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**ADITYA ULTRA STEEL LIMITED**  
CIN: U27100GJ2011PLC066552

Our Company was incorporated as a private limited company in the name and style of 'Aditya Ultra Steel Private Limited' on July 27, 2011 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli under the provisions of the Companies Act, 1956. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from 'Aditya Ultra Steel Private Limited' to 'Aditya Ultra Steel Limited' and a fresh certificate of incorporation was issued on July 26, 2018 by the Registrar of Companies, Gujarat, Ahmedabad. The Corporate Identification Number of our Company is U27100GJ2011PLC066552.

**Registered Office:** Survey No-48, Wankarner Boudry, Bhalgam, National Highway 8-A, Wankaner, Rajkot, Wankaner, Gujarat-363621, India;

**Tel. No.:** +91-6357585716; **E-mail:** [cs@aditya-ultra-steel.com](mailto:cs@aditya-ultra-steel.com); **Website:** [www.aditya-ultra-steel.com](http://www.aditya-ultra-steel.com);

**Contact Person:** Mr. Vikas Babusingh Panwar, Company Secretary and Compliance Officer.

PROMOTERS OF OUR COMPANY: SUNNY SUNIL SINGHI, VARUN MANOJKUMAR JAIN AND VARUNA JAIN	
ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS: NOTICE TO THE INVESTORS ("THE ADDENDUM")	
<p>INITIAL PUBLIC OFFER OF UPTO 75,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF ADITYA ULTRA STEEL LIMITED ("OUR COMPANY" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.</p> <p>THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND [●] EDITION OF [●], REGIONAL NEWSPAPER (GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NSE ("NSE EMERGE ") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE.</p> <p>The Addendum is filed with NSE and shall be made available on respective websites NSE i.e. <a href="http://www.nseindia.com">www.nseindia.com</a> ; Book Running Lead Manager at <a href="http://www.swastika.co.in">www.swastika.co.in</a> and the Issuer Company at: <a href="http://www.aditya-ultra-steel.com">www.aditya-ultra-steel.com</a> All capitalized terms used in the Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.</p> <p>The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, 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 and the applicable laws of each jurisdiction where such offers and sales are made.</p> <p>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 issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.</p>	
<p style="text-align: right;"><b>On behalf of Aditya Ultra Steel Limited</b></p> <p style="text-align: right;">Sd/- <b>Sunny Sunil Singhi</b> <b>Chairman &amp; Managing Director</b> DIN: 07210706</p> <p>Place: Rajkot Date: August 26, 2024</p>	
BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE

<b>Swastika Investment Limited</b> <b>Address:</b> Flat No.18, 2nd Floor, North Wing, Madhaveshwar Co-operative Housing Society Ltd, Madhav Nagar, 11/12, S. V. Road, Andheri W, Mumbai – 400058 <b>Tel No.:</b> +91-07316644244 <b>Email:</b> merchantbanking@swastika.co.in <b>Investor Grievance Email:</b> <a href="mailto:mb.investorgrievance@swastika.co.in">mb.investorgrievance@swastika.co.in</a> <b>Website:</b> <a href="http://www.swastika.co.in">www.swastika.co.in</a> <b>Contact Person:</b> Mohit Goyal <b>SEBI Reg. No.:</b> INM000012102	<b>Cameo Corporate Services Limited</b> <b>Address:</b> Subramanian Building, No. 1 Club House Road, Chennai-600002, India <b>Tel. No.:</b> +91-044 4002 0700/ 2846 0390 <b>Email:</b> ipo@cameoindia.com <b>Investor Grievance Email:</b> investor@cameoindia.com <b>Website:</b> <a href="http://www.cameoindia.com">www.cameoindia.com</a> <b>Contact Person:</b> Mr. K. Sreepriya <b>SEBI Registration No.:</b> INR000003753
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*Aditya Ultra Steel Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has been filed the Draft Red Herring Prospectus dated June 12, 2024 with NSE. The Draft Red Herring Prospectus and the Addendum to the Draft Red Herring Prospectus shall be available on the respective websites NSE i.e. [www.nseindia.com](http://www.nseindia.com); Book Running Lead Manager at [www.swastika.co.in](http://www.swastika.co.in) and the Issuer Company at: [www.aditya-ultra-steel.com](http://www.aditya-ultra-steel.com). Potential Applicants/Bidders should note that investment in equity shares involves a high degree of risk and details relating to such risk, please see the section entitled "Risk Factors" beginning on page 25 of the Draft Red Herring Prospectus. Potential Applicants/Bidders should not rely on the Draft Red Herring Prospectus filed with NSE for making any investment decision*

