexure VII
Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

iii **Explanation for change in Ratios for the various period ended (if more than 25%)**

	Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
a	Current Ratio	Due to substantial decrease in Current Liability	Due to substantial increase in Current Assets	Due to substantial increase in Current Assets	N.A.
b	Debt-Equity Ratio	Due to decrease in debts and increase in profit	Due to decrease in debts and increase in profit	Due to decrease in debts and increase in profit	Due to decrease in debts and increase in profit
c	Debt Service Coverage Ratio	Due to decrease in debts and increase in profit	Due to decrease in debts and increase in profit	Due to decrease in debts and increase in profit	Due to decrease in debts and increase in profit
d	Return on Equity	N.A.	N.A.	N.A.	Due to substantial increase in profit
e	Inventory Turnover Ratio	N.A.	N.A.	N.A.	Due To substantial incraese in revenue from operation.
f	Trade Receivables Turnover Ratio	N.A.	N.A.	N.A.	Due To substantial incraese in revenue from operation.
g	Trade Payables Turnover Ratio	N.A.	N.A.	Due to Substantial increase in purchase & decrease in trade payable.	Due to Substantial increase in purchase & decrease in trade payable.
h	Net Capital Turnover Ratio	Due to substantial decrease in sale & increase in working capital.	Due to substantial decrease in sale & increase in working capital.	Due to substantial decrease in sale & increase in working capital.	Due to substantial increase in sale & decrease in working capital
i	Net Profit Ratio	Due to substantial increase in profit	Due to substantial increase in profit	Due to substantial increase in profit	Due to substantial increase in sale
j	Return on Capital Employed	N.A.	Due to substantial increase in profit	Due to substantial increase in profit	Due to substantial increase in profit

` ₹ in Millions

44 Additional Information in respect of Restated Consolidated Financial information as at & for the year ended March 31, 2021

Name of the Entity	Net Assets, i.e. total assets - total liability		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income
Indian Parent								
1. Vraj Iron and Steel Limited	556.95	97.05%	95.41	86.86%	0.73	(7.15%)	96.14	96.45%
Adjustment arising out of consolidation	(100.94)	(17.59%)	(0.01)	(0.01%)	(10.94)	107.62%	(10.95)	(10.99%)
Indian Associates (Investments as per the equity method)								
1. Vraj Metaliks Private Limited	117.86	20.54%	14.45	13.15%	0.05	(0.47%)	14.49	14.54%
Consolidated Net Asset/ Profit after Tax/ Comprehensive Income	**573.88**	**100.00%**	**109.85**	**100.00%**	**(10.17)**	**100.00%**	**99.68**	**100.00%**

Additional Information in respect of Restated Consolidated Financial information as at & for the year ended March 31, 2022

Name of the Entity	Net Assets, i.e. total assets - total liability		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income
Indian Parent								
1. Vraj Iron and Steel Limited	833.24	96.07%	273.62	95.32%	2.67	41.70%	276.29	94.15%
Adjustment arising out of consolidation	(102.02)	(11.76%)	0.01	0.00%	3.68	57.53%	3.69	1.26%
Indian Associates (Investments as per the equity method)								
1. Vraj Metaliks Private Limited	136.10	15.69%	13.42	4.68%	0.05	0.77%	13.47	4.59%
Consolidated Net Asset/ Profit after Tax/ Comprehensive Income	**867.32**	**100.00%**	**287.04**	**100.00%**	**6.40**	**100.00%**	**293.45**	**100.00%**

Additional Information in respect of Restated Consolidated Financial information as at & for the year ended March 31, 2023

Name of the Entity	Net Assets, i.e. total assets - total liability		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Amount	As % of Consolidated Net	Amount	As % of Consolidated	Amount	As % of Other Comprehensive	Amount	As % of Total Comprehensive
Indian Parent								
1. Vraj Iron and Steel Limited	1,346.07	95.80%	511.11	94.65%	1.72	(77.59%)	512.83	95.36%
Adjustment arising out of consolidation	(100.88)	(7.18%)	-	0.00%	(3.84)	-	(3.84)	(0.71%)
Indian Associates (Investments as per the equity method)								
1. Vraj Metaliks Private Limited	159.90	11.38%	28.86	5.35%	-0.08	3.77%	28.78	5.35%
Consolidated Net Asset/ Profit after Tax/ Comprehensive Income	**1,405.08**	**100.00%**	**539.97**	**100.00%**	**(2.21)**	**(73.82%)**	**537.76**	**100.00%**

Additional Information in respect of Restated Consolidated Financial Information as at & for the quarter ended June 30, 2023

Name of the Entity	Net Assets, i.e. total assets - total liability		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income
Indian Parent								
1. Vraj Iron and Steel Limited	1,500.04	95.64%	153.97	94.27%	-	-	153.97	94.27%
Adjustment arising out of consolidation	(100.90)	(6.43%)	(0.02)	(0.01%)	-	-	(0.02)	(0.01%)
Indian Associates (Investments as per the equity method)								
1. Vraj Metaliks Private Limited	169.29	10.79%	9.38	5.75%	-	-	9.38	5.75%
Consolidated Net Asset/ Profit after Tax/ Comprehensive Income	**1,568.42**	**100.00%**	**163.34**	**100.00%**	**-**	**-**	**163.34**	**100.00%**

Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

45 Disclosure for dues to Micro & Small Enterprises

Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the entity. The disclosures relating to micro and small enterprises is as below:

Particulars	As at June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
a. Principal amount remaining unpaid to any supplier at the year/Period end	0.35	2.38	0.11	0.39
b. Interest on (a) above, remaining unpaid to any supplier at the year/Period end	-	-	-	-
c. The amount of principal paid beyond the appointed date	-	-	-	-
d. The amount of interest paid beyond the appointed date	-	-	-	-
e. Amount of interest due and payable on delayed payments	-	-	-	-
f. Amount of interest accrued and remaining unpaid as at year/Period end	-	-	-	-
g. The amount of further interest due and payable even in the succeeding years	-	-	-	-

46 Disclosure of CSR Expenses

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
CSR Expenses				
Amount required to be spent during the year/Period	8.09	3.99	2.59	2.54
Expenditure incurred during the year/Period	0.50	2.70	1.65	0.79
Shortfall/(Excess) Spending	**7.59**	**1.29**	**0.94**	**1.75**
Provision for CSR Expenses Payable/ Shortfall				
Opening	1.29	0.94	1.75	-
Add: Current	7.59	1.29	0.94	1.75
Less: Payment u/s. 135(5) of Companies Act		0.94	1.75	-
Closing	**8.88**	**1.29**	**0.94**	**1.75**

Reasons for Shortfall: Holding Company was unable to identify any other eligible CSR activities during the concerned period but is committed to transfer shortfall amount to the fund specified under Schedule VII as per proviso to section 135(5) within due time.

47 Contingent Liability

	Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
a	Demand has been raised for VAT against the holding Company for the F.Y.2016-17 under Chhattisgarh Value Added Tax Act, 2005 against which Company has filed Appeal before The Appellate Additional Commissioner,Commercial Tax, Raipur (C.G.). Company has paid ₹ 0.04 million as predeposit against the demand	-	0.28	0.28	-
b	Demand has been raised for Entry Tax against the holding Company for the F.Y.2017-18 under Chhattisgarh Value Added Tax Act, 2005 against which Company has filed Appeal before The Appellate Additional Commissioner,Commercial Tax, Raipur (C.G.). The liability being disputed and contingent, hence has not been provided for in the account. The company has paid ₹ 0.06 million as predeposit against the demand	-	0.42	-	-
c	Demand has been raised for VAT against the holding Company for the F.Y.2017-18 under Chhattisgarh Value Added Tax Act, 2005 against which Company has filed Appeal before The Appellate Additional Commissioner,Commercial Tax, Raipur (C.G.). The liability being disputed and contingent, hence has not been provided for in the accounts. The company has paid ₹0.00 million (₹ 2800/-) as predeposit against the demand	-	0.02	-	-
d	Demand has been raised for Income Tax against the Company for the F.Y.2017-18 under Income Tax Act, 1961 against which Company has filed Appeal before The Commissioner of Income Tax (Appeal). The liability being disputed and contingent, hence has not been provided for in the accounts. The company has paid ₹ 0.20 million as predeposit against the demand	1.00	1.00	-	-
e	Demand has been raised for VAT against the holding Company for the F.Y.2015-16 under Chhattisgarh Value Added Tax Act,2005 against which Company has filed Appeal before The Appellate Additional Commissioner,Commercial Tax, Raipur (C.G.). The liability being disputed and contingent, hence has not been provided for in the accounts. The company has paid ₹ 0.03 million as predeposit against the demand	-	-	0.21	0.21
f	Demand for Entry Tax against the holding Company for the F.Y.2015-16 under Chhattisgarh Value Added Tax Act, 2005 against which Company has filed Appeal before The Appellate Additional Commissioner, Commercial Tax, Raipur (C.G.). The liability being disputed and contingent, hence has not been provided for in the accounts. The company has paid ₹0.07 million as predeposit against the demand	-	-	0.45	0.45
g	Demand has been raised for Income Tax against the holding Company for the F.Y.2012-13 under Income Tax Act, 1961 against which Company has filed Appeal before The Commissioner of Income Tax (Appeal). The liability being disputed and contingent, hence has not been provided for in the accounts. Company has paid ₹ 2.05 million as predeposit against the demand	10.09	-	-	-
h	Two times penalty on Water Charges payable since 01/05/2006 due to non registration with Water Resources Sub-division, Bilaspur	1.98	1.98	1.79	1.55
i	Corporate Guarantee provided to Vraj Metaliks Private Limited	250.00	250.00	250.00	100.00
j	Energy Development Cess since Nov '2011 to June '2023	23.95	-	-	-
k	Demand of Electricity Duty since 28-12-14 to Mar 2018	35.81	-	-	-
l	LC/ BG issued for our benefit to SECL, NMDC, CECB	82.04	173.90	41.87	140.00

Notes forming part of Restated Consolidated Financial Information ` ₹ in Millions

48 **Segment Reporting**
The Group has considered business segment as the primary segment for disclosure. The holding company and associate company are engaged in the manufacturing & trading of Iron and Steel & Power, which in the context of accouting standard by the Institute of Chartered Accountant of India is considered the only business segment.

The Group sells its products within India. The conditions prevailing in India being uniform, no corporate geographical segment disclosure is considered necessary.

49 **Capital Commitment**

Particulars	Quarter ended June 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	284.70	-	-	-
Investment Commitment not yet fulfilled	-	-	-	-
Total	**284.70**	**-**	**-**	**-**

50 The outstanding balance at the year end in respect of Sundry Creditors, Loans and Advances, Deposits and certain Bank Accounts are subject to confirmation / reconciliation from the respective parties and the same have been reckoned in these accounts as per the balances appearing in the books. Any further adjustments arising out of reconciliation will be accounted for as and when such reconciliation is completed. The group however does not expect any material effect in a particular year or in future years.

51 The title deeds of all immovable properties are held in the name of the company itself. Further,the the company has not carried out revaluation of items of Property, Plant & Equipment during the year and accordingly the disclosure as to whether the revaluation is based on the valuation by a registered valuer is not applicable.

52 No proceedings have been initiated or pending against the Holding company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

53 The Restated consolidated financial information are presented in million and hence the totals in this report may appear to be different from apparent total, but such anomaly is merely due to presentation of figures in million. However figures (in rupees) is tallied with books of accounts.

54 The Holding Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

55 The Holding Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. The quarterly returns/statements filed by the Holding Company with such banks and financial institutions are in agreement with the books of account of the Holding Company.

56 The Holding Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

57 The Holding Company has duly complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

58 Holding Company was not required to comply with any Compliance with Scheme(s) of Arrangements.

59 The Holding Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities with the understanding that the Intermediary shall:
1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or
2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

60 There has been default in Repayment of any borrowings by the Holding Company

61 The Holding Company has not been declared as wilful defaulter by any bank or financial institutions or other lenders.

62 The Holding Company has not received any fund from any person or entity, including foreign entities with the understanding that the Holding Company shall:
(1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party or
(2) provide any guarantee, security or the like provided to or on behalf of the Ultimate beneficiaries.

63 The Holding Company have not traded or invested in Crypto currency or Virtual Currency during the period covered under this report.

64 The Holding Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

65 The comparative figures have been regrouped / reclassified wherever necessary, to make them comparable.

66 Additional regulatory information/disclosures as required by general instructions to Division-II of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Group Companies

67 The restated financial information for the Financial year / period ended June 30, 2023; March 31, 2023; March 31, 2022 and March 31, 2021 were approved for issue by the Board of Directors on December 23, 2023.

As per our report of even date attached

For AMITABH AGRAWAL AND CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 006620C

AMITABH AGRAWAL
PARTNER
MEMBERSHIP NO.: 075315

PLACE : RAIPUR
DATE : 23 December 2023
UDIN : 23075315BGYVGE1195

For and on behalf of the Board of Directors of
VRAJ IRON AND STEEL LIMITED
CIN : U27101CT2004PLC016701

VIJAY ANAND JHANWAR
MANAGING DIRECTOR
DIN : 00826103
PLACE : RAIPUR
DATE : 23 December 2023

PRASANT KUMAR MOHTA
DIRECTOR
DIN : 06668452
PLACE : RAIPUR
DATE : 23 December 2023

PRIYA NAMDEO
COMPANY SECRETARY
MEMBERSHIP NO: A50205
PLACE : RAIPUR
DATE : 23 December 2023

SHRIRAM VERMA
CHIEF FINANCIAL OFFICER
PAN : ADIPV4463B
PLACE : RAIPUR
DATE : 23 December 2023

OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of the Company and its Associate for the three months period ended June 30, 2023 and years ended March 31, 2023, March 31, 2022, March 31, 2021 and the reports thereon are available at www.vrajtmt.in.

The following table sets forth the Company's Accounting Ratios. This table should be read in conjunction with our Restated Consolidated Financial Statement dated December 23, 2023.

(₹ in million, unless otherwise mentioned)

Particulars	Quarter ended Jun 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Restated Profit/(loss) after Tax (A)	163.34	539.97	287.04	109.85
Weighted average number of Equity Shares outstanding during the year/Period for Basic EPS **(B)**	24,721,750	24,721,750	24,721,750	24,721,750
Weighted average number of Equity Shares outstanding during the year/Period for diluted EPS **(C)**	24,721,750	24,721,750	24,721,750	24,721,750
Basic Earnings per Equity Share (D = A/B)	6.61	21.84	11.61	4.44
Diluted Earnings per Equity Share (E = A/C)	6.61	21.84	11.61	4.44
Restated Net Worth (F)	1,568.42	1,405.08	867.32	573.88
Return on Net Worth (G=A/F)	10.41%	38.43%	33.10%	19.14%
Actual number of equity shares at the end of the year (H)	4,944,350	4,944,350	4,944,350	4,944,350
Net Asset Value Per Share (in Rs)	317.22	284.18	175.42	116.07
EBITDA	237.47	813.14	496.61	291.00

The Company has issued bonus shares in the ratio of 4:1 on September 29, 2023.Net Asset Value after considering this bonus issue Rs. 63.44/- per share.

Notes to Accounting Ratios:

1). Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

2). Return on Net worth Ratio: Profit/ (loss) for the period attributable to owners of the Company divided by net worth as attributable to owners of the Company at the end of the year.

3). Net assets value per equity share (₹): Net worth as attributable to owners of the Company at the end of the year divided by actual number of equity shares at the end of the year.

4). Accounting and other ratios are based on or derived from the Restated Consolidated Financial Statements

CAPITALISATION STATEMENT

The following table sets forth the Company's capitalization as at June 30, 2023, derived from our Restated Consolidated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with our Restated Consolidated Financial Statement dated December 23, 2023

Particulars	Pre-Issue as at June 30, 2023	As adjusted for the proposed Issue*
Short Term Debt	93.67	[●]
Long Term Debt	55.93	[●]
Total Borrowings (A)	**149.60**	[●]
Equity Share Capital	49.44	[●]
Other Equity	1,518.98	[●]
Total Equity (B)	**1,568.42**	[●]
Total Borrowings (A) / Total Equity (B)	**0.10**	[●]

**The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same has not been provided in the above statement.*

FINANCIAL INDEBTEDNESS

The Company avails loan and financing facilities in the ordinary course of business for meeting working capital and business requirements.

The details of the indebtedness of the Company as on June 30, 2023 is provided below:

(₹ in million)

Nature of Borrowings	Amount
Secured Borrowings (fund based)	149.60
Unsecured Borrowings	-
Total	**149.60**

Secured Borrowings:

(₹ in million)

Type of Loans	Amount Sanctioned	Outstanding amount as on June 30, 2023	Interest rate	Tenure Outstanding as on June 30, 2023
W.C Term Loan	300.00	84.55	9.00% p.a	15 months
W.C Term Loan –GECL	65.00	31.28	9.25% p.a.	17 months
W.C Term Loan – GECL Extn	33.50	33.50	9.25% p.a.	46 months
Cash Credit	400.00	-	9.00% p.a.	Renewable Annually
W.C Term Loan *	850.00	-	8.75% p.a.	108 months
Asset Finance Loan	2.83	0.27	8.70% p.a.	3 months
Total	**1,651.33**	**149.60**		

As certified by M/s. Amitabh Agrawal and Co., Chartered Accountants, by way of their certificate dated December 24, 2023.

** Loan of ₹ 850.00 million sanctioned for expansion of Bilaspur Plant and is disbursed after June 30, 2023.*

Note 1: All the above- mentioned secured loans are from HDFC Bank Limited vide sanction letter dated August 18, 2023, except Loader which is sanctioned vide letter dated September 30, 2020.

Note 2: Terms of loan

A. Primary Security

Plant and Machinery, Stock advance to supplier, Book Debts and Fixed Deposit.

B. Collateral Security

1. Primary- Industrial Property used for commercial activity with an area of 58,000 sq ft having Kh No.248/2,249/3,251/2,251/3,251/4,249/2,281/3,251/1,278/1,281/2,250,248/1,281/2,278/2,280,415,416,417Muru Tehsil Takhatpur- Dist. Bilaspur, Chhattisgarh dighora-495001, Yogantar Industries.
2. Open Vacant land 265,252,253,246,266,264Takhatpur, Digorha-495001.
3. Open Vacant land- 275/2,257,279/3,279/4,249/, Takhatpur-495001.
4. Industrial Property Plot No 38 to 41Vill Siltara Dist. Raipur CG48 To 52493111, Near Shublal Company.

C. Guarantee

Personal Guarantees of Vijay Anand Jhawar, Prashant Mohta and Corporate Guarantee of Gopal Sponge and Power Private Limited.

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio.

Our Company enjoys sanctioned non funded facilities of Letter of Credit and Bank Guarantee amounting to ₹300.00 million from HDFC Bank Limited. As on June 30, 2023 our Company has outstanding Bank Guarantee of ₹ 45.71 million.

MANAGEMENT'S DISCUSSIONS AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Red Herring Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Ind-AS and other applicable provisions of the Companies Act. Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

OVERVIEW

Industry Overview

India is the second-largest steel producer in the world with an installed capacity of 161.3 MT in FY23. It is also the second-largest consumer of finished steel3 with a consumption of 120 MT in FY23. The Indian steel sector growth over the years has been attributed to the domestic availability of raw materials such as iron ore and cost-effective labour. Also, the industry has benefitted from domestic demands in sectors such as construction, real estate, and automobiles. The domestic crude steel production has grown at a CAGR of 3.3% in the past five years to reach 126.3 MT in FY23 from 110.9 MT in FY19. Large steel manufacturers' capacity utilization has been in the range of 80% to 90% in FY23 and most players have announced the expansion of crude steel capacities. The National Steel Policy 2017 envisages achieving 300 MT of production capacity from the current level of 153-157 MT to cater to the expected steel demand of 230 MT by FY31.

The crude steel production in India increased by 14.1% y-o-y to 69.7 MT in H1 FY24 (April 2023-September 2023) from 61.1 MT in H1 FY23 (April 2022-September 2022). The domestic finished steel consumption has increased at a CAGR of 5% to 119.9 MT in FY23 from 98.7 MT in FY19. After a steady increase in steel production, India witnessed a de-growth of 6.3% y-o-y in FY21 due to the outbreak of COVID-19. The rebound in domestic demand from the impact of COVID-19 in the previous financial years, continuous investment in infrastructure and policy support by the government, and pick-up in real estate construction during FY23 have led to an increase in consumption of finished steel to 119.9 MT, implying a y-o-y growth of 13.3%. During H1 FY24, the consumption of finished steel reported a growth of 14.8% y-o-y on account of increased demand from the infrastructure and real estate sectors, mainly due to the protection year.

Our Business

Our Company is engaged in manufacturing of Sponge Iron, M.S. Billets, and TMT bars. Our TMT Bars are sold under the brand 'Vraj' TMT Bars. We currently operate through two manufacturing plants which are located at Raipur and Bilaspur in Chhattisgarh spread across 52.93 acres. As of March 31, 2023, the aggregate installed capacity of our manufacturing plants was 2,31,600 tons per annum ("TPA") (comprising of intermediate and final products). Our manufacturing plant at Raipur also includes a captive power plant with an aggregate installed capacity of 5 MW, as of March 31, 2023. Our product offerings such as Sponge Iron, TMT Bar, MS Billets and by-products Dolochar, Pellet and Pig Iron cater to a mix of customers that consist of industrial customers and end-users. As of June 30, 2023, we had a workforce of 533 comprising of 298 permanent employees including 4 Directors comprising 7 employees at the Registered Office, 200 employees at Raipur Plant and 87 employees at Bilaspur Plant and 235 contract workers.

Significant Developments after June 30, 2023 that may affect our Future Results of Operations

Except as mentioned in Risk Factors, there are no significant developments.

FACTORS AFFECTING OUR RESULT OF OPERATIONS

Except as otherwise stated in this Draft Red Herring Prospectus and the Risk Factors given in Draft Red Herring Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

Loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials

The loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials such as coal, iron ore and dolomite etc can have significant consequences for our business. It may lead to disruptions in our production processes, delays in fulfilling customer orders, and potential financial losses. Without a reliable supply of raw materials, we may experience difficulties in meeting customer demand and fulfilling our commitments. This could result in dissatisfied customers, potential loss of business, and damage to our reputation. Furthermore, the lack of necessary raw materials may hinder our ability to maintain consistent product quality and meet required production standards. This could impact our competitiveness in the market and potentially lead to a loss of market share. In addition, if we are forced to find alternative suppliers or sources for the raw materials, it may result in increased costs, longer lead times, and potential compromises in quality or specifications. This can have a negative impact on our profitability and operational efficiency. To mitigate these risks, it is crucial for us to have contingency plans in place, such as maintaining relationships with multiple suppliers, regularly assessing their reliability, and exploring options for local sourcing or production. By implementing these measures, we aim to minimize the potential impact of supplier loss or failure on our business operations.

Volatility in the demand and pricing in the steel industry and the cyclical nature of the industries it serves

Fluctuations in demand for steel can impact our production levels and sales volumes. During periods of high demand, we may experience increased sales and revenue. However, during periods of low demand, we may face challenges in selling our products and may need to adjust our production levels accordingly. This can result in revenue fluctuations and potential financial instability. Moreover, pricing volatility in the steel industry can directly impact our profitability. Rapid price changes in raw materials, such as iron ore or coal, can affect our production costs. Additionally, fluctuations in steel prices can impact our selling prices and margins. It is important for us to closely monitor market trends and adjust our pricing strategies accordingly to maintain competitiveness and profitability. The cyclical nature of the industries that rely on steel, such as construction, automotive, and manufacturing, also affects our business. Economic downturns or industry-specific challenges can lead to reduced demand for steel products. This can result in decreased sales and potential revenue decline. To navigate these challenges, we employ various strategies. These include closely monitoring market trends, maintaining strong relationships with customers and suppliers, diversifying our product offerings, and implementing cost management measures. By staying agile and adaptable, we aim to mitigate the impact of demand and pricing volatility in the steel industry and the cyclical nature of the industries it serves.

Volatility in the prices of raw materials

Volatility in the prices of raw materials can have significant implications for our business. For the financial period for the three months ended June 30, 2023 and year ended March 31, 2023, March 31, 2022 and March 31, 2021 cost of raw material consumed were ₹ 692.69 million, 3,754.62 million, 3,143.15 million and 2,132.39 million respectively comprising of 64.91%, 72.56%, 75.85% and 73.30% respectively. Fluctuations in these costs can impact our profitability, operational efficiency, and overall financial stability. When raw material prices experience volatility, it directly affects our production costs. If prices increase, it can lead to higher expenses for sourcing and acquiring the necessary materials. This can squeeze profit margins and potentially result in increased product prices for our customers. On the other hand, if prices decrease, it may create opportunities for cost savings and improved profitability. Similarly, volatility in energy prices can have a substantial impact on our operations. For the financial period for the three months ended June 30, 2023 and year ended March 31, 2023, March 31, 2022 and March 31, 2021 power cost were ₹ 64.80 million, 223.86 million, 178.95 million and 174.25 million respectively. Energy is a critical input in our production processes, and any significant price fluctuations can directly affect our operational costs. Higher energy prices can increase our expenses, while lower prices can provide cost-saving opportunities. To manage the impact of price volatility, we employ various strategies. These include closely monitoring market trends, engaging in strategic sourcing practices, and implementing hedging or forward contracting strategies where applicable. By actively managing our procurement processes and exploring alternative suppliers or energy sources, we aim to mitigate the potential negative effects of price fluctuations. Additionally, we continuously evaluate and optimize our operational processes to improve energy efficiency and reduce consumption. This helps us minimize the impact of energy price volatility on our overall cost structure. While we cannot control or predict market fluctuations, we strive to proactively manage the risks associated with raw material and energy price volatility to ensure the long-term sustainability and profitability of our business.

Unexpected loss, shutdown or slowdown of operations at any of our manufacturing facilities

An unexpected loss, shutdown, or slowdown of operations at any of our facilities can have significant implications for our business. It can disrupt our production processes, impact our ability to meet customer demand, and potentially result in financial losses. Firstly, such an event can lead to a decrease in our overall production capacity, which may result in delays in fulfilling customer orders. This can lead to dissatisfied customers, potential loss of business, and damage to our reputation. Additionally, the interruption of operations can cause a disruption in our supply chain, affecting the availability of raw materials or components needed for production. This can further exacerbate delays and impact our ability to meet customer demands in a timely manner. Furthermore, a loss, shutdown, or slowdown of operations can have financial implications. It may result in increased costs associated with repairs, maintenance, or finding alternative facilities to continue operations. It can also lead to a decrease in revenue due to the inability to generate sales during the downtime. To mitigate the impact of such events, it is important for us to have contingency plans in place. This includes implementing robust risk management strategies, regularly assessing the condition of our facilities, and having backup plans for alternative production sites if necessary. By taking proactive measures, we aim to minimize the potential disruptions and financial impact caused by unexpected loss, shutdown, or slowdown of operations at any of our facilities.

Dependence on third parties for our suppliers, logistics and transportation needs

Our dependence on stable and reliable logistics and transportation infrastructure is crucial for the smooth operation of our business. Any disruptions or failures in this infrastructure can have significant impacts on our operations, supply chain, and overall business performance. Firstly, a reliable logistics and transportation infrastructure ensures the timely and efficient movement of goods and materials throughout our supply chain. It allows us to receive raw materials on time, transport finished products to customers, and manage inventory effectively. Any disruptions in this process can lead to delays in production, increased costs, and potential customer dissatisfaction. Moreover, a stable logistics and transportation infrastructure enables us to meet customer expectations in terms of delivery times and service levels. It helps us maintain a competitive edge in the market by ensuring that our products reach customers in a timely manner. Any interruptions or failures in this infrastructure can result in missed delivery deadlines, loss of customer trust, and potential loss of business. Additionally, a reliable transportation network is essential for expanding our market reach and entering new markets. Dependence on unstable or unreliable infrastructure can limit our ability to expand and tap into new customer bases. To mitigate the risks associated with dependence on logistics and transportation infrastructure, we actively monitor and assess the reliability of our logistics partners and transportation providers. We establish contingency plans to address potential disruptions, such as identifying alternative routes or modes of transportation. By prioritizing stable and reliable infrastructure, we aim to minimize the potential impact on our business operations and ensure smooth supply chain management.

Our inability to successfully implement our Expansion Project

Our inability to successfully implement the Expansion Project may have several consequences for our Company. Firstly, it could hinder our growth and limit our ability to reach new markets or serve a larger customer base. This could result in missed opportunities for revenue generation and potential loss of market share to competitors who are able to expand successfully. Additionally, the failure to implement the Expansion Project may impact our reputation and credibility in the industry. Stakeholders, including investors, partners, and customers, may question our ability to execute strategic initiatives effectively, which could lead to a loss of trust and potential negative impact on future business relationships. Furthermore, the inability to successfully implement the Expansion Project may have financial implications. If significant resources have already been invested in the project, the failure to achieve the desired outcomes could result in financial losses and a strain on our budget. This could potentially limit our ability to invest in other important initiatives or hinder our overall financial performance. It is important to address the challenges and obstacles that are preventing the successful implementation of the Expansion Project. By identifying and addressing these issues, we can mitigate the potential negative impacts and work towards finding alternative solutions or strategies to achieve our expansion goals.

Developments in the competitive environment in the steel industry, such as consolidation among our competitors.

Developments in the competitive environment, such as consolidation among our competitors in the steel industry, can have both direct and indirect effects on our organization. Here are a few potential impacts:

1. *Increased competition:* Consolidation among competitors may result in larger and more powerful players in the market. This could intensify competition as they may have greater resources, economies of scale, and market influence. We may need to adapt our strategies to effectively compete in this changing landscape.

2. *Pricing pressure:* Consolidation can lead to increased pricing power for larger competitors, potentially putting downward pressure on prices in the industry. This may impact our profitability and require us to find ways to maintain competitiveness while managing costs.

3. *Market share dynamics:* Consolidation may result in shifts in market share among competitors. If our competitors gain a larger market share through consolidation, it could impact our position and market presence. We may need to reassess our market positioning and explore ways to differentiate ourselves to maintain or grow our market share.

4. *Supply chain implications*: Consolidation can also impact the supply chain dynamics in the industry. If our suppliers or customers are affected by consolidation, it may disrupt our operations or relationships. We may need to evaluate and potentially diversify our supply chain to mitigate any potential risks.

5. *Collaboration opportunities:* On the other hand, consolidation can also create opportunities for collaboration or partnerships. It may be beneficial to explore potential alliances or strategic partnerships with other players in the industry to leverage synergies and strengthen our competitive position.

It is crucial for us to closely monitor and analyze the developments in the competitive environment, including consolidation among our competitors. By staying informed and proactive, we can adapt our strategies, identify new opportunities, and mitigate any potential risks or challenges that may arise.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and presentation

The Restated Consolidated Statement of Assets and Liabilities of the Holding Company and its associates company as at June 30, 2023, March 31, 2023 , March 31, 2022 and March 31, 2021 and the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the Period ended June 30, 2023, March 31, 2023 , March 31, 2022 and March 31, 2021, the Summary Statement of Significant Accounting Policies and other explanatory information (together referred to as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time. These Restated Consolidated Financial Information have been prepared by the Management of the Holding Company for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP')/ Prospectus to be filed by the Holding 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 of the Company comprising of fresh issue of equity shares (the "Issue").

The Restated Consolidated Financial Information have been compiled from:

a) Audited special purpose Interim Consolidated Ind AS financial statements of the Holding Company and its associates as at and for the three month period ended June 30, 2023 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on December 23, 2023.

b) The Company was exempted from making Consolidated Financial Statements for the FY 2020-21, FY 2021-22 & FY 2022-23 and hence no Consolidated Financial Statements were prepared on any of these periods. Audited special purpose Consolidated Ind AS financial statements of the Holding Company were prepared (as detailed below) for the limited purpose of complying with the requirement of the ICDR.

    i. Audited special purpose Consolidated Ind AS financial statements of the Holding Company & its Associates as at and for the year ended March 31, 2023 prepared in accordance with Indian Accounting Standard (Ind AS), specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors in their meeting held on December 23, 2023. This Special Purpose Consolidated Ind AS Financial Statements has been prepared by the management of the Company, using recognition and measurement principles of Ind AS, by adjusting Audited Standalone financial statements of the Company, which was approved by the Board of Directors in their meeting held on June 30, 2023 and Audited Standalone financial statements of the Associate, which was approved by their Board of Directors in their meeting held on June 30, 2023; both prepared in accordance with the Accounting Standards prescribed under the section 133 of the Act ("Indian GAAP") as at and for the year ended March 31, 2023.

    ii. Audited special purpose Consolidated Ind AS financial statements of the Holding Company & its Associates as at and for the year ended March 31, 2022 prepared in accordance with Indian

Accounting Standard (Ind AS), specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors in their meeting held on December 23, 2023. This Special Purpose Consolidated Ind AS Financial Statements has been prepared by the management of the Company, using recognition and measurement principles of Ind AS, by adjusting Audited Standalone financial statements of the Company, which was approved by the Board of Directors in their meeting held on August 26, 2022 and Audited Standalone financial statements of the Associate, which was approved by their Board of Directors in their meeting held on August 31st2022; both prepared in accordance with the Accounting Standards prescribed under the section 133 of the Act ("Indian GAAP") as at and for the year ended March 31, 2022.

iii. Audited special purpose Consolidated Ind AS financial statements of the Holding Company & its Associates as at and for the year ended March 31, 2021 prepared in accordance with Indian Accounting Standard (Ind AS), specified under section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors in their meeting held on December 23, 2023. This Special Purpose Consolidated Ind AS Financial Statements has been prepared by the management of the Company, using recognition and measurement principles of Ind AS, by adjusting Audited Standalone financial statements of the Company, which was approved by the Board of Directors in their meeting held on August 4, 2021 and Audited Standalone financial statements of the Associate, which was approved by their Board of Directors in their meeting held on August 12, 2021; both prepared in accordance with the Accounting Standards prescribed under the section 133 of the Act ("Indian GAAP") as at and for the year ended March 31, 2021.

The Restated Consolidated Financial Information:

(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three months period ended June 30, 2023;

(b) do not require any adjustment for modification as there is no modification in the underlying audit reports;

The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the board meetings for adoption of Special Purpose Consolidated Interim Financial Statements, Audited Standalone Financial Statements of the company prepared in accordance with Ind AS and Audited financial statements prepared in accordance with IGAAP. The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the three months period ended June 30, 2023. There have been no reservations or qualifications or adverse remarks of the Statutory Auditors in the last three fiscal years and for the three-month period ended June 30, 2023. The Restated Consolidated Financial Information has been prepared for the Group as a going concern basis.

Current and Non-Current Classification

The Holding Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it :–

- Expects to be realised or intends to sell or consume in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when: -

- It is expected to settle in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Holding Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

Use of estimates

The preparation of the Restated consolidated financial information is in conformity with Ind AS requiring management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the restated consolidated financial information were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

Basis of consolidation

The Restated consolidated financial information incorporate the financial statements of the Holding Company and entities controlled by the Holding Company i.e. its associates. It also includes the Associate's share of profits, net assets and retained post acquisition reserves of associates that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Holding Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power to direct the relevant activities of the entity.

The results of associates acquired or disposed off during the year are included in the Restated Consolidated Statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of associates to bring their accounting policies in line with those used by other members of the Group. No adjustment with respect to different depreciation method and useful life applied by Vraj Metaliks Private Limited, the only associate company is made due to the nature of complexity involved.

Investment in associates

Associates are those enterprises over which the Holding Company has significant influence, but does not have control or joint control. Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Holding company's share of net assets of the associate and impairment charges, if any. When the Holding company share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Holding company has incurred obligations in respect of the associate. Unrealised gains on transactions between the Holding company and its associates are eliminated to the extent of the Holding Company interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Holding Company accounting policies.

Summary of significant accounting policies

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the asset to the location and condition necessary for its intended use.

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 entity and the cost can be measured reliably. Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately. Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Spare parts, procured along with the related Plant & Machinery or subsequently, if capitalized and added in the carrying amount of such item is depreciated over the residual useful life of the related plant and machinery or their useful life whichever is lower. Stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized and others are carried as inventory and recognized in the income statement on consumption.

If significant parts of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Holding Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as and when incurred.

Gains and losses on disposal/ derecognition (when no future economic benefits are expected or the same is held for sale) of a Property, Plant and Equipment are determined by comparing net disposal proceeds/ fair value (less estimated cost of sale) with the carrying amount of property, plant and equipment. These are included in profit or loss within other gains/ losses.

Residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Depreciation has been provided on written down method on useful life assigned to each asset in accordance with Schedule II of the Companies Act, 2013, on a pro-rata basis by the Holding Company.

Different Accounting Policy of Vraj Metaliks Pvt Ltd "an Associate company"

Depreciation has been provided on straight line method on useful life assigned to each asset in accordance with Schedule II of the Companies Act, 2013, on a pro-rata basis. Bought out, used Sponge iron plant and machinery is considered having useful life of 13 years.

Investment Properties

Property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes are covered herein. Property held for sale or for sublease are not classified as investment Properties. Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable in bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on prorata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Holding company and the cost of expenditure can be measured reliably. Fair Value of investment properties shall be disclosed, otherwise proper explanation shall be provided.

Intangible Assets

Intangible Assets are recognised, when it is probable that associated future economic benefits would flow to the Holding company, having definite useful lives (subsequent to initial recognition). It is reported at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use, but excludes trade discount, rebate, recoverable taxes.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period and adjusted prospectively, if appropriate. Useful life of Computer Software is estimated to be 6 years.

An Intangible asset is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal/ derecognition is recognized in the statement of Profit & Loss.

Capital work in progress

Projects under which assets are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses, expenditure in relation to survey and investigation and attributable interest. Such expenditure is either capitalized on completion of the project or the same is expensed in the year in which it is decided to abandon such project.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The Holding Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Holding Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

A lease is classified on the inception date as a finance or an operating lease. Leases under which the Holding Company assumes substantially all the risks and rewards of ownership are classified as finance leases.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Holding Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Holding company uses incremental borrowing rate. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases under which substantially all the risks and rewards of ownership are not transferred to the Holding Company are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight line basis in the Restated Consolidated Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

For short-term and low value leases, the Holding Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Inventories

Cost of raw material, finished goods/ work in progress, Stores are measured at lower of cost or net realisable value after providing for obsolescence, if any, whereas by-products are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads (net of recoverable taxes) incurred in bringing them to their respective present location and condition. Costs includes all expenses incurred in bringing the inventories to their present location and condition.

Cost of finished goods/ work in progress is determined on weighted average basis. Cost of inventory is assigned using FIFO. Cost of opening and closing stock excludes taxes that are subsequently recoverable from taxing authorities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Financial Instruments

Financial Assets

Initial Recognition and Measurement

All Financial Assets are initially recognised at fair value and transaction costs. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, are adjusted to fair value and balance is expensed in the Statement of Profit and Loss. Purchase and sale of Financial Assets are recognised using trade date accounting.

Subsequent Measurement

Financial Assets measured at Amortised Cost (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Holding company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Holding Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments is recognised in Restated Consolidated Statement of Profit and Loss when the Holding Company right to receive payment is established.

Impairment of Financial Assets

In accordance with Ind AS 109, the Holding company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables the Holding company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Holding company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Holding company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

Financial Liabilities

Initial Recognition and Measurement

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Restated Consolidated Statement of Profit and Loss as finance cost.

Subsequent Measurement

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of Financial Instruments

The Holding company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognised from the consolidated financial statement when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Holding Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives

The Holding Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss.

Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of Non-Financial Assets

The Holding Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or Holding company of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Holding company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Consolidated Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provisions, Contingent Liability and Contingent Assets

Provisions are recognised when the Holding company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Holding company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made. Contingent liabilities are not recognized but are disclosed in notes.

Contingent Assets are disclosed by way of a note only if inflow of economic benefits is probable.

Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the Consolidated Statement of Profit and Loss by way of deduction from depreciation expense on a systematic basis over the useful life of the asset.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term highly liquid investments (with a maturity within three months or less from the date of purchase) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Earnings per share

Basic earnings per share is computed by dividing the Net Profit or loss after tax for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid-up shares are included as fully paid equivalents according to the fraction paid-up. Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, assets that takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Foreign currency transactions and translation

Consolidated Financial statements are presented in ₹, which is the functional currency of the Holding company and the presentation currency. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the retranslation or settlement of other monetary items are included in the Consolidated Statement of Profit and Loss for the period.

Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Revenue recognition

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of return, trade discounts and volume rebates. Revenue is recognized when the control over the goods have been transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return can be estimated reliably and there is no continuing effective control or managerial involvement with, has not retained any significant risks of ownership or future obligations with, the goods, and the amount can be measured reliably.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Holding company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Due to the short nature of credit period given to/ advance received from customers, the same does not require adjustment of financing component and hence not accounted separately.

Other income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss. Lease payments under operating leases are recognized as an income on a straight-line basis in the Consolidated Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature. Dividend Income is recognised when the Holding company right to receive the amount has been established.

Employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

The Holding Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Holding company only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Holding company obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Holding company.

Defined Contribution Plan: Contribution to Provident fund and Employee State Insurance are accounted for on accrual basis.

Defined Benefit Plan: Leaves cannot be carried forward to next year and the same is either availed or encashed at the year end. Actuarial gains or losses on gratuity are recognized in other comprehensive income. Profit or loss does shall not include expected return on plan assets. Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of Profit and Loss.

Taxes

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date and it includes adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Government subsidies

Government of Chhattisgarh, Commerce & Industries Department has issued the Industrial Policy 2019-2024 with the objective of setting-up maximum industries of priority/high priority category. Under the said Industrial Policy 2019-2024, the Company, subject compliance of conditions mentioned therein, will be able to avail a subsidy of upto 80% of the investment made in the Expansion Project, over a span of 10 (ten) years from the commencement of commercial production**.**

Statement of Cash flows

Statements of Cash flows are prepared in accordance with "Indirect Method" in accordance with Ind AS – 7 consisting of operating, investing and financing activity of the company.

Segment Reporting

Identification of Segments: The Holding company operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit. Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Segment Accounting Policies: The Holding company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements as a whole.

Inter-Segment Transfers: The Holding company generally accounts for intersegment transfers at an agreed transaction value.

Unallocated Items: Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Loans and borrowings

Loans and borrowings are initially recognized at fair value net of transaction costs incurred. Subsequently, these are measured at amortized cost using the effective interest rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Trade and other payables

These amount represent liabilities for goods and services provided to the Holding company prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the EIR model.

Onerous Contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Holding company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating/exiting the contract and the expected net cost of fulfilling the contract.

Other Accounting Polices

Accounting policies are referred to otherwise are consistent with generally accepted accounting principles.

RESULTS OF OPERATIONS

The following table sets forth selected information from our results of operations as a percentage of total income for the quarter ended June 30, 2023, Fiscals 2023, 2022 and 2021:

Particulars	Quarter ended June 30, 2023	% of Total Income	Year ended March 31, 2023	% of Total Income	Year ended March 31, 2022	% of Total Income	Year ended March 31, 2021	% of Total Income
Revenue from Operations	1,056.78	99.03%	5,156.71	99.66%	4,140.43	99.92%	2,907.06	99.92%
Other Income	10.40	0.97%	17.50	0.34%	3.40	0.08%	2.26	0.08%
Total Income (I+II)	**1,067.18**	**100.00%**	**5,174.21**	**100.00%**	**4,143.84**	**100.00%**	**2,909.32**	**100.00%**
Expenses								
Cost of materials consumed	692.69	64.91%	3,754.62	72.56%	3,143.15	75.85%	2,132.39	73.30%

Particulars	Quarter ended June 30, 2023	% of Total Income	Year ended March 31, 2023	% of Total Income	Year ended March 31, 2022	% of Total Income	Year ended March 31, 2021	% of Total Income
Purchase of Stock in Trade	1.98	0.19%	60.40	1.17%	53.99	1.30%	18.21	0.63%
Changes in inventories of finished goods, WIP and Stock in trade	(13.85)	(1.30%)	10.60	0.20%	(12.07)	(0.29%)	34.03	1.17%
Employee Benefits Expense	16.46	1.54%	72.93	1.41%	66.34	1.60%	55.72	1.92%
Finance Costs	6.03	0.56%	29.88	0.58%	39.49	0.95%	59.83	2.06%
Depreciation & Amortisation expenses	14.47	1.36%	64.42	1.24%	71.82	1.73%	72.66	2.50%
Other Expenses	141.81	13.29%	491.39	9.50%	409.23	9.88%	392.41	13.49%
Total Expenses	**859.58**	**80.55%**	**4,484.23**	**86.67%**	**3,771.95**	**91.03%**	**2,765.25**	**95.05%**
Share of Profit of associates	**9.38**	**0.88%**	**28.86**	**0.56%**	**13.42**	**0.32%**	**14.45**	**0.50%**
Profit/(loss) before Exceptional Items and Tax (III-IV+V)	**216.98**	**20.33%**	**718.84**	**13.89%**	**385.31**	**9.30%**	**158.51**	**5.45%**
Exceptional Items	-	-	-	-	-	-	-	-
Profit/(loss) before Tax (VI-VII)	**216.98**	**20.33%**	**718.84**	**13.89%**	**385.31**	**9.30%**	**158.51**	**5.45%**
Tax Expense								
Current Tax	53.60	5.02%	178.06	3.44%	95.09	2.29%	39.30	1.35%
Deferred Tax	0.04	0.00%	0.81	0.02%	3.17	0.08%	9.36	0.32%
Total Tax Expense	53.64	5.03%	178.87	3.46%	98.26	2.37%	48.66	1.67%
Profit/(loss) after Tax (VIII-IX)	**163.34**	**15.31%**	**539.97**	**10.44%**	**287.04**	**6.93%**	**109.85**	**3.78%**

FOR THE THREE MONTHS PERIOD ENDED JUNE 30, 2023

Total Revenue

Revenue from operations

Our revenue from operations for the three months period ended June 30, 2023 was ₹ 1,056.78 million which was 99.03% of our total income for the same period. Sale of manufactured goods and by products was ₹ 1,054.79 million constituting 99.81% and traded goods was ₹1.99 million constituting 0.19% of revenue from operations during the three months period ended June 30, 2023.