**Place: Rajkot**

**Date: August 26, 2024**

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## RISK FACTORS

### SHIFTING OF RISK FACTOR NO. 18 TO TOP 10.

#### ***9. One of our Group Company VMS Industries Limited was subject to the penalties imposed by Stock Exchanges.***

During the period year ending period ending September 30, 2021 and the financial year ending March 31, 2022, our Group Company, VMS Industries Limited (“VMS Industries”) was found to be in non-compliance under Regulation 33 and Regulation 23(9) of the SEBI LODR Regulations respectively. SEBI vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 has prescribed certain penal actions that can be taken by stock exchanges in the event of non-compliance with SEBI LODR Regulations. Accordingly, BSE vide emails dated December 30, 2021 and January 31, 2022 respectively imposed a fine of ₹ 17,700 and ₹ 2,47,800 for non-compliance under Regulation 33 and Regulation 23(9) of the SEBI LODR Regulations for the period September 2021 and informed that all the promoters’ demat accounts of VMS Industries would be frozen in the event the compliance was not completed and fines are not paid. VMS Industries paid the penalty amount to BSE on December 31, 2021 and February 22, 2022 for the aforesaid non-compliance and are currently in compliance with SEBI LODR Regulations and the demat accounts of the Promoters of VMS Industries were unfrozen by the depositories upon the instruction of the BSE. In addition, we cannot assure you that similar penalties will not be imposed in the future. Any adverse order or direction in these cases by the concerned authorities, even though not quantifiable, may have an adverse effect on our reputation, brand, business, results of operations and financial condition. For further details, see “Outstanding Litigations and Material Developments” on page 198.

### MODIFIED RISK FACTORS

#### ***5. Our Company is dependent on few numbers of customers for sales. Loss of any of this large customer may affect our revenues and profitability.***

Our top ten customers contribute 94.27%, 95.63% and 94.11% of our total sales for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 respectively. Moreover, dependency of our company for sales on top 1 customer of was 56.84%, 47.50% and 41.63% of our total sales for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 respectively. Our Company is engaged in the business of manufacturing of rolled steel product i.e. TMT bars. Our business operations are highly dependent on our customers and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Any decline in our quality standards, growing competition and any change in demand may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change, as we continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time.

#### ***15. There are certain discrepancies/errors/non-filings which have occurred in some of our corporate secretarial records relating to forms filed with the RoC and other provisions of Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate or any other law could impact the financial position of the Company to that extent.***

In the past, there have been certain instances of discrepancies and inconsistencies in relation to statutory filings and in maintenance of corporate records of our Company. For instance, in the e-forms -DIR-12 filed in the financial year 2016 for the change in designation of Varun Manojkumar Jain and Varuna Jain the sub-category was inadvertently selected as independent director, however, the forms were rectified and filed again. In another instance in the e-form DIR-12 filed for the appointment of Sunny Sunil Singhi as a WTD with effect from October 9, 2021, we have inadvertently selected Sunny Sunil Singhi as Director instead of WTD. Further, our Company has not filed e-form MR-1 for the appointment of Sunny

Sunil Singhi as a WTD during such period. Our Company has also not complied with Section 196 (2) of the Companies Act, 2013 as Sunny Sunil Singhi who was already acting as a WTD of the Company for the period from October 9, 2021 to October 8, 2026 was again re-appointed as a WTD of the Company for a period of five years with effect from December 20, 2023 i.e. his appointment was made earlier than one year before the expiry of his term. Additionally, there have been instances of discrepancies and errors in the filing of e-forms MGT-7, MGT-14, DIR-12, PAS-3 and annual forms filed with the ROC from time to time. In the past, there have been certain instances of delays in filing statutory forms such as per the reporting requirements under the Companies Act, which have been subsequently filed by payment of an additional fee as specified by RoC.