Other income

Our other income for the three months period ended June 30, 2023 was ₹ 10.40 million which was 0.97% of our total income for the same period. The key component of our other income was Interest income from Intercorporate Deposits, Bank Deposits and other.

Total Expenses

Cost of materials consumed

Our cost of materials consumed for the three months period ended June 30, 2023 was ₹692.69 million which was 64.91% of our total income for the same period.

Purchase of stock

Our purchase of stock in trade for the three months period ended June 30, 2023 was ₹1.98 million which was 0.19% of our total income for the same period.

Changes in inventories of finished goods, work-in-progress and stock in trade

The changes in inventories of finished goods, work-in-progress and stock in trade for the three months period ended June 30, 2023 was ₹ (13.85) million.

Employee benefit expenses

Our employee benefit expenses for the three months period ended June 30, 2023 was ₹ 16.46 million which was 13.42% of our total income for the same period. Our employee benefit expenses for Fiscal 2023 constituted 1.54% of our total income.

Finance costs

Our finance costs for the for the three months period ended June 30, 2023 was ₹6.03 million which was 0.56% of our total income for the same period.

Depreciation and amortization

Our depreciation and amortization for the three months period ended June 30, 2023 was ₹14.47million which was 1.36 % of our total income for the same period.

Other expenses

Our other expenses for the three months period ended June 30, 2023 was ₹141.81 million which was 13.29% of our total income for the same period. Our other expenses primarily are power charges of ₹64.80 million, production charges of ₹14.04 million, consumption of Stores and Spares of ₹35.91 million.

Tax expenses

Our current tax expenses for the three months period ended June 30, 2023 was ₹53.64 million which was 3.49% of our total income for the same period.

Profit for the three months ended June 30, 2023

Our profit for the three months ended June 30, 2023 was ₹163.34 million which was 15.31% of our total income for the same period.

FISCAL 2023 COMPARED TO FISCAL 2022

Total revenue

Revenue from operations

Our revenue from operations increased by 24.55% to ₹5,156.71 million in Fiscal 2023 from ₹4,140.43 million in Fiscal 2022, due to an increase in volume of products sold, higher per unit realization depicted as below:

Particulars	2022-23		2021-22	
	Quantity(mt)	Avg price	Quantity(mt)	Avg price
Sponge Iron	82,269	32,713.11	75,967	31,776.37
TMT Bar	34,431	52,264.33	21,071	47,921.76
MS Billets	10,510	48,707.97	11,787	44,329.68

Other income

Other income increased by 414.11% to ₹17.50 million in Fiscal 2023 from ₹3.40 million in Fiscal 2022. Such increase was primarily attributable to an increase in interest income from inter corporate deposit and interest on Income Tax Refund

Total expenses

Cost of materials consumed

Cost of materials consumed increased by 19.45% to ₹3,754.62 million in Fiscal 2023 from ₹3,143.15 million in Fiscal 2022. Such increase was predominantly due to increase in purchase of raw materials such as coal and iron ore made during the year, due to an increase in volumes produced and sales.

Purchases of stock in trade

Purchases of stock in trade increased by 11.86% to ₹60.40 million in Fiscal 2023 from ₹53.99 million in Fiscal 2022.

Changes in inventories of finished goods, stock in trade and work-in-progress

Changes in inventories of finished goods, stock in trade and work-in-progress decreased by 187.86% to ₹10.60 million in Fiscal 2023 from ₹(12.07) million in Fiscal 2022. This was predominantly due to an increase in inventory of finished goods, work in progress and stock in trade at the end of the year to support increase in demand for our products and higher production volumes on account of increase in capacity utilisation. For further details, see "*Our Business –Capacity and Capacity Utilisation*" on page 189.

Employee benefit expenses

Employee benefits expenses increased by 9.94% to ₹72.93 million in Fiscal 2023 from ₹66.34 million in Fiscal 2022. This was predominantly due to an increase in salary and wages and increase in contribution to provident and other funds, gratuity expenses and staff welfare expenses. This was consequent to an increase in our number of employees, growth in annual salaries as well as an incremental rise in minimum wages.

Finance costs

Finance costs decreased by 24.33% to ₹29.88 million in Fiscal 2023 from ₹39.49 million in Fiscal 2022. This was predominantly due to decrease in interest expenses on our borrowings from banks and interest on inter-corporate deposits.

Depreciation and amortization expense

Depreciation and amortization expense decreased by 10.31% to ₹64.42 million in Fiscal 2023 from ₹71.82 million in Fiscal 2022. This was predominantly due to the resultant depreciation of plant and machinery, factory building and shed, vehicles, computer equipments and right of use assets during the year.

Other Expenses

Other expenses increased by 20.08% to ₹491.39 million in Fiscal 2023 from ₹409.23 million in Fiscal 2022. Our other expenses primarily are power charges, production charges, consumption of Stores and Spares, commission expenses, consumption of diesels, repair and maintenance etc.

Tax expenses

Our current tax expenses increased to ₹178.06 million in 2023 from ₹95.09 million in 2022. This was predominantly due to an increase in profit for the year. Deferred tax credit decreased to ₹0.81 million in Fiscal 2023 as compared to ₹3.17 million in Fiscal 2022.

Profit for the year

Due to the reasons stated above, our profit for the year increased to ₹539.97 million in Fiscal 2023 from ₹287.04 million in Fiscal 2022.

FISCAL 2022 COMPARED TO FISCAL 2021

Total revenue

Revenue from operations

Our revenue from operations increased by 42.43% to ₹4,140.43 million in Fiscal 2022 from ₹2,907.06 million in Fiscal 2021, predominantly due to an increase in the sale of our products due to partial relaxation of COVID-19 induced lockdown, resulting in the gradual opening up of domestic markets and increased in construction projects, thereby increasing the demand of our products. The table below shows volume of products sold and average per unit realization:

Particulars	2021-22		2020-21	
	Quantity(mt)	Avg price	Quantity(mt)	Avg price
Sponge Iron	75,967	31,776.37	70,651	21,399.34
TMT Bar	21,071	47,921.76	10,879	41,089.81
MS Billets	11,787	44,329.68	27,801	30,341.90

Other income

Other income increased by 56.05% to ₹3.40 million in Fiscal 2022 from ₹2.26 million in Fiscal 2021. This increase was predominantly due in interest income from inter corporate deposit, bank deposits and others.

Total Expenses

Cost of materials consumed

Cost of materials consumed increased by 47.40% to ₹3,143.15 million in Fiscal 2022 from ₹2,132.39 million in Fiscal 2021. Such increase was predominantly due to increase in purchase of raw materials made and freight and material handling charges incurred during the year, due to an increase in volumes produced and sales, due to the factors mentioned above.

Purchases of stock in trade

Purchases of stock in trade were ₹53.99 million in Fiscal 2022 as compared to ₹18.21 million in Fiscal 2021.

Changes in inventories of finished goods, stock in trade and work-in-progress

Changes in inventories of finished goods, stock in trade and work-in-progress were ₹ (12.07) million in Fiscal 2022 from ₹34.03 million in Fiscal 2021. This was predominantly due to an increase in inventory of finished goods, work in progress and stock in trade at the end of the year to support increased demand of our products.

Employee benefit expenses

Employee benefits expenses increased by 19.04% to ₹66.34 million in Fiscal 2022 from ₹55.72 million in Fiscal 2021. This was predominantly due to an increase in salary and wages and increase in contribution to provident and other funds, gratuity expenses and staff welfare expenses.

Finance costs

Finance costs decreased by 34.00% to ₹39.49 million in Fiscal 2022 from ₹59.83 million in Fiscal 2021. This was predominantly due to decrease in interest expenses on our borrowings from banks and interest on inter-corporate deposits.

Depreciation and amortization expense

Depreciation and amortization expense decreased marginally by 1.16% to ₹71.82 million in Fiscal 2022 from ₹72.66 million in Fiscal 2021. This was predominantly due to the resultant depreciation of plant and machinery, factory building and shed, vehicles, computer equipments and right of use assets during the year.

Other Expenses

Other expenses increased by 4.29% to ₹409.23 million in Fiscal 2022 from ₹392.41 million in Fiscal 2021. Our other expenses primarily are power charges, production charges, consumption of Stores and Spares, commission expenses, consumption of diesels, repair and maintenance etc. Such increase was in-line with an increase in the volumes manufactured, as described above, which required an increase in other expenses.

Tax expenses

Our current tax expenses increased to ₹95.09 million in 2022 from ₹39.30 million in 2021. This was predominantly due to an increase in profit for the year. Deferred tax decreased to ₹3.17 million in Fiscal 2022 as compared to ₹9.36 million in Fiscal 2021.

Profit for the year

Due to the reasons stated above, our profit for the year increased to ₹287.04 million in Fiscal 2022 from ₹109.85 million in Fiscal 2021.

DISCUSSION ON THE STATEMENT OF CASH FLOWS

The following table sets forth certain information relating to our Company's statement of cash flows for the periods indicated:

(in ₹ million)

Particulars	June 30, 2023	Fiscal		
		2023	2022	2021
Net cash flows generated from operating activities	138.46	628.73	87.44	222.08
Net cash flows (used in) investing activities	(51.40)	(403.68)	(13.59)	(60.01)
Net cash flows (used in)/generated from financing activities	(86.25)	(225.19)	(72.15)	(161.49)
Net increase/(decrease) in cash and cash equivalents	0.81	(0.14)	1.70	0.58

Operating activities

In the three months period ended June 30, 2023, net cash generated from operating activities was ₹138.46 million. This comprised of the profit before tax of ₹207.60 million, which was primarily adjusted for depreciation and amortization expenses of ₹14.47 million, interest income of ₹10.35 million and finance cost of ₹6.03 million. The resultant operating profit before working capital changes was ₹217.74 million, which was primarily adjusted for working capital changes. We also paid an income tax of ₹56.54 million.

In Fiscal 2023, net cash generated from operating activities was ₹628.73 million. This comprised of the profit before tax of ₹689.98 million, which was primarily adjusted for depreciation and amortization expenses of ₹64.42 million, interest income of ₹16.90 million, profit/loss on sale of property, plant & equipment of ₹0.03 and finance cost of ₹29.88 million. The resultant operating profit before working capital changes was ₹767.34 million, which was primarily adjusted for working capital changes. We also paid an income tax of ₹175.27 million.

In Fiscal 2022, net cash generated from operating activities was ₹87.44 million. This comprised of the profit before tax of ₹371.89 million, which was primarily adjusted for depreciation and amortization expenses of ₹71.82 million, interest income of ₹3.26 million, profit/loss on sale of property, plant & equipment of ₹0.11 and finance cost of ₹39.49 million. The resultant operating profit before working capital changes was ₹480.04 million, which was primarily adjusted for working capital changes. We also paid an income tax, net of refunds of ₹64.36 million.

In Fiscal 2021, net cash generated from operating activities was ₹222.08 million. This comprised of the profit before tax of ₹144.06 million, which was primarily adjusted for depreciation and amortization expenses of ₹72.66 million, interest income of ₹2.09 million, profit/loss on sale of property, plant & equipment of ₹0.09 and finance cost of ₹59.83 million. The resultant operating profit before working capital changes was ₹274.37 million, which was primarily adjusted for working capital changes. We also paid an income tax, net of refunds of ₹33.36 million.

Investing activities

In the three months period ended June 30, 2023, net cash used in investing activities was ₹51.40 million, which primarily comprised of cash used for the purchase of property, plant, and equipment (including capital work in progress and capital advances) of ₹21.04 million, deposited with Banks ₹ 261.64 and proceeds received from inter corporate deposits of ₹220.93 million.

In Fiscal 2023, net cash used in investing activities was ₹403.68 million, which primarily comprised of cash used for the purchase of property, plant, and equipment (including capital work in progress and capital advances) of ₹15.61 million, deposited with Banks ₹49.92 and investment in inter corporate deposits of ₹355.11 million.

In Fiscal 2022, net cash used in investing activities was ₹13.59 million, which primarily comprised of cash used for the purchase of property, plant, and equipment (including capital work in progress and capital advances) of ₹13.02 million.

In Fiscal 2021, net cash used in investing activities was ₹60.01 million, which primarily comprised of cash used for the purchase of property, plant, and equipment (including capital work in progress and capital advances) of ₹39.49 million and investment in fixed deposits of ₹18.80 million.

Financing activities

In the three months period ended June 30, 2023, net cash used in financing activities was ₹86.25 million, which predominantly comprised of repayments of borrowings of ₹80.33 million.

In Fiscal 2023, net cash used in financing activities was ₹225.19 million, which predominantly comprised of repayments of borrowings of ₹195.31 million.

In Fiscal 2022, net cash used in financing activities was ₹72.15 million, which predominantly comprised of net repayments of borrowings of ₹ 32.67 million.

In Fiscal 2021, net cash used in financing activities was ₹161.49 million, which predominantly comprised of net repayments of borrowings of ₹ 101.66 million.

Contingent Liabilities

As on June 30, 2023, the Company does not have any contingent liabilities except as disclosed below:

(₹ in million)

Sr. No.	Particulars	As at June 30, 2023
1.	Tax Matters in Dispute	11.09
2.	Water Charges Penalty	1.98
3.	Corporate Guarantee provided to Vraj Metaliks Private Limited	250.00
4.	Demand of Energy Development Cess	23.95
5.	Demand of Electricity Duty	35.81
6.	LC/ BG issued for our benefit to SECL, NMDC, CECB	82.04

For further details, please see "*Restated Consolidated Financial Statements –Note 47-Contingent Liability" on page* 284.

OTHER MATTERS

1. Unusual or infrequent events or transactions

   Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

   Other than as described in the Section titled "*Financial Information*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*", beginning on pages. 229 and 289 respectively of Draft Red Herring Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

   Other than as described in the chapter titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Conditions and Result of Operations*", beginning on page 29 and 289 respectively of Draft Red Herring Prospectus, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. Future relationship between Costs and Income

   Other than as described in the chapter titled "*Risk Factors*" beginning on page 29 of Draft Red Herring Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices.

   Increases in revenues are by and large linked to increases in volume of business activity and average price realization over the years as depicted below:

Particulars	2022-23		2021-22		2020-21	
	Quantity(mt)	Avg price	Quantity(mt)	Avg price	Quantity(mt)	Avg price
Sponge Iron	82,269	32,713.11	75,967	31,776.37	70,651	21,399.34
TMT Bar	34,431	52,264.33	21,071	47,921.76	10,879	41,089.81
MS Billets	10,510	48,707.97	11,787	44,329.68	27,801	30,341.90

6. New Products and Business Segment

   Except as disclosed in Draft Red Herring Prospectus, we have not publicly announced any new products or business segments. For details of new products, please refer to "*Our Business*" on page 175. of Draft Red Herring Prospectus.

7. The extent to which the business is seasonal.

   Our business is not seasonal in nature.

8. Any significant dependence on single or few suppliers or customers

   The income from top ten customers comprises of 77.56%, 58.56%, 61.06% and 58.27% of our Revenue from Operation for the period ended June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscals 2021 respectively. For further details, please refer chapter "*Risk Factors*" beginning on page 29 of Draft Red Herring Prospectus.

9. Competition Conditions

   We operate in a competitive atmosphere. Our competition varies by market, geographic areas and type of product. Our Company faces stiff competition from domestic market. Some of our competitors may have greater resources than those available to us. See chapters, "*Our Business*", "*Industry Overview*", "*Risk Factors*" on pages 175, 106 and 29 respectively of Draft Red Herring Prospectus.

10. Significant Developments after June 30, 2023 that may affect our future results of operations

   Except as mentioned in Risk Factors and "*Management's Discussion and Analysis of Financial Conditions and Result of Operations* "on page 29 and 289 of Draft Red Herring Prospectus, there have been no events or circumstances since the date of the last financial statements as disclosed in the Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) actions taken by statutory and/or regulatory authorities; (iii) outstanding claims related to direct or indirect taxes; (iv) other pending litigation as determined to be material by the Board of Directors of the Company as per the Materiality Policy (as defined below) in each case involving the Company, the Promoters, the Directors ("**Relevant Parties**"); or (v) any litigations involving the Group Companies which have a material impact on the business operations, prospects or reputation of the Company. There are no disciplinary actions including penalties imposed by SEBI or stock exchanges against the Company, its Promoters or its Directors in the last five financial years, including any outstanding action.*

*Our Board, in its meeting held on December 23, 2023 determined that outstanding legal proceedings involving the Relevant Parties and Group Companies will be considered as material ('**Materiality Policy'**) if: (i) the monetary amount of claim by or against the entity or person in any such pending matter exceed 5% (five) of revenue, and (ii) the Board or any of its committees shall have the power and authority to determine suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.*

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated December 23, 2023. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company exceeding 5% of the revenue of the Company for the last audited Financial Statements of our Company disclosed in this Draft Red Herring Prospectus, would be considered as material creditors. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved shall be uploaded and disclosed on the webpage of the Company as required under the SEBI ICDR Regulations.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

LITIGATIONS INVOLVING THE COMPANY

A. LITIGATION FILED AGAINST THE COMPANY

1. Litigation Involving Criminal Matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

Demand Notice dated August 31, 2023 issued by the Chief Electrical Inspector, District-Raipur (Chhattisgarh) to the Company pertaining to payment of energy development cess amount for the period from November 2011 to June 2023.

A notice dated August 31, 2023 was issued to the Company by the Chief Electrical Inspector, District-Raipur (Chhattisgarh) pursuant to the interim Order dated November 2, 2007 passed by the Hon'ble Supreme Court of India in Special Leave Petition No. 3853 of 2007 filed by the Government of Chhattisgarh challenging the Judgement passed by the Hon'ble High Court of Chhattisgarh in March 2007, wherein the Hon'ble High Court of Chhattisgarh declared Section 2(2) of the Chhattisgarh Cess (Amendment) Act, 2004 as ultra vires. The Hon'ble Supreme Court of India in its interim Order dated November 2, 2007 allowed the electricity department to raise bills so that the claim for payment does not become time barred. The Hon'ble Supreme Court of India also ordered that the assesses shall not press for refund on the basis of the Judgement of the Hon'ble High Court of Chhattisgarh during the pendency of the matter before Hon'ble Supreme Court of India. Pursuant to the interim Order dated November 2, 2007, the Chief Electrical Inspector, District-Raipur (Chhattisgarh) has vide its notice dated August 31, 2023 raised a demand for energy development cess amounting to ₹23,950,000/- against the Company with regards to the consumption of electricity produced by the Captive Power Plant operated by the Company from November 2011 to June 2023. The matter is pending.

<u>Demand Notice dated September 30, 2022 issued by The Sub Divisional Office, Water Resources Sub Division, Bilaspur (Chhattisgarh) to the Company regarding the matter of penal charges for unauthorized extraction of groundwater.</u>

The Sub Divisional Office, Water Resources Subdivision, Bilaspur (Chhattisgarh) ("**Sub Divisional Office**") issued a letter bearing no. 882/Tech dated September 30, 2022 to the Company, demanding payment of water tax bill. The Sub Divisional Office notified the Company that they had taken note of Company's unauthorized extraction of groundwater for industrial purposes since May 01, 2006. Accordingly, the Sub Divisional Office had demanded a bill for water tax including penalty rate as per government rules from May, 2006 till September, 2022 amounting to ₹2,873,709/-. Furthermore, the Company was directed to execute the contract for water withdrawal by obtaining permission for water use from the government. Subsequently, the Company filed a reply dated April 20, 2023 stating that they had already paid the dues for groundwater extraction since the commencement of business without penal charges and objected to the demand for three times the penal charges on original dues. Furthermore, the Company had already applied to execute the contract for water withdrawal by obtaining permission from the Subdivisional Office of Water Resources, but the Subdivisional Office stalled the agreement at their end due to reasons never communicated. The Company argued that they are not liable to pay the penal charges as the delay was caused due to no fault of their own. Thereafter, Company made the payment of groundwater charges without penalty of ₹957,903/- towards full and final payment up to September 2022. The Company further demanded for withdrawal of the penal charge demand and to execute the contract permitting water extraction without any further delay. The matter is pending.

<u>Notice dated November 6, 2023 issued to Company by the Office of the Chief Electrical Inspector, Chhattisgarh Government regarding payment of electricity duty from December 28, 2014 to March 2018.</u>

The Office of Chief Electrical Inspector, Chhattisgarh Government issued a demand notice dated November 6, 2023 for payment of electricity duty payable for the period from December 28, 2014 to March 2018 after adjusting the amount paid is ₹7,419,184/- and the interest on it is ₹33,738,354/- amounting to a total of ₹41,157,538/-. The matter is pending.