During the period for April 2021 to December 2023, the Board of our Company was not constituted as per Companies Act, 2013 i.e. the appointment of KMP's, Independent Directors and Committees thereon on the Board was not made.

Our Company is not in compliance of Section 134 of Companies Act, 2013 as there are discrepancies in the Board Reports filed by the Company from time to time. For instance, the Company made a transaction of sale and purchase with Yohaan Enterprises the same is mentioned in the annexure of financial statements for the Financial Year 2021 but the same is inadvertently not reflecting in the Board's Report. Further, the Company has paid rent to one of our Group Company i.e. VMS Industries Limited, which has also not been included in the Board's Report. Further, there have been instances in the Board's report prepared during the past few years which mentions that no loans and guarantees has been given, however, as per related party transactions, the same is provided by our Company.

In the Board meeting held on May 06, 2022 and in the general meeting held on June 07, 2022, our Company had passed the resolutions for the conversion of public company to private company and amendment to MOA and AOA was carried out and accordingly, our Company filed the resolutions in E-form MGT-14. However, our Company has not taken any further steps to file the e-form INC-27 pursuant to section 14 of the Companies Act, 2013 and rule 33 of Companies (Incorporation) Rules, 2014 for seeking approval for conversion of public company into private company. Our Company has passed resolution in the Board meeting held on June 18, 2022 and in the general meeting held on June 23, 2022 for cancellation of resolution for conversion of public to private limited however no such resolution is filed with concerned ROC.

In addition to the above, in certain instances, the financial statements of our Company were required to be signed by two Directors out of which one shall be managing director, if any, and the Chief Executive Officer, the Chief Financial Officer and the company secretary of the company. However, financial statements for the financial year ending on March 31, 2021 and March 31, 2022 were signed by the Directors only and the same were not signed by Company Secretary and the Chief Financial Officer.

There have been instances of non-filing of e-forms MGT-14 required to be filed under Section 117 read with Section 179 of the Companies Act, 2013 with respect to the filing of various resolutions with the Registrar of Companies such as resolution of the Board of Directors of a company or agreement executed by a company, relating to the appointment, re-appointment or renewal of the appointment, or variation of the terms of appointment, of a managing director, appointment of internal auditors and secretarial auditor of the Company and loans taken by the Company or providing loan and guarantees.

In one instance, 1000 number of Equity Shares were proposed to be transferred from Mr. Vaibhav M. Jain to Ms. Varuna Jain, although, later it was not transferred however, in the financial statements for the financial years ending on March 31, 2021, March 31, 2022 and March 31, 2023, the disclosure of shareholding of Varuna Jain has been incorrectly shown wherein it was shown that the shares were transferred.

Our company has made application to concerned ROC for compounding on August 02, 2024. While there no legal proceedings or regulatory action has been initiated against our Company in relation to such non-compliance or instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC as of the date of this Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to penalties imposed by concerned regulatory authorities in this respect. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

***30. There are certain discrepancies and non-compliances noticed in some of our corporate records relating to forms filed with taxation authorities and other public authorities.***

In the past, there have been some instances of delays in filing statutory forms with government authorities such as GST return, and PF returns. Accordingly, we have been subjected to penalty and charged with interest for delayed deposit of tax on those instances as well. Such delay were mainly on account technical glitches in the regulatory website, delays on account of covid and small 1 or 2 delay on company part in preparation of information required for filing such return. While our Company have already regularized the aforesaid delays, however, there can be no assurance that the regulator may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by regulators in relation to regulatory compliances for all instances and periods. Any adverse order passed, or penalty imposed by regulators on us may adversely affect our business and results of operations.

#### **INSTANCES OF DELAY IN FILING GST RETURN**

<b>FINANCIAL YEAR</b>	<b>RETURN TYPE</b>	<b>TOTAL NUMBER OF ESTABLISHMENTS</b>	<b>ESTABLISHMENTS WITH DELAYED FILINGS</b>
2024-2025	GSTR3B	1	0
2023-2024	GSTR3B	1	0
2022-2023	GSTR3B	1	0
2021-2022	GSTR3B	1	1
2020-2021	GSTR3B	1	1
2019-2020	GSTR3B	1	1
2018-2019	GSTR3B	1	1
2017-2018	GSTR3B	1	0

#### **INSTANCES OF DELAY IN FILING PF RETURN:**

<b>FINANCIAL YEAR</b>	<b>TOTAL AMOUNT OF ALL ESTABLISHMENTS PAID</b>	<b>TOTAL NO. OF ESTABLISHMENTS</b>	<b>ESTABLISHMENTS WITH DELAYED PAYMENTS</b>
2024-2025	91000	1	0
2023-2024	525000	1	1
2022-2023	486000	1	0
2021-2022	434000	1	1
2020-2021	541000	1	1
2019-2020	662000	1	1
2018-2019	489000	1	1
2017-2018	336000	1	1
2016-2017	123000	1	1
2015-2016	13000	1	1
2014-2015	19000	1	1
2013-2014	66000	1	1

***32. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***

Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits under central, state, and local government rules in India, generally for carrying out our business. Most of these approvals are granted for a limited duration. While we are required to obtain several approvals for legally conducting our business operations and we submit the applications for renewal of such approvals, as and when required, during the course of our business operations, we cannot assure you that we will be able to obtain approvals in respect of such applications, or any application made by us in the future. There are few government approvals which we have applied to the appropriate government authorities however we are yet to receive approvals from them. For details related to pending approval and its current status, please refer to page 204 of the DRHP under chapter titled as “Government and Other Approvals”. Moreover, few of the government approvals are in the name of private limited. If we fail to obtain such registrations and

licenses or renewals, in a timely manner, we may not then be able to carry on certain operations of our business, which may have an adverse effect on our business, financial condition and results of operations. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure by us to comply with the applicable regulations in the future, or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

In case we fail to comply with these requirements, or a regulator alleges non-compliance with these requirements, we may be subject to penalties and proceedings may be initiated against us. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial conditions. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

Failure on our part to renew or maintain such permits, licences or approvals may result in the interruption of our operations and may have a material impact on our business. In the future, we may also be required to obtain new permits and approvals for our proposed operations. While we believe that we will be able to obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to maintain or obtain the required permits or approvals, may result in the interruption of our operations or delay or prevent our expansion plans and may have a material and adverse effect on our business, financial condition and results of operations.”

***“35. We are subject to the restrictive covenants of banks in respect of the Loan/Credit Limit and other banking facilities availed from them. Any breach of such restrictive covenants may affect business operations of the Company.***

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. In the event we breach any financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.”

## OBJECT OF THE ISSUE

### **Justification of Working Capital Requirement:**

#### **FOR FY 2023-24**

Company is engaged in the business of manufacturing of rolled steel product i.e. TMT bars under the Kamdhenu brand catering mainly to the construction industry and for infrastructure development. Our Company manufactures TMT bars from billets through reheating furnace and rolling mill. Working capital requirement for FY 2024 was ₹ 7,264.69 Lakhs as compared to ₹ 6,058.95 Lakhs for FY 2023. Working Capital requirement of the Company has increased by ₹ 1205.73 Lakhs. Revenue from operations of the Company has also increased from ₹ 53,044.78 Lakhs to ₹ 58,780.08 Lakhs in FY 2024.