3. Litigation/Matters involving Tax Liabilities

a. Direct Tax Liabilities

NIL

b. Indirect Tax Liabilities

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded to the extent ascertainable (in ₹ million)	Stage
1.	Value Added Tax- for period from April 1, 2016 to March 31, 2017	1	₹0.28/-* **Our Company has been granted a relief of ₹0.06/- against the total disputed amount of ₹0.28/-*	Outstanding Demand
2.	Entry Tax- for period from April 1, 2017 to June 30, 2017	1	₹0.42/-* **Our Company has been granted a relief of ₹0.09/-against the total disputed amount of ₹0.42/-*	Outstanding Demand

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY THE COMPANY

1. Litigation Involving Criminal Matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

Petition for Special Leave to Appeal (Civil)No. 2598/2011 filed by our Company ("Petitioner") against the Union of India ("Respondent No. 1"), The Member (Central Excise) Central Board of Excise & Customs ("Respondent No. 2"), the Chief Commissioner, Customs & Central Excise (Bhopal Zone) ("Respondent No. 3"), and the Commissioner, Central Excise & Customs ("Respondent No. 4") (collectively "Respondents") before the Hon'ble Supreme Court of India ("Hon'ble Supreme Court").

Special Leave to Appeal (Civil) No. 2598/2011 was filed by the Petitioner before the Hon'ble Court against the Respondents challenging the Order dated October 19, 2010 passed by the Hon'ble High Court of Chhattisgarh at Bilaspur (**"Hon'ble High Court"**) in Writ Petition (C) No. 1245 of 2010, where the Hon'ble High Court dismissed the said Writ Petition. The Respondent No. 3 by Notice dated August 12, 2009 had initiated proceedings against the Petitioner under Notification No. 32/2006-C.E(N.T) dated December 30, 2006 issued in terms of the Central Excise Act, 1944 for imposing restrictions alleging that prima facie the Petitioner is engaged in evasion of duty on removal of excisable goods. The said Notification was issued by the Central Government in exercise of powers conferred under Rule 12AA of CENVAT Credit Rules, 2004 which grants the Central Government power to impose restriction on utilization of CENVAT Credit under Rule 3(4), as a deterrent measure against misuse of CENVAT Credit and Rule 12CC of Central Excise Rules, 2002 which grants the Central Government to withdraw the facility of monthly payment of duty under Rule 8(1) of the Central Excise Rules, 2002, as a deterrent measure against evasion of duty framed and notified by the Central Government vide Notification No.31/2006-C.E(N.T) dated December 30, 2006 and Notification No.30/2006-C.T(N.T) dated December 20, 2006, respectively in exercise of power conferred under Section 37 of the Central Excise Act, 1944. Respondent No. 2 passed Order dated January 4, 2010 bearing no.02/2010-M(CX)/DA inter alia withdrawing the facility for monthly payment of duties under Rule 8(1) of the Central Excise Rules, 2002, and requiring the Petitioner to pay duty consignment wise in cash without utilizing CENVAT credit in terms of Rule 3(4) of the CENVAT Credit Rules, 2004. The Petitioner filed a Writ Petition (c) No.1245 of 2010 before the Hon'ble High Court against the aforesaid order dated January 4, 2010 by Respondent No.2 inter alia challenging the vires and authority of the Central Government in framing Rule 12AA of the CENVAT Credit Rules,2004, Rule 12CC of Central Excise Rules, 2002 and issuance Notification No.32/2006-C.E(N.T) dated December 30, 2006 and stating that on the day of framing the impugned rules/notification, the Central Government was not empowered under Section 37 of the Central Excise Act, 1944 to frame the said Rules. The Hon'ble High Court upheld the validity and *vires* of Rule 12AA of CENVAT Credit Rules, 2004/Rule 12CC of Central Excise rules, 2002 and Notification No.32/2006-C.E(N.T). The Petitioner filed the above Special Leave Petition in the Hon'ble Supreme Court challenging the Order dated October 19, 2010. The matter is pending.

3. Litigation/Matters involving Tax Liabilities

a. Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/demanded to the extent ascertainable (in ₹ million)	Stage
1.	Income Tax- A.Y. 2013-2014	1	₹10.09/-	Appeal before Commissioner of Income Tax
2.	Income Tax- A.Y. 2018-2019	1	₹1.00/-	Appeal before Commissioner of Income Tax

b. Indirect Tax Liabilities

NIL

1. Other Pending Litigations

NIL

<u>LITIGATIONS INVOLVING THE PROMOTERS</u>

A. LITIGATION FILED AGAINST THE PROMOTERS

1. Litigation Involving Criminal Matters

Gopal Sponge and Power Private Limited

Criminal Case bearing no. 8845 of 2018 filed by Chhattisgarh State against Suvendu Majumdar before Chief Judicial Magistrate, Raipur.

Ravendr Prasad Saket, a contract labour, worked in the Steel Melting Shop ("**SMS**") division of factory of Gopal Sponge and Power Private Limited. On July 15, 2018 while Ravendr Prasad Saket was fixing the Ingot Centre Column at place, the centre column fell upon him, resulting in his death. Following which, a FIR bearing number 424 of 2018 was registered on October 13, 2018 and police investigation started thereafter. On December 14, 2018 Suvendu Majumdar being Production Manager of the SMS diviaion of Gopal Sponge and Power Private Limited was called by the police and arrested later. Chargesheet no. 441 of 2018 was filed on December 23, 2018 against Suvendu Majumdar. Thereafter, Criminal Case bearing no. 8845 of 2018 was filed before Chief Judicial Magistrate, Raipur by Chhattisgarh State against Suvendu Majumdar under Section 287 and 304A of the Indian Penal Code, 1860 and the matter was listed for arguments on charge imposed. The matter is pending.

Criminal Case bearing no. 17886 of 2022 filed by Chhattisgarh State against Subash Chandra Pareda before Chief Judicial Magistrate, Raipur.

On November 28, 2020 Prasanjit Panja, while cleaning the conveyor belt, slipped and fell which resulted in his death. Following which, a FIR bearing number 544 of 2020 was registered on November 30, 2020. On July 12, 2022 Subash Chandra Pareda who was the mechanical head of department of factory of Gopal Sponge and Power Private Limited was called by the police and arrested later. Chargesheet no. 285 of 2022 was filed on July 15, 2022 against Subash Chandra Pareda. Thereafter, Criminal Case bearing no. 17886 of 2022 was filed before Chief Judicial Magistrate, Raipur by Chhattisgarh State against Subash Chandra Pareda under Section 287 and 304A of the Indian Penal Code, 1860 and the matter was listed for arguments on charge imposed. The matter is pending.

Criminal Case bearing no. 18818 of 2022 filed by Chhattisgarh State against Vijay Anand Jhanwar and Rituraj Singh before Chief Judicial Magistrate, Raipur.

On November 26, 2020, Rakesh Thakur, a contract labour, while cutting the accretion in the Kiln, the accretion fell upon him, which resulted in his death. Rituraj Singh, the process manager, informed the police on the day of accident. On November 30, 2020, police department sent a letter to Gopal Sponge and Power Private Limited, to which they replied on December 11, 2020. Following which, a FIR bearing no. 539 of 2020 was registered on November 27, 2020 against Vijay Anand Jhanwar being the Occupier of the factory of Gopal Sponge and Power Private Limited and Rituraj Singh being the process manager. Chargesheet no. 478 of 2022 was filed on November 26, 2022 against Vijay Anand Jhanwar and Rituraj Singh. Thereafter, Criminal Case bearing no. 18818 of 2022 was filed before Chief Judicial Magistrate, Raipur by Chhattisgarh State against Vijay Anand Jhanwar and Rituraj Singh under Section 287 and 304A of the Indian Penal Code, 1860 and the matter was listed for arguments on charge imposed. The matter is pending.

Vijay Anand Jhanwar

F.I.R. No. 0188/2021 filed by Himsagar Laminate Private Limited ("the Complainant) against Vraj Metaliks Private Limited ("VMPL"), Vijay Anand Jhanwar ("Accused 4") and Others.

The Complainant had filed an F.I.R against VMPL and Mr. Vijay Anand Jhanwar, who is the Director of VMPL under Sections 120-B, 409, 420, 467, 468, 471, 477-Aof Indian Penal Code ("**IPC**") on September 20, 2021. The Complainant accused VMPL and Accused 4 for defrauding the Complainant of shares worth ₹9,43,00,000. The Complainant had purchased 94,30,000 shares of Chhattisgarh Steel and Power Limited ("**CSPL**"). The Complainant while going through the financial statements of CSPL for the financial year ("**FY**") 2018-2019 discovered that the said shares had been transferred to VMPL on October 01, 2018 and the same was reflected in the list of share transfer during the FY 2018-2019 as per the public records of CSPL. The Complainant claims of not agreeing to the transfer of the said shares, has not received any consideration for the same, has not executed any document for the transfer and has not handed over the share certificates to VMPL. The said transfer has been claimed to be done without any intimation and consent of the Complainant Company or its Board of Directors. The Complainant claims that VMPL and Accused 4 along with the other accused persons had alleged to have opened a fake bank account in the name of Himsagar Laminates for the transfer of aforesaid shares. The fraudulent transaction is deemed to have been taken place by forged documents and signatures. The Complainant claims that VMPL and Accused 4 along with the other accused have carried out this act to defraud the Complainant and cause them loss. The Complainant claims that the Directors of CSPL and its unknown employees knowingly acted on the said fraudulent act and falsified the records of CSPL. The Complainant requested for an investigation of the offences, seize the forged documents and recover the defrauded shares/amount and prosecute the accused persons for the same. A letter dated October 1, 2023 along with affidavit dated September 30, 2023 before SDM Court was submitted by Anjani Pandey being the authorised signatory of the Complainant stating that the FIR was filed in haste and without knowing the fact that the Complainant had the necessary documents relating to transfer of shares with all the sale agreements, transfer deeds etc. and receipt of due consideration and a wrong complaint was filed. The same letter along with an affidavit was submitted to the Station House Office, Thane Ganj, Raipur for withdrawal of complaint and cancellation of FIR No.0188 which was registered on September 20, 2021. However, till date no further action thereon is taken by the Station House Office, Thana Ganj, Raipur and the matter is pending.

Criminal Case bearing no. 18818 of 2022 filed by Chhattisgarh State against Vijay Anand Jhanwar and Rituraj Singh before Chief Judicial Magistrate, Raipur.

For details see *"Litigations filed against the Promoters- Gopal Sponge and Power Private Limited-Litigation Involving Criminal matters"* on page 312 of this Draft Red Herring Prospectus.

2. Litigation Involving Actions by Statutory/Regulatory Authorities

Gopal Sponge and Power Private Limited

C.P.(IB) No.149/KB/2019

Interlocutory Application bearing No. 272 of 2023 in C.P.(IB) No.149/KB/2019 filed by Indian Bank against (i)CA Kannan Tiruvengadam, (ii) GSR Tradefin, and (iii) Gopal Sponge and Power Private Limited before the National Company Law Tribunal, Kolkata Bench at Kolkata.

The Hon'ble National Company Law Tribunal, Kolkata Bench had passed an Order dated March 8, 2022 in the Company Petition No.149/KB/2019 initiating Corporate Insolvency Resolution Process against the Corporate Debtor, City Mall Developers Private Limited and originally appointed an Interim Resolution Professional for the Corporate Debtor. The original Interim Resolution Professional was subsequently replaced by another Resolution Professional vide an order dated May 12, 2022. Thereafter, during the proceedings of the Corporate Insolvency Resolution Process, Gopal Sponge and Power Private Limited submitted a Resolution Plan to be put to vote in the Committee of Creditors Meeting. Subsequently, it was approved by a 77.53% voting share and Gopal Sponge and Power Private Limited was successful resolution applicant. Indian Bank had abstained from voting for the Resolution Plan as they were particularly aggrieved by the voting share percentage proposed in the Resolution Plan, considering GSR Tradefin is an unsecured creditor that has comparable voting percentage with secured creditors and the Resolution Plan further fails to distinguish payment between secured and unsecured creditor. Indian Bank contends that according to Section 30(4) of the Insolvency and Bankruptcy Code, 2016, the Committee of Creditors must ensure that the manner of distribution of funds must take into account the order of priority amongst creditors, including the value of security interest of a secured creditor. Furthermore, GSR

Tradefin having a majority share in the Committee of Creditors, blatantly misused its powers in approving the Resolution Plan. The Resolution Plan is not in consonance with the provisions of the Insolvency and Bankruptcy Code, 2016. Thus, Indian Bank has filed this Interlocutory Application bearing No. 272 of 2023 under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 before the Hon'ble National Company Law Tribunal, Kolkata Bench at Kolkata. Indian Bank has sought relief to set aside the Resolution Plan approved by the Committee of Creditors as the same is contrary to the provisions of the Insolvency and Bankruptcy Code, 2016. The matter is pending.

Interlocutory Application bearing No. 524 of 2023 in C.P.(IB) No.149/KB/2019 filed by Indian Bank against CA Kannan Tiruvengadam ii) GSR Tradefin, and (iii) Gopal Sponge and Power Private Limited before the National Company Law Tribunal, Kolkata Bench at Kolkata.

The Hon'ble National Company Law Tribunal, Kolkata Bench had passed an Order dated March 8, 2022 in the Company Petition No.149/KB/2019 initiating Corporate Insolvency Resolution Process against the Corporate Debtor, City Mall Developers Private Limited and originally appointed an Interim Resolution Professional for the Corporate Debtor. The original Interim Resolution Professional was subsequently replaced by another Resolution Professional vide an order dated May 12, 2022. However, the newly appointed Resolution Professional had illegally and wrongfully allowed the participation of GSR Tradefin Private Limited in the Fifth Committee of Creditors Meeting. GSR Tradefin had also unlawfully voted in the resolutions passed in the said meeting without admitting that it had been allegedly assigned debt by Omkara Asset Reconstruction Private Limited. The collusion between the Resolution Professional and GSR Tradefin entirely vitiated the Corporate Insolvency Resolution Process and consequently nullified all decisions taken in the Committee of Creditors Meeting in the eyes of law. Thus, Indian Bank has filed this Interlocutory Application bearing No. 524 of 2023 under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 before the Hon'ble National Company Law Tribunal, Kolkata Bench at Kolkata. Indian Bank has sought relief to (i) appoint another Resolution Professional in place of Mr. Kannan Tiruvengdam; (ii) direct the Resolution Professional of the Corporate Debtor to reconstitute the Committee of Creditors after removing GSR Tradefin Pvt. Ltd. from the Committee of Creditors of the Corporate Debtor; (iii) set aside the Resolution Plan received by Gopal Sponge and Power Limited pursuant to the Expression of Interest and the same may not be approved and declared null and void; and (iv) declare all resolutions passed in and after the Fifth Committee of Creditors Meeting of the Corporate Debtor as void ab initio. The matter is pending.

Notice dated August 31, 2023 issued by the Chief Electrical Inspector, District-Raipur (Chhattisgarh) to Gopal Sponge and Power Private Limited pertaining to payment of energy development cess for the period from November 2009 to June 2023.

A notice dated August 31, 2023 was issued to Gopal Sponge and Power Private Limited **("GSPPL")** by the Chief Electrical Inspector, District-Raipur (Chhattisgarh) pursuant to the interim Order dated November 2, 2007 passed by the Hon'ble Supreme Court of India in Special Leave Petition No. 3853 of 2007 filed by the Government of Chhattisgarh challenging the Judgement passed by the Hon'ble High Court of Chhattisgarh in March 2007 wherein the Hon'ble High Court of Chhattisgarh declared Section 2(2) of the Chhattisgarh Cess (Amendment) Act, 2004 as ultra vires. The Hon'ble Supreme Court of India in its interim Order dated November 2, 2007 allowed the electricity department to raise bills so that the claim for payment does not become time barred. The Hon'ble Supreme Court of India also ordered that the electricity department shall not press for refund on the basis of the Judgement of the Hon'ble High Court of Chhattisgarh during the pendency of the matter before Hon'ble Supreme Court of India. Pursuant to the interim Order dated November 2, 2007, the Chief Electrical Inspector, District-Raipur (Chhattisgarh) has vide its notice dated August 31, 2023 raised a demand for energy development cess amounting to ₹24,860,000/- against GSPPL with regards to the consumption of electricity produced by the Captive Power Plant operated by GSPPL from November 2009 to June 2023. The matter is pending.

Notice dated March 31, 2023 issued by the Chief Electrical Inspector, District-Raipur (Chhattisgarh) to Gopal Sponge and Power Private Limited pertaining to payment of electricity duty from March 26, 2015 to March 2018.

The Office of Chief Electrical Inspector, Chhattisgarh Government issued a demand notice dated March 31, 2023 for payment of electricity duty payable for the period from March 26, 2015 to March 2018 is ₹5,863,036/- and the interest on it is ₹20,209,560/- amounting to a total of ₹26,072,596/-. Gopal Songe and Power Private Limited issued a letter dated May 2, 2023 to the Chief Electrical Inspector stating that the office has calculated the duty with power factor of 0.90% instead of 0.98% and in this regard requested the Chief Electrical Inspector to make necessary correction in the calculation of duty. Further, Gopal Songe and Power Private Limited stated that they had paid ₹3,500,000/- and requested the Chief Electrical Inspector to deduct the same from outstanding and paid the balance principal amount of ₹7,42,331/- calculated as per the power factor of 0.98%. The matter is pending.

Civil Appeal No. 3022 of 2018 filed by Chhattisgarh State Power Distribution Co. Ltd. against Chhattisgarh State Electricity Regulatory Commission (Respondent No.1) and Gopal Sponge and Power Private Limited (Respondent No.2) filed before the Hon'ble Supreme Court of India.

Chhattisgarh State Power Distribution Co. Ltd. has filed various Appeals against different parties challenging the State Commission's Orders in different petitions. The relevant order for Gopal Sponge and Power Private Limited was passed on December 4, 2014 in Petition No.49/2013 (D) challenging the said Order. The Hon'ble Tribunal vide its common Order dated September 27, 2017 has held that the issues raised in the present Appeals are devoid of merits and therefore dismissed the Appeals. The Hon'ble Tribunal upheld the impugned order passed by the State Commission. Aggrieved by the said Order dated September 27, 2017, the Chhattisgarh State Power Distribution Co. Ltd. has filed an Appeal bearing No. 3022 of 2018 before the Hon'ble Supreme Court challenging the said Order dated September 27, 2017. Gopal Sponge and Power Private Limited is not yet served in the matter. The matter is pending**.**

3. Litigation/Matters involving Tax Liabilities

a. Direct Tax Liabilities

NIL

b. Indirect Tax Liabilities

Gopal Sponge and Power Private Limited

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded to the extent ascertainable (in ₹ million)	Stage
1.	Duty under Customs Act, 1962	1	₹6.72/-	Outstanding Demand
2.	Entry Tax- for period from April 1, 2016 to March 31, 2017	1	₹0.40/- ** Gopal Sponge and Power Private Limited has been granted a relief of ₹0.30/- against the total disputed amount of ₹0.40/-*	Outstanding Demand
3.	Entry Tax- for period from April 1, 2017 to June 30, 2017	1	₹0.04/-	Outstanding Demand

V.A. Transport Private Limited

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded to the extent ascertainable (in ₹ million)	Stage
1.	Service Tax- for period from October 1, 2006 to March 31, 20087	1	₹12.73/-	Demand cum Show Cause Notice issued by Office of the Commissioner: Central Excise, Customs and Service Tax

4. Other Pending Litigations

NIL

B. LITIGATIONS FILED BY THE PROMOTERS

1. Litigation Involving Criminal Matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation/Matters involving Tax Liabilities

a. Direct Tax Liabilities

Gopal Sponge and Power Private Limited

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/demanded to the extent ascertainable (in ₹ million)	Stage
1.	Income Tax- A.Y. 2010-2011	1	NIL	Appeal before Commissioner of Income Tax
2.	Income Tax- A.Y. 2012-2013	2	₹5.01/-	Appeal before Commissioner of Income Tax
3.	Income Tax- A.Y. 2013-2014	1	NIL	Appeal before Commissioner of Income Tax
4.	Income Tax- A.Y. 2014-2015	1	₹1.96/-	Appeal before Commissioner of Income Tax
5.	Income Tax- A.Y. 2017-2018	1	₹22.37/-	Appeal before Commissioner of Income Tax
6.	Income Tax- A.Y. 2020-2021	1	₹18.58/-	Appeal before Commissioner of Income Tax

V.A. Transport Private Limited

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/demanded to the extent ascertainable (in ₹ million)	Stage
1.	Income Tax- A.Y. 2008-2009	1	₹1.49/-	Grievance and Rectification filed
2.	Income Tax- A.Y. 2014-2015	1	₹4.22/-	Appeal before Commissioner of Income Tax

b. Indirect Tax Liabilities

V.A. Transport Private Limited

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded to the extent ascertainable (in ₹ million)	Stage
1.	Commercial Tax- F.Y. 2001-2002	1	₹0.76/-	Reassessment before the Sales Tax Department
2.	Entry Tax- for	1	₹0.02/-	Second Appeal before Orissa Sales Tax

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded to the extent ascertainable (in ₹ million)	Stage
	period from February 1, 2007 to March 31, 2007			Tribunal, Cuttack
3.	Service Tax- for period from April 1, 2006 to March 31, 2008	1	₹0.21/-	Appeal before Customs Excise & Service Tax Appellate Tribunal

4. Other Pending Litigations

NIL

<u>LITIGATIONS INVOLVING DIRECTORS</u>

A. LITIGATION FILED AGAINST OUR DIRECTORS

1. Litigation Involving Criminal Matters

Vijay Anand Jhanwar

<u>F.I.R. No. 0188/2021 filed by Himsagar Laminate Private Limited ("the Complainant) against Vraj Metaliks Private Limited ("VMPL"), Vijay Anand Jhanwar ("Accused 4") and Others.</u>

For details see *"**Litigations filed against the Promoters-Vijay Anand Jhanwar-Litigation Involving Criminal matters**"* on page 312 of this Draft Red Herring Prospectus.

<u>Criminal Case bearing no. 18818 of 2022 filed by Chhattisgarh State against Vijay Anand and Rituraj Singh before Chief Judicial Magistrate, Raipur</u>.

For details see *"**Litigations filed against the Promoters- Gopal Sponge and Power Private Limited-Litigation Involving Criminal matters**"* on page 312 of this Draft Red Herring Prospectus.

Pramod Kumar Vaswani

<u>Complaint Case No.77 of 2017 filed by Registrar of Companies against (i) Vaswani Energy Ltd., (ii) Ravi Kumar Vaswani, (iii) Yashwant Vaswani and (iv) Pramod Kumar Vaswani before Chief Judicial Magistrate, Bilaspur</u>

The Registrar of Companies has filed Complaint Case No.77/2017 against Vaswani Energy Ltd., Ravi Kumar Vaswani, Yashwant Vaswani and Pramod Kumar Vaswani for an offence under Section 137 of the Companies Act, 2013 alleging non-filing of the copy of the financial statements as required under sub-section1/sub section 2 of section 137 of the Companies Act, 2013 before the expiry of the period specified therein. Mr. Pramod Kumar Vaswani is made a party to this complaint since at the relevant time he was the director of the Vaswani Energy Ltd. Mr. Pramod Kumar Vaswani has resigned from the directorship of Vaswani Energy Ltd. with effect from May 20, 2019. Summons in the matter are yet to be served upon Mr. Pramod Kumar Vaswani. However, the existence of the matter has come to the knowledge of Mr. Pramod Kumar Vaswani through searches in public domain. The matter is pending.

<u>Complaint Case No. 91 of 2017 filed by Registrar of Companies against (i) Vaswani Energy Ltd., (ii) Ravi Kumar Vaswani, (iii) Yashwant Vaswani and (iv) Pramod Kumar Vaswani before Chief Judicial Magistrate, Bilaspur</u>

The Registrar of Companies has filed Complaint Case No.91/2017 against Vaswani Ispat Ltd., Ravi Kumar Vaswani, Yashwant Vaswani and Pramod Kumar Vaswani for an offence under Section 137 of the Companies Act, 2013 alleging non-filing of the copy of the financial statements as required under sub-section1/sub section 2 of section 137 of the Companies Act, 2013 before the expiry of the period specified therein. Mr. Pramod Kumar Vaswani is made a party to this complaint since at the relevant time he was the director of the Vaswani Energy Ltd. Pramod Kumar Vaswani and had resigned from the directorship of Vaswani Energy Ltd. With effect from May 20, 2019. Summons in the matter are yet to be served upon

Mr. Pramod Kumar Vaswani. However, the existence of the matter has come to the knowledge of Mr. Pramod Kumar Vaswani through searches in public domain. The matter is pending.

Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

2. Litigation/Matters involving Tax Liabilities

a. **Direct Tax Liabilities**

NIL

b. **Indirect Tax Liabilities**
NIL

3. Other Pending Litigations

NIL

B. LITIGATIONS FILED BY THE DIRECTORS

1. **Litigation Involving Criminal Matters**

NIL

2. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

3. **Litigation/Matters involving Tax Liabilities**

a. Direct Tax Liabilities

NIL

b. Indirect Tax Liabilities

NIL

4. **Other Pending Litigations**

NIL

LITIGATIONS INVOLVING OUR GROUP COMPANIES

A. LITIGATION FILED AGAINST OUR GROUP COMPANIES

1. Litigation Involving Criminal Matters

Vraj Metaliks Private Limited

F.I.R. No. 0188/2021 filed by Himsagar Laminate Private Limited ("the Complainant) against Vraj Metaliks Private Limited ("VMPL") Vijay Anand Jhanwar ("Accused 4") and Others.

For details see *"**Litigations filed against the Promoters-Vijay Anand Jhanwar-Litigation Involving Criminal matters**"* on page 312 of this Draft Red Herring Prospectus.

Litigation Involving Actions by Statutory/Regulatory Authorities

Vraj Metaliks Private Limited

Letter dated September 26, 2023 issued by the Executive Engineer, District-Vastar (Chhattisgarh) to Vraj Metaliks Private Limited for water charges for the period April, 2023 till September, 2023.

Vraj Metaliks Private Limited had addressed a letter dated March 9, 2021 to the Office of Executive Engineer Water Department Jagdalpur, Chhattisgarh complaining that the water charges levied on them are very high as compared to their annual production capacity and water usage. The said Office of

Executive Engineer has addressed an internal communication to Superintendent Engineer Indravati Project Mandal, District Jagdalpur intimating that the one time settlement of the water charges shall be in proportion to the actual production capacity and water usage and imposition of three times water charges as penalty. Thereafter, the Office of Executive Engineer Water Department Jagdalpur, Chhattisgarh has addressed letter dated September 26, 2023 to Vraj Metaliks Private Limited demanding a sum of ₹984,500/- towards the balance amount of water charges for the period January, 2021 to March, 2023 aggregating to ₹737,000/- and a sum of ₹247,500/- as water charges for the period April, 2023 till September, 2023, Prior to this demand, the Executive Engineer, T.D.P.P. Water Resources Division, Jagdalpur, District-Basta(Chhattisgarh) had issued bill in respect of water charges for the period commencing from November 1, 2004 till December, 2020 in aggregate amounting to ₹10,127,082/-. Accordingly, the total outstanding demand is ₹11,111,582/-. Vraj Metaliks Private Limited has paid ₹3,853,000/- against total outstanding amount.

2. Litigation/Matters involving Tax Liabilities

a. Direct Tax Liabilities

NIL

b. Indirect Tax Liabilities

NIL

3. Other Pending Litigations

NIL

B. LITIGATIONS FILED BY OUR GROUP COMPANIES

1. Litigation Involving Criminal Matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation/Matters involving Tax Liabilities

a. Direct Tax Liabilities

Bhinaswar Commercial Private Limited

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/demanded to the extent ascertained (in ₹ Million)	Stage
1	Income Tax A.Y. 2012-13	1	₹15.00/-	Appeal before Commissioner of Income Tax
2	Income Tax A.Y. 2013-14	1	₹6.70/-	Appeal before Commissioner of Income Tax
3	Income Tax A.Y. 2014-15	1	₹0.60/-	Appeal before Commissioner of Income Tax
4	Income Tax A.Y. 2015-16	1	₹0.66/-	Appeal before Commissioner of Income Tax
5	Income Tax A.Y. 2016-17	1	₹0.39/-	Appeal before Commissioner of Income Tax
6	Income Tax A.Y. 2017-18	1	₹0.99/-	Appeal before Commissioner of Income Tax

b. Indirect Tax Liabilities

Utkal Ispat Private Limited

Sr. No.	Type of Indirect Tax	No. of Cases	Amount in dispute/demanded to the extent ascertainable (in ₹ million)	Stage
1.	Value Added Tax- for period from April 1, 2010 to March 31, 2012	1	₹ 0.29/-	Appeal before Joint Commissioner of Commercial Tax

4. Other Pending Litigations

NIL

Disciplinary action against our Company and Promoters by SEBI or any stock exchange in the last five Financial Years

As on the date of this Draft Red Herring Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoters in the last 5 (five) Financial Years including any outstanding action.

Details of dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

As of June 30, 2023, there were 8 creditors who were micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, to whom a total amount of ₹0.35 million was outstanding.

Material Creditors of the Company having amount outstanding as on June 30, 2023 exceeding 5% of the revenue of the Company as per the last audited Financial Statements of the Company.

As of June 30, 2023, we had 153 creditors to whom a total amount amounting to ₹75.51 million was outstanding out of which no creditors were material creditors in terms of the Materiality Policy and the total amount due to such material creditors was nil.

Further in compliance with the SEBI ICDR Regulations, the details pertaining to the outstanding dues to material creditors as on June 30, 2023, are also available on the Company's website, www.vrajtmt.in.

Material developments occurring after last balance sheet date.

Except as disclosed elsewhere in this Draft Red Herring Prospectus and in the chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 289, there have been no material developments since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus.

GOVERNMENT AND OTHER STATUTORY APPROVALS

The Company can undertake the Issue and the Company can undertake its respective current business activities, including on the basis of the list of material approvals provided below, and other than as stated below, no further material approvals from any regulatory authority are required to undertake the Issue or continue such business activities. Unless otherwise stated, these material approvals are valid as of the date of this Draft Red Herring Prospectus. The Company has obtained all approvals required for its business and has made applications for the remaining approvals as disclosed in this chapter titled "Government and Other Statutory Approvals" at page 321.

I. APPROVALS FOR THE ISSUE

1. The Board of Directors have, by a resolution passed at its meeting held on December 20, 2023 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.

2. The shareholders of our Company have, by a special resolution passed in the Extra-ordinary General Meeting held on December 21, 2023 authorised the Issue.

3. In-principle approval dated [●] from the BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.

4. In-principle approval dated [●] from the NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.

5. Our Company's International Securities Identification Number ("**ISIN**") is INE0S2V01010.

II. INCORPORATION RELATED APPROVALS

1. Certificate of Incorporation dated June 16, 2004 issued by the Registrar of Companies, Madhya Pradesh and Chhattisgarh in the name of "Phil Ispat Private Limited".

2. A fresh Certificate of Incorporation consequent upon change of name from "Phil Ispat Private Limited" to "Vraj Iron and Steel Private Limited" was issued on October 30, 2023 by the Registrar of Companies, Chhattisgarh.

3. A fresh Certificate of Incorporation consequent upon change of name from "Vraj Iron and Steel Private Limited" to "Vraj Iron and Steel Limited" was issued on November 10, 2023 by the Registrar of Companies, Chhattisgarh.

4. The CIN of the Company is U27101CT2004PLC016701.

III. BUSINESS RELATED APPROVALS

A. Approvals obtained by the Company

i. Approvals obtained in respect of the Company's Manufacturing Unit situated at Village Dighora, Bilha Mod, Block-Takhatpur, District- Bilaspur, Chhattisgarh.

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Factory License granted to Praveen Somani occupier of the Company for the premises situated at Village: Dighora, Bilha Mod, Block: Takhatpur, District	4844/4844/B-1/BSP/2M(i)	Deputy Chief Inspector of Factories, Government of Chhattisgarh	December 12, 2023	December 31, 2024

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Bilaspur under Factories Act, 1948 for manufacturing of *Sponge Iron*. *Maximum no. of workers that can be employed on any day during the year – 118* *Maximum installed motive power on any day during the year* –2000 HP.				
2.	Office Order for sanction of 1 x 500 KVA, 415 Volt, D.G. set make-STAMFORD bearing serial no. N17E228967 issued to the Company for premises situated at Village Dighora, near Bilha Mod Raipur road, District Bilaspur (C.G.). *	NI-3/3/3047/13/242	Office of the Chief Electrical Inspector, Chhattisgarh Government.	July 29, 2021	Valid until cancelled
3.	Trading License under Form D granted to the Company for premises situated at Village Dighora, Tahasil- Takhatpur, near Bilha Mod, Raipur road, Bilaspur, C.G. 492002 for the purpose of Processing, end-use and sale of residuals outside the State. *	RLD14206/2020	Joint Director Mines, JODA Department of Steel & Mines.	December 28, 2020	December 27, 2025
4.	Certificate of verification under Legal Metrology Act, 2009 issued to the Company regarding non-automatic weighing equipment with capacity of 100 Ton for the premises situated at Village Dighora, near Bilha Mod, Raipur road,	Book no. 012023	Department of Legal Metrology, Office Controller of Legal Metrology.	January 17, 2023	January 16, 2024

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Bilaspur. * *Category/ Type of Equipment: Non – automatic equipment – Electronic of class 3 and 4 with maximum weight (in tons) – 100 and minimum weight (in tons) – 200 with the scale difference of 10 kilograms*				
7.	Registration under Rule 45 of Mineral Conservation and Development Rules, 1988 to the Company for premises situated at Village Dighora, near Bilha Mod Raipur road, District Bilaspur (C.G.)*. *Mineral Consumption Details:* *i) Iron Ore: Average consumption per year of 47,000 MT* *ii) Coal: Average consumption per year of 47,000 MT* *iii) Dolomite: Average consumption per year of 1000 MT.*	IBM/395/2011	Indian Bureau of Mines, Ministry of Mines	-	-

** All above-mentioned approvals are in the earlier name of the Company i.e. Phil Ispat Private Limited.*

ii. Approvals obtained in respect of the Company's Manufacturing Unit situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur, Chhattisgarh.

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Factory License granted to Praveen Somani occupier of the Company for the premises situated at Plot No. 38 To 41 and 48 To 52, Phase-II, Siltara Industrial	103/103/B-1,B-3 & B-5/RPR/2 M(i)	Government of Chhattisgarh	November 22, 2023	December 31, 2024

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Area, Siltara, Raipur (Cg), District Raipur under Factories Act, 1948 for manufacturing of *Sponge Iron, Sponge Iron, Casting Of Ingots, Rolling Mill, Power Generation (5 Mw), CCM Plant 5 Mw. ** *Maximum no. of workers that can be employed on any day during the year – 500* *Maximum installed motive power on any day during the year – 5500 HP*				
2.	Certificate for use of Boiler CG-546 issued to Phil Ispat Private Limited for the premises situated at Phase-II, Siltara, Raipur for maximum continuous evaporation of 10 TPH. * *Type of Boiler – whb* *Boiler Rating – 1518* *The boiler is permitted to be worked at a maximum pressure of 75 Kg/cm2* *The loading of the DSL safety valve shall not exceed 75.0 Kg/cm2* *Remark –To steam under direct charge of a BOE & Ist class boiler attendant only.*	224131728982	Inspector of Boilers, Chhattisgarh Boiler Inspection Department	July 5, 2023	June 4, 2024
3.	Certificate of proficiency as a Boiler Operation Engineer under the Boiler Operation Engineer's Rules,	222 of 2013	Government of Chhattisgarh	May 17, 2013	-

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	2011 granted to Ravikant Masih				
4.	Certificate of Competency for First Class Boiler Attendant under Rule 41 of the Boiler Attendants Rules, 2011 granted to Hiralal Kashyap	86 of 2012	Government of Chhattisgarh	February 14, 2012	-
5.	Certificate of Competency for First Class Boiler Attendant under Rule 41 of the Boiler Attendants Rules, 2011 granted to Sirotan PD Kanouje	322 of 2014	Government of Chhattisgarh	February 19, 2014	-
6.	Certificate of Competency for First Class Boiler Attendant under Rule 41 of the Boiler Attendants Rules, 2011 granted to Khubi Ram Verma	476 of 2015	Government of Chhattisgarh	May 30, 2015	-
7.	Certificate of Competency for First Class Boiler Attendant under Rule 41 of the Boiler Attendants Rules, 2011 granted to Tejeshwar Prasad Verma	661 of 2017	Government of Chhattisgarh	May 04, 2017	-
8.	Certificate of Competency for First Class Boiler Attendant under Rule 41 of the Boiler Attendants Rules, 2011 granted to Nimish Kumar	713 of 2017	Government of Chhattisgarh	May 06, 2017	-
9.	Certificate of Competency for First Class Boiler Attendant under Rule 41 of the Boiler Attendants Rules, 2011 granted to Neeraj Tiwari	1572 of 2021	Government of Chhattisgarh	September 23, 2021	-
10.	Certificate of Competency for First Class Boiler	861 of 2021	Government of Chhattisgarh	September 24, 2021	-

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Attendant under Rule 41 of the Boiler Attendants Rules, 2011 granted to Lal Ram Rautel				
11.	Certificate of Competency for First Class Boiler Attendant under Rule 41 of the Boiler Attendants Rules, 2011 granted to Chandrika Prasad Sahu	968 of 2021	Government of Chhattisgarh	September 25, 2021	-
12.	Certificate of Competency for First Class Boiler Attendant under Rule 41 of the Boiler Attendants Rules, 2011 granted to Rajesh Kumar Verma	948 of 2021	Government of Chhattisgarh	September 25, 2021	-
13.	Certificate of Competency for First Class Boiler Attendant under Rule 41 of the Boiler Attendants Rules, 2011 granted to Shailendra Kumar Patel	977 of 2021	Government of Chhattisgarh	September 25, 2021	-
14.	Certificate for use of Boiler CG-547 issued to the Company for the premises situated at Phase-II, Siltara, Raipur for maximum continuous evaporation of 10 TPH.* *Type of Boiler – whb* *Boiler Rating – 1518* *The boiler is permitted to be worked at a maximum pressure of 75 Kg/cm2* *The loading of the DSL safety valve shall not exceed 75.0 Kg/cm2*	224131728981	Inspector of Boilers, Chhattisgarh Boiler Inspection Department	June 12, 2023	June 11, 2024

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
15.	Certificate of verification under Legal Metrology Act, 2009 issued to the Company regarding electronic weighing equipment with capacity of 100 Ton for the premises situated at Phase-II, Industrial area, Siltara, Raipur (C.G.), Tehsil-Dharsiwa, District-Raipur.*	062023	Department of Legal Metrology, Office Controller of Legal Metrology.	June 23, 2023	June 21, 2024
16.	Registration under Rule 45 of Mineral Conservation and Development Rules, 1988 the Company for premises situated at Village- Sankara, Tehsil- Raipur, Siltara division, Chhattisgarh.* *Mineral Consumption Details:* *i) Iron Ore: Average consumption per year of 1,15,000*	IBM/395/2011	Indian Bureau of Mines, Ministry of Mines	-	-
17.	Contract for Water Connection with Chhattisgarh Ispat Bhumi Ltd. Entered into by Phil Ispat Limited for the premises situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur.* *Details:* *The Water Supply Department situated at the Industrial area, Siltara Phase-II, approved the water supply of 4,00,000 Litres/ Per day with/ without meter.*	-	-	-	-

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
18.	Agreement between Phil Ispat Private Limited and Chhattisgarh State Power Distribution Company Limited for 5500 KVA on 33KV *	02-02/SE-1/CPP-IPP/C-67/1340	Chhattisgarh State Power Distribution Co. Ltd.	September 4, 2021	-

** All above-mentioned approvals are in the earlier name of the Company i.e. Phil Ispat Private Limited.*

IV. QUALITY CERTIFICATIONS

A. Quality certificates obtained by the Company

1. Certificate of Registration bearing no. 23DQMB46 dated December 26, 2023 issued by ROHS Certification Pvt. Ltd. to the Company for factory premises at Plot no. 38 to 41 and 48 to 52, Phase-II, Siltara Industrial Area, Siltara, Sankara, Raipur-493111, Chhattisgarh, India and office premises at 63 and 66, 1st Floor, PH no. 113, Mother Teresa Ward no. 43, Jal Vihar Colony, Raipur-492001, Chhattisgarh, Inida for being in compliance with ISO 9001:2015 (Quality Management System) for manufacturing and trading of Sponge Iron, MS Billet and TMT Bars. This certificate is valid till December 25, 2026.

2. Certificate of Registration bearing no. 23DEMU45 dated December 26, 2023 issued by ROHS Certification Pvt. Ltd. To Phil Ispat Private Limited for factory premises at Plot no. 38 to 41 and 48 to 52, Phase-II, Siltara Industrial Area, Siltara, Sankara, Raipur-493111, Chhattisgarh, India and office premises at 63 and 66, 1st floor, PH no. 113, Mother Teresa Ward no. 43, Jal Vihar Colony, Raipur-492001, Chhattisgarh, India for being in compliance with ISO 14001:2015 (Environmental Management System) for manufacturing and trading of Sponge Iron, MS Billet and TMT Bars. This certificate is valid till December 25, 2026.

3. Certificate of Registration bearing no. 23DOMS37 dated December 26, 2023 issued by ROHS Certification Pvt. Ltd. to the Company for factory premises at Plot no. 38 to 41 and 48 to 52, Phase-II, Siltara Industrial Area, Siltara, Sankara, Raipur-493111, Chhattisgarh, India and office premises at 63 and 66, 1st floor, PH no. 113, Mother Teresa Ward no.43, Jal Vihar Colony, Raipur-492001, Chhattisgarh, India for being in compliance with ISO 45001:2018 (Occupational Health & Safety Management System) for manufacturing and trading of Sponge Iron, MS Billet and TMT Bars. This certificate is valid till December 25, 2026.

4. Certificate of Registration bearing no. CM/L-5900038916 dated July 11, 2023 issued by Bureau of Indian Standards to the Company for Manufacturing Unit situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur, Chhattisgarh for being in compliance with IS 2831:2012 for Carbon Steel Cast Billet Ignots, Billets, Blooms and Slabs For Re-rolling into Structural Steel (Ordinary Quality). The certificate is valid till July 10, 2024.*

5. Certificate of Registration bearing no. CM/L-5900071114 dated October 29, 2023 issued by Bureau of Indian Standards to the Company for Manufacturing Unit situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur, Chhattisgarh for being in compliance with IS 1786:2008 High strength deformed steel bars and wires for concrete reinforcement. The certificate is valid till October 28, 2024.*
** All above-mentioned approvals are in the earlier name of the Company i.e. Phil Ispat Private Limited*

V. TAX RELATED APPROVALS

6. **A. Approvals obtained by the Company**

1. The Company has been allotted Tax Deduction and Collection Account Number (TAN) bearing no. BPLP02194D.

2. The Company has been allotted Permanent Account Number (PAN) bearing no. AADCP4138N on June 16, 2004.

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Importer-Exporter Code (IEC) issued to the Company for premises situated at PH no. 21, Village-Dighora, Tehsil-Takhatpur, Bilha mode, Raipur road, Bilaspur, C.G. – 495224.*	6314001111	Deputy Director General of Foreign Trade, Ministry of Commerce and Industry	September 9, 2014	Valid until cancelled
2.	Certificate of registration issued under the provisions of Central Goods and Services Tax Act, 2017 to Company having place of business at Bhila Mode, NA, Medhapar Chhota, Bilaspur, Raipur road, Dighora, Bilaspur, Chhattisgarh, 495002. *Additional places of business:* *1. 63 And 66, 1st Floor, Ph No. 113 Mother Teresa Ward No. 43, Jal Vihar Colony, Raipur, Chhattisgarh, 492001.* *2. Plot No. 38 to 41 And 48 to 52, Phase-II, Siltara Industrial Area, Siltara, Sankara, Raipur, Chhattisgarh, 493111.*	22AADCP4138N2ZB	Government of India	December 14, 2023	Valid until cancelled

** All above-mentioned approvals are in the earlier name of the Company i.e. Phil Ispat Private Limited.*

VI. LABOUR RELATED APPROVALS

A. Approvals obtained by the Company

i. Approvals obtained in respect of the Company's Manufacturing Unit situated at Village Dighora, Bilha Mod, Block- Takhatpur, District- Bilaspur, Chhattisgarh.

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Allotment of code under the Employees Provident Fund and Miscellaneous	CGRAI0019019000	Employees Provident Fund Organization, Ministry of	January 23, 2007	Valid until cancelled

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Provisions Act, 1952 issued to the Company for premises situated at Village Dighora, Medhapar Chhota, Takhatpu, Bilha Mode, Raipur road, Bilaspur, Chhattisgarh*		Labour and Employment		
2.	Implementation letter for the certificate of registration issued under the Employees' State Insurance Act, 1948 to the Company for the premises situated at Village Dighora, Medhapar Chhota, Takhatpu, Bilha Mode, Raipur road, Bilaspur, Chhattisgarh.*	59001588830000599	Regional Office, Employees' State Insurance Corporation	March 30, 2017	Valid until cancelled
3.	Certificate of Registration issued under sub-section (1) of section 12 of the Contract Labour (Regulation and Abolition) Act, l970 issued to the Company for the premises situated at Village Dighora, Bilha Mod, Block: Takhatpur, District Bilaspur.* *Details:* *-Name of Contractor: Nisha Enterprises* *-Nature of Work: Housekeeping* *-No. of Labours: 60*	BSP/2017/40007316	Government of Chhattisgarh	January 20, 2023	December 31, 2023

** All above-mentioned approvals are in the earlier name of the Company i.e. Phil Ispat Private Limited.*

ii. Approvals obtained in respect of the Company's Manufacturing Unit situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur, Chhattisgarh.

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Allotment of code under the Employees Provident Fund and Miscellaneous Provisions Act, 1952	CGRAI2094686000	Employees Provident Fund Organization, Ministry of Labour and	May 11, 2020	Valid until cancelled

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	issued to the Company for premises situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur, Chhattisgarh- 493111*		Employment		
2.	Implementation letter for the certificate of registration issued under the Employees' State Insurance Act, 1948 to the Company for the premises situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur, Chhattisgarh- 493111*	59591588830010599	Regional Office, Employees' State Insurance Corporation	May 11, 2020	Valid until cancelled
3.	Certificate of Registration issued under sub-section (1) of section 12 of the Contract Labour (Regulation and Abolition) Act, l970 issued to the Company for the premises situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Raipur, Chhattisgarh* *Details:* *-Name of Contractor: Bholenath Enterprises* *-Nature of Work: Manpower supply* 7. *No. of Labours: 40*	RPR/2020/44020414	Government of Chhattisgarh	January 1, 2023	December 31, 2023
4.	Certificate of Registration issued under sub-section (1) of section 12 of the Contract Labour (Regulation and Abolition) Act, l970 issued to the Company for the premises situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara, Raipur, Chhattisgarh* *Details:*	RPR/2020/44021101	Government of Chhattisgarh	January 1, 2023	December 31, 2023

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	-Name of Contractor: M/s R B Yadav *-Nature of Work: Labour supply services* *-No. of Labours: 75*				
5.	Certificate of Registration issued under sub-section (1) of section 12 of the Contract Labour (Regulation and Abolition) Act, 1970 issued to the Company for the premises situated at Plot No. 38 to 41, Village Sankara, Phase-II, Siltara Raipur, Chhattisgarh* *Details:* *-Name of Contractor: Surendra Yadav* *-Nature of Work: Manpower supply* *-No. of Labours: 40*	RPR/2020/44021065	Government of Chhattisgarh	January 1, 2023	December 31, 2023
6.	Certificate of Registration issued under sub-section (1) of section 12 of the Contract Labour (Regulation and Abolition) Act, 1970 issued to the Company for the premises situated at Plot No. 38 to 41, Village Sankara, Phase-II, Siltara Raipur, Chhattisgarh* *Details:* *-Name of Contractor: Yadav Engineering Works* *-Nature of Work: Manpower supply* *-No. of Labours: 20*	RPR/2021/44026001	Government of Chhattisgarh	January 1, 2023	December 31, 2023

** All above-mentioned approvals are in the earlier name of the Company i.e. Phil Ispat Private Limited.*

VII. INDUSTRIAL ENTREPRENEURS MEMORANDUM OBTAINED BY THE COMPANY

i. Approvals obtained in respect of the Company's Manufacturing Unit situated at Village Dighora, Bilha Mod, Block- Takhatpur, District- Bilaspur, Chhattisgarh.

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Certificate	Date of Expiry
1.	Industrial Entrepreneur Memorandum Acknowledgement no. 538/SIA/IMO/2005 dated February 8, 2005 as amended *Item type, Item code, item name, description, proposed capacity, existing capacity, total capacity, measuring unit* – i) M,24105, Manufacture of Rolling Mill (TMT BARS/ Structural Steels/ Rolling Product(s) 153000.00, 153000.00 MT, ii) Manufacture of hot – rolled and cold – rolled products of steel, iii) Manufacture of steel ingots or other primary forms, and other semi – finished products of steel.*	538/SIA/IMO/2005	Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry	January 13, 2021	-
2.	Industrial Entrepreneur Memorandum for the generation of power through coal based power plant for proposed capacity of 10MW*	209/SIA/IMO/2021	Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry	February 16, 2021	-
3.	Industrial Entrepreneur Memorandum for generation of power through waste heat generated from sponge iron plant (WHRB) for proposed capacity of 12MW.*	209/SIA/IMO/2021	Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry	February 16, 2021	-

** All above-mentioned approvals are in the earlier name of the Company i.e. Phil Ispat Private Limited*

ii. **Approvals obtained in respect of the Company's Manufacturing Unit situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur, Chhattisgarh.**

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Certificate	Date of Expiry
1.	Industrial Entrepreneur Memorandum for manufacturing of Sponge Iron for proposed capacity of 60,000 MT, making its total capacity 60,000 MT after expansion.*	1914/SIA/IMO/2018	Secretariat for Industrial Assistance, Ministry of Commerce and Industry	November 30, 2018	-
2.	Industrial Entrepreneur Memorandum for manufacturing of Steel Igot/Bilets for proposed capacity of 57,600 MT, making its total capacity 57,600 MT after expansion.*	1914/SIA/IMO/2018	Secretariat for Industrial Assistance, Ministry of Commerce and Industry	November 30, 2018	-
3.	Industrial Entrepreneur Memorandum for manufacturing of Re-rolled products for proposed capacity of 54,000 MT, making its total capacity 54,000 MT after expansion.*	1914/SIA/IMO/2018	Secretariat for Industrial Assistance, Ministry of Commerce and Industry	November 30, 2018	-
4.	Industrial Entrepreneur Memorandum for generation of power through waste heat generated from sponge iron plant for proposed capacity of 5 MW, making its total capacity 5 MW after expansion.*	1913/SIA/IMO/2018	Secretariat for Industrial Assistance, Ministry of Commerce and Industry	November 30, 2018	-

** All above-mentioned approvals are in the earlier name of the Company i.e. Phil Ispat Private Limited*

ENVIRONMENT RELATED APPROVALS

A. **Approvals obtained by the Company**

i. **Approvals obtained in respect of the Company's Manufacturing Unit situated at Village Dighora, Bilha Mod, Block- Takhatpur, District- Bilaspur, Chhattisgarh.**

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Permission to Establish the sponge iron plant of capacity – 66000 Metric Tonnes per Year (Sixty-Six Thousand	2202/TS/CECB/2005	Chhattisgarh Environment Conservation Board	May 12, 2005	-

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Metric Tonnes per Year) to the Company for the premises situated at, Village Dighora, Patwari Halka no- 21, Medpar (chota), Tehsil: Takhatpur, District Bilaspur (C.G.)*				
2.	Renewal of Consent to Operate under Section 25 of Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of Air (Prevention & Control of Pollution) Act, 1981 issued to the Company for the premises situated at, Village Dighora, Patwari Halka no- 21, Medpar (chota), Tehsil: Takhatpur, District Bilaspur (C.G.)* *The Renewal of Consent is valid for products and production capacity of:* *-Name: Sponge Iron (2x100 TPD DRI 1st & 2nd Kiln)* *-Production Capacity: 60,000 Metric Tonnes Per Annum*	7761/TS/CECB/2023	Member Secretary, Chhattisgarh Environment Conservation Board.	Date of Renewal: February 1, 2023	January 31, 2025

** All above-mentioned approvals are in the earlier name of the Company i.e. Phil Ispat Private Limited.*

ii. Approvals obtained in respect of the Company's Proposed Expansion Project situated at Village Dighora, Bilha Mod, Block- Takhatpur, District- Bilaspur, Chhattisgarh.

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Certificate	Date of Expiry
1.	Environment Clearance for expansion of Sponge Iron from 60,000 TPA to 1,75,500 TPD and installation of New Induction Furnace to manufacture 1,53,000 TPA of M.S. Ingots/Billet New Rolling Mill to manufacture 1,53,000	F. No. J-11011/288/2018-IA-II(I)	Impact Assessment Division, Ministry of Environment, Forest and Climate Change, Government of India.	October 14, 2020	-

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Certificate	Date of Expiry
	TPA of TMT bars / Structural Steel / Rolled Products & Power plant - 18 MW (WHRB - 12 MW & FBC-6 MW) by Phil Ispat Private Limited located at Dighora Village, Takhatpur Tehsil, Bilaspur District, Chhattisgarh.*				
2.	Permission to Establish for expansion in existing Sponge Iron Plant (2x100 TPD) capacity 60,000 TPA by installing additional Sponge Iron Plant (1x350 TPD) capacity 1,15,500 TPA (Total capacity of Sponge Iron Production after expansion 1,75,500 TPA) and installation of additional Induction Furnace (3x15T) (MS ingots/billets)- 1,53,000 TPA ,Rolling Mill (TMT Bars and Structural Steel/Rolled products)- 1,53,000 TPA WHRB Power Plant- 12 MW and CFBC Based Power Plant - 10 MW at Village - Dighora, Tehsil- Takhatpur, District - Bilaspur (C.G.)*	No. 1723/TS/CECB/2021	Member Secretary, Chhattisgarh Environment Conservation Board.	June 30, 2021	-

** All above-mentioned approvals are in the earlier name of the Company i.e. Phil Ispat Private Limited*

ii. Approvals obtained in respect of the Company's Manufacturing Unit situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur, Chhattisgarh.

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Permission to Establish the sponge iron plant of capacity – 60000 Metric Tonnes per Year (Sixty Thousand Metric Tonnes per Year) for the premise situated at Plot No. 38 to 41 and 48 To 52, Phase-II,	5179/TS/CECB/2004	Chhattisgarh Environment Conservation Board	December 22, 2004	-

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Siltara Industrial Area, Siltara, Raipur, Chhattisgarh*				
2.	Permission to Establish for expansion in existing plant for establishment of Steel Ingots & Billets of capacity – 57,600 Metric Tonnes per Year, Captive Power Plant (WRHB Based) of capacity – 04 Megawatt and Rolling Mill of capacity – 54,000 Metric Tonnes per Year for the premise situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur, Chhattisgarh*	3531/TS/CECB/2006	Chhattisgarh Environment Conservation Board	July 18, 2006	-
3.	Renewal of Consent to Operate under Section 25 of Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of Air (Prevention & Control of Pollution) Act, 1981 issued to the Company for the premises situated at, Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur.* *The Renewal of Consent is valid for products and production capacity of:* *i) Sponge Iron* *(2x100 TPD DRI Kiln)* *having capacity of 60,000 Metric Tonnes Per Year.* *ii) Steel Ingots & Billets (1st and 2nd Induction Furnace of 8 tonnes each) having capacity of 57,600 Metric*	3154/TS/CECB/2021	Member Secretary, Chhattisgarh Environment Conservation Board.	Date of Renewal: September 1, 2021	August 31, 2024

S. No.	Description	Registration/ Approval/ Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Tonnes Per Year. *iii) Rolling Mill having capacity of 54,000 Metric Tonnes Per Year.* *iv) Waste Heat Recovery Based* *Captive Power Plant having capacity of 05 Megawatt.*				
2.	Renewal of authorization under the Hazardous and Other Wasted (Management & Transboundary Movement) Rules, 2016 issued to Phil Ispat Private Limited for the premises situated at, Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur (C.G.)* *Details of Authorization:* *i) Used or Spent oil of quantity 1 KL/Annum, to be used as Lubricant for machines.* *ii) Spent ion exchange resin containing toxic metals of quantity 0.10 MT/Annum, to be utilized as per SOP issued by CPCB.*	5108/HSMD/HO/CECB/2023	Member Secretary, Chhattisgarh Environment Conservation Board.	Date of Renewal: July 10, 2023	July 9, 2028

** All above-mentioned approvals are in the earlier name of the Company i.e. Phil Ispat Private Limited.*

INTELLECTUAL PROPERTY RELATED APPROVALS

A. Approvals obtained by the Company

Trademark no.	Description	Issuing authority	Applicant	Status	Date of issue	Date of expiry	Trademark
4519128	Common metals and their alloys; metal building materials – TMT Bars	Registrar of Trademarks, Trade Marks Registry, Mumbai	The Company	Registered	June 3, 2020	June 2, 2030	VRAJ TMT AND BARS

Trademark no.	Description	Issuing authority	Applicant	Status	Date of issue	Date of expiry	Trademark
	Class: 6						

VIII.PENDING APPROVALS

Pending Approvals in respect of the Company's Manufacturing Unit situated at Village Dighora, Bilha Mod, Block- Takhatpur, District- Bilaspur, Chhattisgarh.

1. The Company has applied for name change for the renewal for consent to operate the Sponge Iron Manufacturing Unit [2 x 100 TPD = 60000 Tons/ year] which is located at Village: Dighora, Tehsil Takhatpur, District: Bilaspur, Chhattisgarh.
2. The Company has applied for the grant/renewal of authorization for generation or collection or storage or transport or reception or recycling or reuse or recovery or pre – processing or co – processing or utilization or treatment or disposal of hazardous and other waste bearing Application No. 13549193 to the Chhattisgarh Environment Conservation Board on August 19, 2023.
3. Application has been made to obtain No Objection Certificate for Ground Water Abstraction issued to the Company for the premises situated at Near Bilha Mode, Village Dighora, Block: Takhatpur District: Bilaspur, State: Chhattisgarh with the Central Ground Water Authority, Ministry of Jal Shakti, Government of India.

Pending Approvals in respect of the Company's Manufacturing Unit situated at Plot No. 38 to 41 and 48 To 52, Phase-II, Siltara Industrial Area, Siltara, Raipur, Chhattisgarh.

1. The Company has applied for name change of factory license having its address Plot No. 38 to 41 And 48 to 52, Phase-II, Siltara Industrial Area, Siltara, Sankara, Raipur, Chhattisgarh and bearing Application No. 103/103/B-1,B-3 & B-5/RPR/2 M(i) on December 12, 2023.
2. The Company has applied for the name change for the renewal for consent to operate at Plot No. 38-41 & 48-52, Phase - 2, Siltara Industrial Area, Siltara, Tehsil & District: Raipur, Chhattisgarh on December 04, 2023.

Application made in respect of Intellectual Property

The Company has made the following applications for registration of certain trademarks:

Trademark Application no.	Description of goods	Status	Date of Application	Trademark
5546059	Metals and metal alloys; Alloys of common metals; Common metals and their alloys; metal building materials – TMT Bars Class 6	Pending	July 07, 2022	
6225885	Metals and metal alloys; Alloys of common metals; Common metals and their alloys; metal building materials – TMT Bars *Class: 6*	Pending	December 19, 2023	
6225858	Metals and metal alloys; Alloys of common metals; Common metals and their alloys; metal building materials – TMT Bars *Class: 6*	Pending	December 19, 2023	WORD: VRAJ IRON AND STEEL LIMITED

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

1. Our Board has authorised the Issue by a resolution dated December 20, 2023.
2. Our Shareholders have authorised the Issue, pursuant to a special resolution passed on December 21, 2023 under Section 62(1)(c) of the Companies Act 2013.
3. The Board has, on December 28, 2023 approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and NSE for the listing of our Equity Shares pursuant to their respective letters, dated [●] and [●], respectively.

Prohibition by the SEBI, the RBI or Governmental Authorities

Our Company, our Directors, our Promoters, Promoter Group, persons in control of our Company and companies or entities with which our Company's Promoters and Directors are associated as Directors / Promoters are not prohibited/debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator in any other jurisdiction or any other authority/court. The listing of any securities of our Company has never been refused at any time by any of the Stock Exchange in India. There are no violations of securities laws committed by the Company in the past or are pending against the Company.

Neither our Promoters nor our Directors are promoters or directors of companies, which are debarred from accessing the capital markets by the SEBI.

None of our Directors are, in any manner, associated with the securities market. Further, there are no outstanding actions initiated by SEBI against any of our Directors, in the past five years.

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Neither our Company nor our Directors have been declared as a Wilful Defaulter or a Fraudulent Borrower, as defined under the SEBI ICDR Regulations.

The Company, its Directors and its Promoters / Promoter Group are not declared as "Fraudulent Borrowers" by the lending banks or financial institutions or consortium, in terms of the Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs dated July 1, 2016, as amended, issued by the Reserve Bank of India.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018 and amendments thereof

Our Company, our Promoters, members of Promoter Group confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held as monetary assets;
- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated 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 and consolidated basis; and
- The name of our Company was changed to "Vraj Iron & Steel Private Limited" and a fresh certificate of incorporation pursuant to change of name dated October 30, 2023 was issued by Registrar of Companies, Chhattisgarh. Thereafter, our Company was converted to a public limited company, pursuant to a special resolution passed by the shareholders of our Company at the extraordinary general meeting held on October 31, 2023 and the name of our Company was changed to "Vraj Iron & Steel Limited" and a fresh certificate of incorporation consequent upon conversion to a public limited company dated November 10, 2023 was issued to our Company by the Registrar of Companies, Chhattisgarh. No change in business activity is indicated by our present name, and there has not been any change in the business activities of our Company.

The Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Statements dated December 23, 2023 as at and for the fiscals ended March 31, 2021, March 31, 2022 and March 31, 2023 and 3 (three) months period ended June 30, 2023 are set forth below:

(₹ in million)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	June 30, 2023
Net Tangible Assets(1)	539.99	833.85	1,372.03	1,535.47
Monetary Assets(2)	34.03	39.69	89.47	351.92
Monetary assets as a percentage of the net tangible assets	6.30%	4.76%	6.52%	22.92%
Operating Profit(3)	216.08	421.39	731.23	212.61
Net Worth(4)	573.88	867.32	1,405.08	1,568.42

Notes:

(1) "Net tangible assets" is the sum of all assets less liabilities of the Company (on a consolidated basis), as applicable excluding intangible assets as defined in Indian Accounting Standard 38 (Ind AS 38) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 and in accordance with Regulation 2(1)(gg) of the SEBI ICDR Regulations.

(2) Monetary assets comprise of cash and bank balances upto twelve months maturity.

(3) "Operating profit" has been calculated as restated profit before finance costs, other income, exceptional item and tax expenses, each on a restated and consolidated financial statement. Further the Company has operating profits in each of the preceding three years.

(4) "Net worth" means the aggregate of paid up equity capital and Other Equity (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off), as per the restated consolidated financial statement of assets and liabilities of our Company.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees in the Issue shall be not less than 1,000.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

1. None of our Company, our Promoters, members of our Promoter Group and our Directors are debarred from accessing the capital markets by SEBI;
2. None of the Promoters or Directors of our Company is a Promoter or a Director of any other company which is debarred from accessing the capital market by SEBI;
3. None of our Company, our Promoters or Directors have been categorized as a Wilful Defaulter or a Fraudulent Borrower (as defined in the SEBI ICDR Regulations);
4. None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
5. 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.
6. Our Company, along with the Registrar to the Issue, has entered into tripartite agreements dated November 29, 2023 and November 30, 2023 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares.
7. There are no outstanding convertible securities or any other right which would entitle any person with any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus; and

Disclaimer Clauses

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, ARYAMAN FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER ARYAMAN FINANCIAL SERVICES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 28, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue 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. All legal requirements pertaining to this Issue 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.

Disclaimer from our Company, our Directors and the BRLM

Our Company, our Directors and the BRLM 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 and anyone placing reliance on any other source of information, including our Company's website www.vrajtmt.in or any website of any affiliate of our Company, any of the Group Companies, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available 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 among our Company, any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise; 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- compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Caution

Investors who Bid in the Issue are required to confirm and are deemed to have represented to our Company, 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 offer, 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, 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 BRLM and its associates and affiliates may engage in transactions with, and perform services for, our Company, our Group Companies, and their respective affiliates or 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 and its affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Chhattisgarh, India only.

This Issue 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, Hindu Undivided Families ("**HUFs**"), companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices which are categorised as category II FPIs and registered with SEBI companies or trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other applicable trust laws, and who are authorised under their respective constitutions to hold and invest in equity shares, and non-residents including Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction 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 comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Raipur, Madhya Pradesh, 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 the Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft 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 our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Issue 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 Equity Shares offered in the Issue 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 being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

Each purchaser of the Equity Shares in the Issue in India shall be deemed to:

- represent and warrant to our Company, the BRLM and the Syndicate Members that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.
- represent and warrant to our Company, the BRLM and the Syndicate Members that it did not purchase the Equity Shares as result of any "directed selling efforts" (as defined in Regulation S).
- represent and warrant to our Company, the BRLM and the Syndicate Members that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.
- represent and warrant to our Company, the BRLM and the Syndicate Members that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- represent and warrant to our Company, the BRLM and the Syndicate Members that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.
- agree to indemnify and hold the Company, the BRLM and the Syndicate Members harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- acknowledge that our Company, the BRLM, the Syndicate Members and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been 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 and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been 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 and the Prospectus prior to the RoC filing.

Listing

Applications will be made to the Stock Exchanges for obtaining permission to list, trade and deal in and for an official quotation of the Equity Shares being issued and sold in the Issue and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised for the Issue. Our existing Equity Shares are not listed on any Stock Exchanges in India.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within 6 (six) Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Issue within 3 (three) Working Days from the Bid/ Issue Closing Date or 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.

If our Company does not Allot the Equity Shares within 3 (three) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Issue Account will be transferred to the Refund Account and it shall be utilised to 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, subject to applicable law.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, 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 2013 includes imprisonment for a term of not less than 6 (six) months extending up to 10 (ten) years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of our Directors, the Company Secretary and Compliance Officer, Chief Financial Officer, the legal counsel, the bankers to our Company, industry sources, the BRLM and Registrar to the Issue have been obtained. Consents in writing of the Syndicate Members, Bankers to the Issue/Escrow Bank, Public Issue Account Bank, Sponsor Bank and Refund Bank to act in their respective capacities as well as the consent of the Monitoring Agency will be obtained.

Our Company has received consent of our Statutory Auditors, who hold a valid peer review certificate, to include their name as required under Section 26(5) of the Companies Act 2013 in this Draft Red Herring Prospectus.

The said consents will be filed along with a copy of the Draft Red Herring Prospectus with the Registrar of Companies, Chhattisgarh, as required under the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus, for registration with the Registrar of Companies, Chhattisgarh.

Experts

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

Our Company has received written consent from the Statutory Auditors, who hold a valid peer review certificate, to include its name as required under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the examination report dated December 23, 2023 of the Statutory Auditor on the Restated Consolidated Financial Statements of our Company, as at and for Fiscals 2023, 2022 and 2021 and the 3 (three) months' period ended June 30, 2023 and the Statement of Special Tax Benefits dated December 24, 2023, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has also received a consent dated December 25, 2023 from Frontline Consultants Private Limited, to include their name in the Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 regarding the TEV Report.

Particulars regarding public or rights issues by our Company during the last 5 (five) years

Our Company has not made any public issue or rights issue in the last 5 (five) years. For further details, please see "*Capital Structure*" on page 71.

Commission or Brokerage on Previous issues in the last 5 (five) years

Since this is the initial public issuing of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the 5 (five) years preceding the date of the Draft Red Herring Prospectus.

Capital Issues in the Preceding Three Years

Except as disclosed in "*Capital Structure - Share capital History of our Company*" beginning on page 72, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed group company or any subsidiary or a listed associate entity.

Performance vis-à-vis Objects

Our Company has not undertaken any public issues, including any rights issues to the public in the 5 (five) years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis- à-vis Objects: Last Issue of Subsidiaries/Promoters

Our Company does not have any subsidiaries or listed promoters. None of our corporate Promoters have made any public issues, including rights issues to the public in the 5 (five) years immediately preceding the date of this Draft Red Herring Prospectus or have any listed securities on the Stock Exchanges.

The price information of past issues handled by the BRLM is as follows:

Price information and the track record of the past issues handled by the Book Running Lead Manager

For details regarding the price information and track record of the past issue handled by Aryaman Financial Services Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer the website of the BRLM at www.afsl.co.in.

1. **Price information of past issues (during the current Financial Year and two Financial Years preceding The current Financial Year) handled by Aryaman Financial Services Limited:**

Sr. No.	Issue Name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180th calendar days from listing	
1.	Arrowhead Seperation Engineering Limited	13.00	233.00	28-11-23	250.00	NA	NA	NA	NA	NA	NA
2.	Mish Designs Limited	9.76	122.00	07-11-23	160.00	5.53%	7.05%	NA	NA	NA	NA
3.	Sunita Tools Limited	22.04	145.00	11-10-23	155.00	9.90%	(2.36%)	NA	NA	NA	NA
4.	Master Components Limited	15.42	140.00	29-09-23	140.40	0.21%	(3.01%)	NA	NA	NA	NA
5.	HMA Agro Industries Limited	480.00	585.00	04-07-23	615.00	1.60%	(0.36%)	28.88%	0.53%	NA	NA
6.	CFF Fluid Control Limited	85.80	165.00	12-06-23	175.00	61.79%	4.26%	378.48%	6.18%	161.82%	11.32%
7.	Command Polymers Limited	7.08	28.00	29-03-23	26.75	(3.75%)	5.44%	(4.64%)	9.41%	(9.29%)	13.91%
8.	Rex Sealing and Packing Industries Limited	8.08	135.00	12-01-23	137.00	15.52%	1.21%	5.04%	0.73%	(24.59%)	9.44%
9.	Abans Holding Limited	345.60	270.00	23-12-22	270.00	(0.35%)	1.30%	(12.35%)	(3.21%)	7.63%	6.15%
10.	EP Biocomposites Limited	6.35	126.00	13-09-22	160.25	100.40%	(5.51%)	36.51%	2.57%	71.43%	(2.37%)

2. **Summary Statement of Disclosure**

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30th calendar day from listing day			Nos. of IPOs trading at premium - 30th calendar day from listing day			Nos. of IPOs trading at discount -180th calendar day from listing day			Nos. of IPOs trading at premium - 180th calendar day from listing day		
			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%
2023-24	6	626.02	0	0	0	1	0	4	0	0	0	1	0	0
2022-23	6	445.79	0	0	2	3	0	1	0	0	1	3	0	1
2021-22	7	74.60	0	0	2	0	1	4	0	1	1	1	1	3

Notes:

(1) Since the listing date of Arrowhead Seperation Engineering Limited was on November 28, 2023 information related to closing price and benchmark index as on the 30th, 90th and 180th calendar day from the listing date is not applicable.

(2) Since the listing date of Mish Designs Limited was on November 07, 2023 information related to closing price and benchmark index as on the 90th and 180th calendar day from the listing date is not applicable.

(3) Since the listing date of Sunita Tools Limited was on October 11, 2023 information related to closing price and benchmark index as on the 90th and 180th calendar day from the listing date is not applicable.

(4) Since the listing date of Master Components Limited was on September 29, 2023 information related to closing price and benchmark index as on the 90th and 180th calendar day from the listing date is not applicable.

(5) Since the listing date of HMA Agro Industries Limited was on July 04, 2023, information related to closing price and benchmark index as on the 180th calendar day from the listing date is not applicable.

(6) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.

(7) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

(8) Source: www.bseindia.com and www.nseindia.com
BSE Sensex and Nifty Fifty as the Benchmark Indices

Track record of past issues handled by the BRLM

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of the BRLM, as set forth in the table below:

Sr. No.	Name of the BRLM	Website
1.	Aryaman Financial Services Limited	www.afsl.co.in

Stock Market Data of the Equity Shares

This being the initial public issuing of the Equity Shares of our Company, the Equity Shares is not listed on any stock exchange as on 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 agreement between the Registrar to the Issue and the Company dated December 23, 2023 provides for retention of records with the Registrar to the Issue for a minimum period of 8 (eight) years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post- Issue 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 orders or non-receipt of funds by electronic mode, etc.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Issue. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Anchor Investors are required to address all grievances in relation to the Issue to the BRLM. All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the Sole Bidder or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding 2 (two) Working Days from the Bid / Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding 2 (two) Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

SEBI, by way of its Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism, inter alia, in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Per the Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Banks containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of 1 (one) Working Day subsequent to the finalisation of the Basis of Allotment.

The processing fees for applications made by UPI 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 Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) and SEBI Master Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 (to the extent applicable).

In terms of SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) and SEBI Master Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 (to the extent applicable) and subject to applicable law, 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 3 (three) months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 (fifteen) days, failing, failing which the concerned SCSB would have to pay interest at the rate of 15% p.a. for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), in the events of delayed unblock for cancelled/withdrawn/deleted 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. Further, in terms of SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall 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, which period shall start from the day following the receipt of a complaint from the investor. The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications.	₹ 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 on the bidding platform of the Stock Exchanges till the date of actual unblock.
Blocking of multiple amounts for the same Bid made through the UPI Mechanism.	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock.
Blocking more amount than the Bid Amount.	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher.	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock.
Delayed unblock for non – Allotted / partially Allotted applications.	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher.	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock.

The Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of any SCSB, Registered broker, Syndicate member, RTA or CDP including any defaults in complying with its obligations under the SEBI ICDR Regulations.

For helpline details of the Book Running Lead Manager pursuant to the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable), see "*General Information -Book Running Lead Manager*" on page 64.

Disposal of Investor Grievances by the Company

The Company will obtain authentication on the SCORES and will comply with the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) and any amendment thereto, in relation to redressal of investor grievances through SCORES, prior to filing the Red Herring Prospectus.

We estimate that the average time required by the Company and/or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 (ten) Working Days from the date of receipt of the complaint. In case of non- routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Priya Namdeo, Company Secretary as the Compliance Officer who may be contacted in case of any pre- Issue or post- Issue related problems, at the address set forth hereunder.

Address:
First Floor, Plot No 63 & 66,
Ph No 113, Mother Teresa Ward No. 43,
Jalvihar Colony, Raipur,
Chhattisgarh, India, 492001
Tel No: +91-771-4059002
Email: info@vrajtmt.in
Investor Grievance ID: info@vrajtmt.in

Further, the Board has constituted a *Stakeholders' Relationship Committee*, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "*Our Management*" beginning on page 208 of this DRHP. The Company has not received any investor grievances during the 3 (three) years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

Outstanding Debentures, Bonds or Redeemable Preference Shares

The Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Draft Red Herring Prospectus.

Partly Paid-Up Shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of the Company.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement. For details of the Issue expenses, please refer to the chapter titled "*Objects of the Issue*" beginning on page 84 of this DRHP.

Commission payable to SCSBs, Registered Brokers, CRTAs and CDPs

For details of the commission payable to SCBS, Registered Brokers, CRTAs and CDPs, please refer to the chapter titled "*Objects of the Issue*" beginning on page 84 of this DRHP.

Disposal of investor grievances by listed Group Companies

Our Company does not have any listed group companies.

Capitalization of Reserves or Profits

Except Bonus Issue undertaken by the Company on September 29, 2023, the Company has not capitalized its reserves or profits at any time during the 5 (five) years immediately preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

The Company has not revalued its assets since its incorporation.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

The Company has not made any application under the SEBI ICDR Regulations for seeking exemption from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION VII: OFFER INFORMATION

TERMS OF THE ISSUE

The Equity Shares are being offered and Allotted pursuant to this Issue are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus and the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities offered from time to time by the SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Issue.

The Issue

The Issue comprises of a fresh issue of Equity Shares by our Company.

The listing fees shall be borne by our Company. Other Issue-related expenses shall be borne by our Company. For details in relation to Issue expenses, see "*Objects of the Issue*" on page 84 of this Draft Red Herring Prospectus.

Ranking of the Equity Shares

The Equity Shares being issued and allotted in the Issue shall be subject to the provisions of the Companies Act, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, our Memorandum of Association and our Articles of Association, and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend, if any, declared by our Company after the date of Allotment, in accordance with the applicable laws. Any dividends declared after the date of Allotment in this Issue will be received by the Allottees, for the entire year, in accordance with applicable law. For details, see "*Dividend Policy*" and "*Description of Equity Shares and terms of Articles of Association*" on pages 228 and 386 of this Draft Red Herring Prospectus, respectively.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association, our Articles of Association, the SEBI Listing Regulations and other applicable law. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Allottees who have been Allotted Equity Shares in the Issue, in accordance with applicable laws. For details, see *"Dividend Policy"* and *"Description of Equity Shares and terms of Articles of Association"* on pages 228 and 386, respectively of this Draft Red Herring Prospectus.

Face Value, Issue Price, Floor Price and Price Band

The face value of the Equity Shares is ₹10/-. The Floor Price of Equity Shares is [●] per Equity Share and the Cap Price is [●] per Equity Share. The Anchor Investor Issue Price is [●] per Equity Share.

The Price Band and minimum Bid Lot for the Issue will be decided by our Company, in consultation with the BRLM, and advertised in all editions of the widely circulated English national daily newspaper [●] and [●] editions of the widely circulated Hindi national daily newspaper [●], (Hindi being the regional language of Chhattisgarh, where our Registered Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Issue 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 at the websites of the Stock Exchanges. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue 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 for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles of Association, the equity shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or 'e-voting', in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory or preferential claims being satisfied;
- Right to freely transfer their Equity Shares, subject to any RBI rules, foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations and the Articles of Association of the Company.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, consolidation and splitting, see **"***Description of Equity Shares and terms of Articles of Association*" on page 386 of this Draft Red Herring Prospectus.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two tripartite agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite Agreement dated November 29, 2023 among NSDL, our Company and the Registrar to the Issue.
2. Tripartite Agreement dated November 30, 2023 among CDSL, our Company and Registrar to the Issue.

Market Lot and Trading Lot

Since, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, the tradable lot is one (1) Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of one (1) Equity Share, subject to a minimum Allotment of [●] Equity Shares. For details, see "*Issue Procedure*" on page 363 of this Draft Red Herring Prospectus.

Joint Holders

Subject to provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Raipur, Chhattisgarh, India will have exclusive jurisdiction in relation to this Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Nomination facility to investors

In accordance with Section 72 of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, as amended, 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 or alienation of Equity Share(s) by the person nominating. 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 Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- 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 dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Depository Participant.

Bid/Issue Programme

ANCHOR BID/ISSUE OPENS ON	**[●]***
BID / ISSUE OPENS ON*	**[●]**
BID / ISSUE CLOSES ON**	**[●]#**

**Our Company may, in consultation with the BRLM, may consider participation by Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.*
***Our Company may, in consultation with the BRLM, consider closing the Bid / Issue Period for QIBs one (1) day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations.*
 # UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Issue Closing Date.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Anchor Investor Bidding Date	**[●]**
Bid/Issue Opening Date	**[●]**
Bid/Issue Closing Date	**[●]**
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●] (T+1)
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account***	On or about [●] (T+2)

Event	Indicative Date
Anchor Investor Bidding Date	**[●]**
Bid/Issue Opening Date	**[●]**
Bid/Issue Closing Date	**[●]**
Credit of the Equity Shares to depository accounts of Allottees	On or about [●] (T+2)
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●] (T+3)

****In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated by the SCSB responsible for causing such delay in unblocking 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 by the SCSB responsible for causing such delay in unblocking 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 by the SCSB responsible for causing such delay in unblocking 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 two Working Days from the Bid/Issue 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 two Working Days from the Bid/ Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The BRLM 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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, 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 processing fees for applications made by UPI Bidders 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The above timetable is indicative and does not constitute any obligation on our Company or the BRLM.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days of the Bid / Issue Closing Date or such period as may be prescribed by SEBI, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company and, in consultation with the BRLM, revision of the Price Band or any delays 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.

In terms of the UPI Circulars, in relation to the Issue, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Issue Period (except the Bid/ Issue Closing Date)	
Submission and Revision of Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time ("IST")
Bid/ Issue Closing Date#	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST
Submission of electronic applications (online ASBA	Only between 10.00 a.m. and up to 5.00 p.m. IST

through 3-in-1 accounts)	
Submission of electronic application (bank ASBA through online channels like internet banking, mobile banking and syndicate ASBA applications through UPI as a payment mechanism where Bid Amount is upto ₹0.50 million)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (syndicate non-retail, non-individual applications of QIBs and NIIs)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of physical applications (direct bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (syndicate non-retail, non-individual applications where Bid Amount is more than ₹0.50 million)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories*	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Issue Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10.00 a.m. and up to 5.00 p.m. IST

#UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Issue Closing Date.
**QIBs and Non-Institutional Bidders can neither revise their Bids downwards nor cancel/withdraw their Bids.*

On the Bid/ Issue 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) 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by UPI Bidders.

On Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

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 the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (IST) on the Bid/Issue Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Issue Bids will only be accepted on Working Days.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturday and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. Neither our Company nor any member of the Syndicate is liable for any failure in: (i) uploading or downloading the Bids due to faults in any software / hardware system or otherwise, and (ii) the blocking of the Bid Amount in the ASBA Account of Bidders 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.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue 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. The Floor Price will 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, subject to it being at least 105% of the Floor Price. In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least 3 (three) additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 (ten) Working Days. Further, in cases of *force majeure*, banking strike or similar circumstances, our Company and in consultation with the BRLM, for reasons to be recorded in writing, may extend the Bid / Issue Period for a minimum of 3 (three) Working Days, subject to the Bid /Issue Period not exceeding 10 (ten) Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate and by intimation to the Designated Intermediaries and Sponsor Bank as applicable. In case of revision of the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

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 BRLM, and the Designated Stock Exchange.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Issue, and (ii) a subscription in the Issue equivalent to at least 25% post-Issue paid up Equity Share capital of our Company, as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/Issue Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid/Issue Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued under this Draft Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 4 (four) days, our Company to the extent applicable, shall pay interest at the rate of 15% per annum including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021.

Further, the Company 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, and subscription money will be refunded, as applicable. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Issue Equity Share Capital of our Company, minimum Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Issue, as detailed in "*Capital Structure*" on page 71 and except as otherwise provided in our Articles of Association, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting, for details see, "*Description of Equity Shares and terms of Articles of Association*" on page 386 of this Draft Red Herring Prospectus.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Issue

The Issue shall be withdrawn in the event that 90% of the Issue is not subscribed.

Our Company, in consultation with the BRLM, reserves the right not to proceed with the entire or portion of the Issue for any reason at any time after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such further time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. Further, the Stock Exchanges shall be informed promptly in this regard by our Company, and the BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank (in case of UPI Bidders using the UPI mechanism), as applicable, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. In the event of withdrawal of the Issue and subsequently, plans of a fresh issue by our Company, a fresh draft red herring prospectus will be submitted again to SEBI and the Stock Exchanges.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of Bid/Issue Closing Date or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

ISSUE STRUCTURE

The Issue is being made through the Book Building Process. The initial public offer is of up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹1,710.00 million by our Company. The face value of the Equity Shares is ₹10/- each. The Issue will constitute [●] % of the post-Issue paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of up to [●] Equity Shares to certain investors. Any Pre-IPO Placement to investors will be at a price to be decided by our Company, in consultation with the BRLM. The Pre-IPO Placement, if undertaken, will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Issue, subject to the minimum Issue size complying with Rule 19 (2) (b) of the SCRR.

The Issue is being made through the Book Building Process.

Particulars	QIBs [(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation*[(2)]	Not more than [●] Equity Shares or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/ allocation	Not more than 50% of the Net Issue shall be available for allocation to QIBs. However, up to 5% of the Net QIB Portion shall 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 Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs.	Not less than 15% of the Net Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation out of which (a) one third of such portion shall be reserved for NIIs with application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (b) two third of such portion shall be reserved for NIIs with application size of more than ₹ 1,000,000 provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.	Not less than 35% of the Net Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	The allocation to each Non-Institutional Investor shall not be less than the minimum application size viz. ₹200,000 Equity Shares subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis, subject to valid Bids being received at or above the Issue Price, in accordance with the SEBI ICDR Regulations. Further, (a) one third of the portion	Proportionate, subject to the minimum Bid lot. The allotment to each Retail Individual Bidder 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 allotted on a proportionate basis. For details see, "*Issue Procedure*" on page 363 of this Draft Red Herring Prospectus.

Particulars	QIBs [(1)]	Non-Institutional Bidders	Retail Individual Bidders
	(c) Not more than **[●]** 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.	available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Investors. For details, see "*Issue Procedure*" on page 363 of this Draft Red Herring Prospectus.	
Minimum Bid	Such number of Equity Shares in multiples 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 and in multiples of **[●]** Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue (excluding the Anchor Investor Portion), subject to applicable limits under applicable law.	Such number of Equity Shares in multiples of **[●]** Equity Shares not exceeding the size of the Issue (excluding the QIB Portion), subject to applicable limits under applicable law.	Such number of Equity Shares in multiples of **[●]** Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	A minimum of **[●]** Equity Shares and in multiples of **[●]** Equity Shares thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	**[●]** Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply[(3)]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, Eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250	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 which are categorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the *karta*).

Particulars	QIBs [1]	Non-Institutional Bidders	Retail Individual Bidders
	million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the 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 Non-Banking Financial Companies.		
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[4] **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) by the SCSBs or by the Sponsor Bank through the UPI Mechanism that is specified in the ASBA Form at the time of submission of the ASBA Form		
^Mode of Bidding	ASBA only (excluding UPI Mechanism)[5] except for Anchor Investors	ASBA only (including the UPI Mechanism for an application size of upto ₹500,000)[6]	ASBA only (including UPI Mechanism) [6]

**Assuming full subscription in the Issue.*

^SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIBs and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

(1) *Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) 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 under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) 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 or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. 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.*

(2) *Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders of which one-third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to applicants in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Issue, the Allotment for the valid Bids will be made, in the first instance, towards subscription for 90% of the issue. For details, please see "Terms of the Issue" on page 352 of this Draft Red Herring Prospectus.*

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. 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 in any or all categories.*

(4) *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive*

difference between the Anchor Investor Allocation Price and the Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

(5) *Anchor Investors are not permitted to use the ASBA process.*

(6) *In case the Issue Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.*

(7) *UPI Bidders are advised to confirm the availability of the UPI Mechanism with their respective brokers, prior to submission of Bids.*

Bids by FPIs with certain structures as described under "*Issue Procedure*" on page 363 of this Draft Red Herring Prospectus and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire Equity Shares under the Issue.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least 3 (three) additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 (ten) Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

ISSUE PROCEDURE

*All Bidders should 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. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (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 Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications and electronic registration of bids; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

*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 till 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 will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the Covid- 19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days was made effective using the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III has been notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, 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, as amended by 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 issue and redressing investor grievances. This circular has come into force for initial public issue opening on or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹5,00,000 shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial* *public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

The BRLM 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/TPD1 /CIR/P/2023/140 dated August 29, 2023 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and BRLM shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. 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 as amended by SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Our Company, the BRLM and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document 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 Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Book Building Procedure

The Issue is being made through the Book Building process in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs provided that our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, 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 the event of under-subscription, or non-allocation 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 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 Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, out of which (a) one-third of the Non-Institutional Portion shall be reserved for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and (b) two-thirds of the Non-Institutional Portion shall be reserved for allocation to Bidders with an application size of more than ₹ 1,000,000 provided that the undersubscribed portion in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Issue 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 Issue Price.

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, subject to applicable laws. 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.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for UPI Bidders 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 the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable law.

Bidder must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021 and CBDT Circular No.7 of 2022 dated March 30, 2022 read with press release dated March 28, 2023.

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 and convertibles by introducing an alternate payment mechanism using UPI. 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 UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to 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 till 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 had extended the timeline for implementation of UPI Phase II till 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 will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice.

Phase III: This phase has become applicable on voluntary basis for all the issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (**"T+3 Notification"**). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Streamlining Circular, 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 Streaming Circular 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 finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised 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 – Issue BRLM will be required to compensate the concerned investor.

The Issue will be made under UPI Phase III of the UPI Circular.

All SCSBs offering the facility of making applications in public offers shall also provide the facility to make application using UPI. Our 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 UPI Bidders using the UPI.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Non-Institutional Bidders Bidding with an application size of up to ₹ 200,000 in the Non-Institutional Portion may also Bid using the UPI Mechanism, where made available.

Further, pursuant to SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

i. a syndicate member;

ii. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);

iii. a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);

iv. a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity)

For further details, refer to the "*General Information Document*" available on the websites of the Stock Exchanges and the BRLM.

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 relevant Bidding Centres and at our Registered Office. An electronic copy of 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/Issue Opening Date.

Copies of the Anchor Investor Application Forms shall be available at the offices of the BRLM at the Anchor Investor Bidding Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in this Issue through the ASBA process.

UPI Bidders using the UPI Mechanism must provide the 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

All ASBA Bidders (including UPI Bidders using UPI Mechanism, as applicable) must provide bank account details and authorisation to block funds in their respective ASBA Account in the relevant space provided in the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable in the relevant space provided in the ASBA Form. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Further ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using the UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. UPI Bidders authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. UPI Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or by Sponsor Bank under the UPI Mechanism, as applicable at the time of submitting the Bid. 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. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

Since the Issue is made under Phase III, ASBA Bidders may submit the ASBA Form in the manner below:

a. RIBs (other than the UPI Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

b. UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

c. QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021 and CBDT circular no.7 of 2022 dated March 30, 2022 read with press release dated March 28, 2023.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue 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 Issue Bidding process.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

** Excluding electronic Bid cum Application Forms*

Notes:

1. *Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com)*
2. *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked.

For UPI Bidders 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 UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders using UPI Mechanism where made available) 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. For UPI Bidders 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 UPI Bidders for blocking of funds. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE circular no. 20220803-40 and NSE circular no. 25/2022, each dated August 3, 2022, 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 5:00 pm on the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders 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. Further, modification of Bids shall be allowed in parallel during the Bid/Issue Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) 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 Bank and the Bankers to the Issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Bank and the Bankers to the Issue for analysing 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 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

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 daily basis and share reports with the BRLM 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.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a) Cut-off time for acceptance of UPI mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and Depository Participants shall continue till further notice;

b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;

c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5 pm on the initial public offer closure day;

d) The Stock Exchanges shall display Issue demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/ client, based on responses/status received from the Sponsor Bank(s).

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 Issue.

b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given time till 5:00 pm on the next Working Day following the Bid/ Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Participation by associates and affiliates of the BRLM and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters / Promoter Group

The BRLM and the Syndicate Members shall not be allowed to subscribe to or purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may bid for Equity Shares in the Issue, either in the Net QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis or in any other manner as introduced under applicable laws, and such subscription may be on their own account or on behalf of their clients.

Except as stated below, neither the BRLM nor any associates of the BRLM can apply in the Issue under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLM

(ii) insurance companies promoted by entities which are associate of the BRLM

(iii) AIFs sponsored by the entities which are associate of the BRLM; or

(iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the BRLM.

Promoters and the members of the Promoter Group will not participate in the Issue. Further, persons related to the Promoters and Promoter Group shall not apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Manager" if: (i) 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 (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the Book Running Lead Manager.

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 BRLM, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

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 such 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 company, provided that the limit of 10% shall not be applicable for investments in case of index fund or sector or industry specific scheme. 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 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 NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non- Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or confirm or accept the UPI mandate request (in case of UPI Bidders using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

For further, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 384.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA NDI Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the *karta*. The Bidder/applicant 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/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of applicable FEMA NDI Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control) shall be below 10% of our post-Issue Equity Share capital on a fully diluted basis. In case, the total holding of an FPI, or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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 in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents ([●] colour).

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, is permitted to issue, subscribe to or otherwise deal in offshore derivative instruments directly or indirectly, if it complies with the following conditions: (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 the 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (i) to (iv)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

BID received from FPIs bearing the same PAN shall be treated as multiples bids and are liable to be rejected, except for bid from FPIs that utilise the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated depository participants issued to facilitate implementation of SEBI FPIs regulations (such structure referred to as "MIM structure"), provided such bid have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.
Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- 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;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

For details of investment by FPIs in the Issue, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 384. Participation of FPIs shall be subject to the FEMA Non-debt Instruments Rules.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "SEBI AIF Regulations") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations 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.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA NDI Rules.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months period from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

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.

Our Company and/or the BRLM 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 BRLM, reserves 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 which our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "Banking Regulation Act"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. 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 if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. 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 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 BRLM, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

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) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, 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 BRLM, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, 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 minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹ 250 million, in each case, subject to applicable law and in accordance with their respective constitutional documents 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 as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLM, in its 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 such terms and conditions that our Company, in consultation with the BRLM, may deem fit, without assigning any reasons thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section 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 BRLM.

(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 ₹100million.

(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/Issue Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.

(v) Our Company and, in consultation with the BRLM may finalise 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 ₹ 2,500million, 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 ₹ 50million 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 is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) 50% of the Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(ix) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue 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 Issue 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 Allocation Price shall still be the Anchor Investor Office Price.

(x) Neither the BRLM or any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLM) nor any "person related to the Promoters or Promoter Group" shall apply in the Issue under the Anchor Investor Portion. For details, see "*Issue Procedure*" beginning on page 363.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

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 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 BRLM, reserves the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the members of Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that 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 laws or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Issue**.**

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 and/or the BRLM 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 this Draft 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 Bidders 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 or lower the size of their Bid(s) until Bid/ Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/ Issue Period.

Do's:

1. 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;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you (other than 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 UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder 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;

4. UPI Bidders bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for UPI Bidders 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;

5. UPI Bidder using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of the relevant Designated Intermediary;

6. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

7. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

8. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

9. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, sub-Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

11. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

12. 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 only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;

13. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;

14. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

15. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

16. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021 and CBDT circular no.7 of 2022 dated March 30, 2022 read with press release dated March 28, 2023;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, 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 a 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 IT 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;

18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. 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;

20. 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;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents, including a copy of the power of attorney, are submitted;

22. Ensure that Bids submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;

23. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

24. 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 UPI Bidders 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 UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;

25. 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 http://www.sebi.gov.in);

26. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;

27. Bidders (except UPI Bidders 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 UPI Bidders, once the Sponsor Bank issues the UPI Mandate Request, the UPI Bidders 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,

28. UPI Bidders 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;

29. Ensure that when applying in the Issue 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;

30. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders 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 UPI Bidder's ASBA Account;

31. UPI Bidders should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

32. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
33. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
34. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
35. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM;
36. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were 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 are liable to be rejected;
37. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) 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) or such other websites as updated from time to time;
38. 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 at the time of submission of the Bid;
39. UPI Bidders Bidding using the 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 UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
40. Bidders (other than Anchor Investors) ensure that only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism, where made available) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
41. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;
42. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Issue. 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;
43. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 12:00 p.m. of the working Day immediately after the Bid/Issue Closing Date; and
44. 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.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not submit a Bid using UPI ID, if you are not an UPI Bidder;
3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
8. Anchor Investors should not Bid through the ASBA process;
9. Do not submit the Bid cum Application Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
10. Do not submit the Bid cum Application Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;
11. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
12. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
14. Do not submit your Bid after 3:00 pm on the Bid/Issue Closing Date in case of QIBs and Non-Institutional Bidders;
15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Issue Closing Date;
16. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
17. If you are a UPI Bidder using the UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID, respectively;
18. Do not submit the General Index Register (GIR) number instead of the PAN;
19. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Investors);
20. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
21. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
22. 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 Investor. Retail Individual Investors revise or withdraw their Bids until the Bid/Issue Closing Date;
23. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
24. 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 UPI Bidders using the UPI Mechanism;
25. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

26. 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;
27. 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);
28. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or Mobile Applications and/or UPI handle that is not listed on the website of SEBI;
29. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;
30. 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;
31. 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 UPI Bidders using the UPI Mechanism;
32. UPI Bidders 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;
33. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
34. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders);
35. Bids uploaded by QIBs after 4:00 p.m. on the QIB Bid/Issue Closing Date and by Non-Institutional Bidders uploaded after 4:00 p.m. on the Bid/Issue Closing Date, and Bids by RIBs uploaded after 5:00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchanges. On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges; and
36. 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-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For further details of Company Secretary and Compliance Officer, see "*General Information*" on page 62.

For helpline details of the Book Running Lead Manager pursuant to the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information –Book Running Lead Manager*" on page 64.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manners specified in the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended by SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the basis of allotment is finalised 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 through the Issue Document 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 one per cent. of the Issue may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to applicants 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 Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. The Allotment to each Non-Institutional Investor shall not be less than the minimum application size viz. ₹200,000, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

Payment into Escrow Account for Anchor Investors

Our Company in consultation with the BRLM, 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. Anchor Investors are not permitted to Bid in the Issue through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]";

(ii) In case of non-resident Anchor Investors: "[●]".

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Bank and the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering this Draft Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Chhattisgarh, where our Registered Office is located). Our Company shall, in the pre-Issue advertisement state the Bid/Issue Opening Date, the Bid/Issue Closing Date and the QIB Bid/Issue Closing Date. This 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 under the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLM and the Registrar shall publish an advertisement in relation to Allotment before commencement of trading, disclosing the date of commencement of trading of the Equity Shares, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper (Hindi being the regional language of Chhattisgarh, where our Registered Office is located), each with wide circulation.

Copies of the above advertisements shall be made available on the website of the Company at www.vrajtmt.in.

The above information is given for the benefit of the Bidders/applicants. Our Company, the BRLM 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.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company will enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable law. The Prospectus will contain details of the Issue Price, Anchor Investor Issue Price, Issue size and underwriting arrangements and will be complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated November 29, 2023 among NSDL, our Company and the Registrar to the Issue.
- Tripartite Agreement dated November 30, 2023 among CDSL, our Company and Registrar to the Issue.

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 at least ₹ 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 period 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:

(i) the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription 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;

(iii) that all steps will be taken 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 within three

Working Days of the Bid/Issue Closing Date or such other time as may be prescribed;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant 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;

(vi) that if our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company, in consultation with the BRLM, withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh draft Issue document with the SEBI, in the event our Company subsequently decides to proceed with the Issue thereafter;

(viii) Promoters' contribution, if any, shall be brought in advance before the Bid / Issue Opening Date;

(ix) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(x) that except for the Pre-IPO Placement, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Utilisation of Issue Proceeds

Our Company specifically confirms and declares:

(a) that all monies received from the Issue shall be credited / transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

(b) details of all monies utilised out of the proceeds from the Issue shall be disclosed, and continue to be disclosed till all the time any part of the proceeds from the Issue remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised, or the form in which such unutilised monies have been invested; and

(c) details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("**DPIIT**") makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DPIIT also issues the Consolidated Foreign Direct Investment Policy ("**FDI Policy**") from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India's current FDI Policy issued by the DPIIT with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT till October 15, 2020. All the press notes, press releases, clarifications on FDI issued by DPIIT till October 15, 2020 stand rescinded as on October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

In accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, 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, will require prior approval of the Government, as prescribed in the FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019. 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. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Further, the existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% of the total paid-up Equity Share capital of our Company for each FPI and the total holdings of all FPIs in the Company shall not exceed 24% of the total paid-up Equity Share capital of our Company. The RBI, in exercise of its power under the FEMA, has also notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**Rules**") and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of less than 10% of the total paid-up equity capital on a fully diluted basis of the Company subject to the total holdings of all FPIs/sub accounts including any other direct and indirect foreign investments in the Company shall not exceed 24% of the paid-up equity capital of the Company on a fully diluted basis. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Company concerned by passing of resolution by the Board of the Company to that effect and by passing of a special resolution to that effect by its Shareholders. With effect from April 1, 2020, the aggregate limit of 24% has increased to the sectoral cap applicable to the Indian Company which in case of the Company is 100% provided that the Company complies with conditions provided under the FDI Policy. As per the Rules, the aggregate limit as provided above was permitted to be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before March 31, 2020. The Company has passed no such Board Resolution and hence, has not revised its sectoral caps. Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% of the total paid-up equity capital on a fully diluted basis of the Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the shareholders of the Company. The Company has not passed such resolutions as yet.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DPIIT / RBI, from time to time. Such conditions include (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 SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (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. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

As per the FDI Policy, FDI in companies engaged in manufacturing sector is permitted up to 100% of the paid-up share capital of such company under the automatic route.

For further details, see "*Issue Procedure*" on page 363. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Issue Period.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale 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 Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 and the BRLM 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 Bids are not in violation of laws or regulations applicable to them.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF THE ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the Description of Equity Shares and Terms of the Articles of Association are detailed below. Capitalized terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Extraordinary/Annual General Meeting held on November 10, 2023 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Association of the Company.

Applicability of Table 'F'

The regulation contained in Table 'F' of the First schedule to the Companies Act, 2013, so far as the same are applicable to a Company limited by shares, as defined in the Companies Act, 2013, shall apply to this Company in the same manner as if all such Regulations Table 'F' are specifically contained in the Articles, subject to the modifications herein contained.

Share capital and variation of rights

Article 1

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 Directors 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 or at par and at such time as they may from time to time think fit.

Article 2

(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.

Article 3

(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

Article 4

Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Article 5

(i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Article 6

(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

Article 7

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari- passu therewith.

Article 8

Subject to the provisions of Section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

Article 9

(i) The Company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) 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.

Article 10

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—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part 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 the person entitled thereto by reason of his death or insolvency.

Article 11

(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) 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.

Article 12

(i) 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.

(ii) 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.

Calls on shares

Article 13

(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their 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:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) 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.

(iii) A call may be revoked or postponed at the discretion of the Board.

Article 14

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.

Article 15

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Article 16

(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

Article 17

(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations 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.

Article 18

The Board—

(a) may, if it thinks fit, 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

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

Article 19

(i) The instrument of transfer of any share in the company shall be executed 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.

Article 20

The Board may, subject to the right of appeal conferred by Section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

Article 21

The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56;

(b) 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; and

(c) the instrument of transfer is in respect of only one class of shares.

Article 22

On giving not less than seven days' previous notice in accordance with Section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

Article 23

(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Article 24

(i) Any person becoming entitled to a share in consequence of the death or insolvency 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 or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

Article 25

(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Article 26

A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member 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, 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.

Forfeiture of shares

Article 28

If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

Article 29

The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

Article 30

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Article 31

(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Article 32

(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

Article 33

(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Article 34

The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

Article 35

The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

Article 36

Subject to the provisions of Section 61, the company may, by ordinary resolution,—

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) 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.

Article 37

Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations 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.

(b) 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.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

Article 38

The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

Capitalisation of profits

Article 39

(i) 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 clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), 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);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

Article 40

(i) 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 capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) 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;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

Article 41

Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable 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.

General meetings

Article 42

All general meetings other than annual general meeting shall be called extraordinary general meeting.

Article 43

(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

Article 44

(i) 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.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

Article 45

The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

Article 46

If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of their members to be Chairperson of the meeting.

Article 47

If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

Article 49

(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

Article 50

Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

Article 51

A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

Article 52

(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

Article 53

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

Article 54

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

Article 55

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.

Article 56

(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

Article 57

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 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

Article 58

An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

Article 59

A vote given 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.

Board of Directors

Article 60

The number of the Directors and the names of the first Directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

Following are the first Directors of Company:-

1. Shri Praveen Jha

2. Shri Pradeep Jha

Article 61

(i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

Article 62

The Board may pay all expenses incurred in getting up and registering the company.

Article 63

The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

Article 64

All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

Article 65

Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

Article 66

(i) Subject to the provisions of Section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

Article 67

(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

Article 68

(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

Article 69

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 Directors or director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

Article 70

(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

Article 71

(i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

Article 72

(i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

Article 73

(i) A committee may meet and adjourn as it thinks fit.

(ii) 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 Chairperson shall have a second or casting vote.

Article 74

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 as valid as if every such director or such person had been duly appointed and was qualified to be a director.

Article 75

Save as otherwise expressly provided in the Act, a resolution in writing, signed by all 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.

Article 76

In case of a One Person Company where the company is having only one director all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118 such minutes book shall be signed and dated by the director the resolution shall become effective from the date of signing such minutes by the director.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

Article 77

Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer 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, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Article 78

A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

Article 79

(i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two Directors and of the secretary or such other person as the Board may appoint for the purpose; and those two Directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

Article 80

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Article 81

Subject to the provisions of Section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

Article 82

(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit 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 equalizing 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.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Article 83

(i) Subject to the rights of 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, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) 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.

Article 84

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.

Article 85

(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by 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 on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

Article 86

Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

Article 87

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.

Article 88

No dividend shall bear interest against the company.

Accounts

Article 89

(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being Directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

Article 90

Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) 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.

(ii) 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.

(iii) 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, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

Article 91

Every officer of the company shall be indemnified out of the assets of the company 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 in which relief is granted to him by the court or the Tribunal.

Others

Article 92

(i) That a common form of transfer shall be used;

(ii) That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuers lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;

(iii) That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever;

(iv) That any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared;

(v) That there shall be no forfeiture of unclaimed dividends before the claim becomes bared by law;

(vi) That option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting Provided that a recognized stock exchange may provisionally admit to dealings the securities of a company which undertakes to amend its articles of association at its next general meeting so as to fulfil the foregoing requirements and agrees to act in the meantime strictly in accordance with the provisions of this clause;

(vii) To issue when so required receipts for all securities deposited with it whether for registration sub-division exchange or for other purposes and not to charge any fees for registration of transfers for sub-division and consolidation of certificates and for sub-division of letters of allotment renounceable letters of right and split consolidation renewal and transfer receipts into denominations of the market unit of trading.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. IST and 5 p.m. IST on all Working Days from date of the Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other Applicable Law.

Material Contracts to the Issue

1. Issue Agreement dated December 23, 2023 entered into between our Company and the BRLM pursuant to which certain arrangements are agreed to in relation to the Issue.
2. Registrar Agreement dated December 23, 2023 entered into between our Company and the Registrar to the Issue.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the BRLM, the Syndicate Members, Banker(s) to the Issue and the Registrar to the Issue.
4. Syndicate Agreement dated [●] entered into among the BRLM, members of the Syndicate, our Company and the Registrar to the Issue.
5. Underwriting Agreement dated [●] entered into among our Company and the Underwriters.
6. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended until date.
2. Certificate of incorporation dated June 16, 2004.
3. Fresh Certificate of incorporation consequent upon change of name dated October 30, 2023;
4. Fresh certificate of incorporation dated November 10, 2023 issued upon conversion from Private Company to Public Company and consequent upon change in name of the Company from “Vraj Iron & Steel Private Limited” to “Vraj Iron & Steel Limited”.
5. Resolution of the Board of Directors of our Company, dated December 20, 2023 approving the Issue and other related matters.
6. Resolution of our Shareholders dated December 21, 2023 approving the Issue and other related matters.
7. Resolution of the Board of Directors of our Company, dated December 28, 2023 approving the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.
8. Shareholders’ Resolution dated November 10, 2023 approving the terms of appointment and remuneration of Vijay Anand Jhanwar Chairman and Managing Director.
9. Shareholders’ Resolution dated September 7, 2021 approving the terms of appointment and remuneration of Praveen Somani, Whole-time Director of the Company.
10. Copies of annual reports for the last three Financial Years, i.e., Financial Years 2023, 2022 and 2021.
11. Statement of special tax benefits dated December 24, 2023 from the Statutory Auditors included in this Draft Red Herring Prospectus.
12. Certificate on Key Performance Indicators in respect of the Basis for Issue Price issued by M/s. Amitabh Agrawal & Co., Chartered Accountants, dated December 24, 2023.

13. Consent of the Statutory Auditors dated December 23, 2023 to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and referred to as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as the Statutory Auditor, and for inclusion of their examination report dated December 23, 2023 on examination of our Restated Consolidated Financial Statements and the statement of possible special tax benefits in the form and context in which it appears in this Draft Red Herring Prospectus.
14. Consents of our Directors, Bankers to our Company, the BRLM, Registrar to the Issue, legal counsel, lenders to the Company (where such consent is required), Company Secretary and Compliance Officer of our Company, Chief Financial Officer, as referred to act, in their respective capacities.
15. Consent letter dated December 26, 2023 from CareEdge Advisory to use their report titled "Industry Report on Steel Industry" dated December 26, 2023".
16. Industry report entitled "Industry Report on Steel Industry" dated December 26, 2023, prepared by CareEdge Advisory.
17. Consent letter dated December 25, 2023 from Frontline Consultants Private Limited to use their report titled Techno Economic Viability Report on the expansion project of the Company for setting up of 350 TPD Sponge Iron unit having installed capacity of 1,15,500 MTPA along with 15 MW WHRB based Captive Power Plant and 15T X 3 Nos Induction Furnace Division having installed capacity of 1,53,000 MTPA along with Continuous Casting Machine (CCM) in the existing premises of the Company located at Bilaspur Division in Village Dighora, Tehsil: Takhatpur, District Bilaspur, Chhattisgarh" dated December 20, 2023.
18. The report entitled "Techno Economic Viability Report on the expansion project of the Company for setting up of 350 TPD Sponge Iron unit having installed capacity of 1,15,500 MTPA along with 15 MW WHRB based Captive Power Plant and 15T X 3 Nos Induction Furnace Division having installed capacity of 1,53,000 MTPA along with Continuous Casting Machine (CCM) in the existing premises of the Company located at Bilaspur Division in Village Dighora, Tehsil: Takhatpur, District Bilaspur, Chhattisgarh" dated December 20, 2023.
19. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
20. Tripartite Agreement dated November 29, 2023 among our Company, NSDL and the Registrar to the Issue.
21. Tripartite Agreement dated November 30, 2023 among our Company, CDSL and the Registrar to the Issue.
22. Due diligence certificate to SEBI from the BRLM, dated December 28, 2023.
23. SEBI final observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made thereunder, guidelines and regulations issued by the Government of India and the guidelines or regulations 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

____

Vijay Anand Jhanwar
Chairman and Managing Director
Place: Raipur
Date: December 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made thereunder, guidelines and regulations issued by the Government of India and the guidelines or regulations 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Prashant Kumar Mohta
Whole-time Director
Place: Raipur
Date: December 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made thereunder, guidelines and regulations issued by the Government of India and the guidelines or regulations 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Praveen Somani
Whole-time Director
Place: Raipur
Date: December 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made thereunder, guidelines and regulations issued by the Government of India and the guidelines or regulations 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Sanjeeta Mohta
Non-executive Independent Director
Place: Raipur
Date: December 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made thereunder, guidelines and regulations issued by the Government of India and the guidelines or regulations 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

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Sumit Deb
Non-executive Independent Director
Place: Hyderabad
Date: December 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made thereunder, guidelines and regulations issued by the Government of India and the guidelines or regulations 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Pramod Kumar Vaswani
Non-executive Independent Director
Place: Raipur
Date: December 28, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules made thereunder, guidelines and regulations issued by the Government of India and the guidelines or regulations 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, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY

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Shriram Verma.,
Chief Financial Officer
Place: Raipur
Date: December 28, 2023