The Increase in working capital requirement was on account of an increase in revenue from operations of our company. Moreover, working capital of the Company assessed as above is for a particular day i.e. on March 31 which could vary as compared to during the year. Gross working capital requirement of the Company has increased from ₹ 6,606.23 Lakhs in FY 2023 to ₹ 11,473.40 Lakhs in FY 2024. This increase was mainly on account of increase in trade receivables and increase in loans and Advances. Finished goods inventory of the company has also increased from ₹ 5,173.23 Lakhs to ₹ 5,647.96 Lakhs. Trade receivables were increased from ₹ 1,055.27 Lakhs to 4,724.57 Lakhs. Trade receivable cycle of the Company ranges between 7 to 20 days. Increase in trade receivable was on account receipt of payment from debtors in the month of April 2024 which has resulted in higher debtors as on March 31, 2024. Additionally, there was advance to suppliers on March 31, 2024, amounting to ₹ 400 Lakhs which has resulted in increase in loans advances.

Moreover, as on March 31, 2024 Company trade payable of the company was on higher side as compared to FY 2023. Trade Payable of the Company was ₹ 239.21 Lakhs in FY 23 and ₹ 2,767.84 Lakhs in FY 24. Such trade payable were paid subsequently. Additionally, there was increase in other current liability which was increased from ₹ 186.11 Lakhs to ₹ 1,199.88 Lakhs. Current liability increased mainly on account of receipt of advance from customers.

Therefore, to summarise working capital of the company for FY 2024 has increase due to increase revenue from operations of the company, increase in trade receivable, Inventory and loans & Advances and increase in trade payable & Other Current Liability of the company.

#### **FOR FY 2025 & 2026**

Company is engaged in the business of manufacturing of rolled steel product i.e. TMT bars under the Kamdhenu brand catering mainly to the construction industry and for infrastructure development. Our Company manufactures TMT bars from billets through reheating furnace and rolling mill. Company manufactures TMT Bars under various sizes viz. 8MM, 10MM, 12MM, 16MM, 20MM, 25MM and 32MM. Company maintains sufficient level of inventory of finished goods for above sizes to ensure delivery of TMT bars within 24 to 48 hours of order. On an average company maintains inventory to Finished Goods of 35 to 40 days.

Company sells TMT bars in the distribution channel having 1 distributor and 73 dealers under the Kamdhenu Brand. USP of the Company is that more than 90% of sales of the company is with in Tier-II & Tier-III Cities and Company delivers TMT Bars at the doorstep location of dealers or their customers for even upto 3 Tonn of order. To ensure timely delivery of TMT Bars, company has its own fleet of 23 trucks. Since company is having its own fleet of trucks, it helps them in faster delivery of TMT bars at customer location and Order book of the Company is built on daily basis with delivery schedule ranging between 24-48 hours due to which Order book of the company remains between 2-3 days of sales.

### **Justification for Working Capital:**

Please refer below working capital cycle (in days) of the Company.

Days	31-Mar-26	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-22
Trade Receivables	18	18	29	7	5
Raw Material	2	2	1	1	11
Finished Goods	36	36	36	35	20



Days	31-Mar-26	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-22
Trade Payable	1	2	18	2	2
Net Working Capital Days	55	54	48	41	34

Company has estimated net working capital days to be approx. 54 and 55 for FY 2025 and FY 2026 respectively. Working capital cycle of the company for the projected period is based on historic working capital requirement of the Company. Historically Working capital cycle of the company has grown year on year basis from 34 days to 41 day and to 48 days for FY 2021-22, FY 2022-23 and FY 2023-24 respectively.

- Trade Receivable cycle of the Company ranges between 7 days to 20 days. The company has estimated the average trade receivable cycle to be 18 days, which is to meet the expected revenue from operations of the Company.
- The company holds Raw Material inventory for 1-2 days to ensure an uninterrupted manufacturing process. The company purchases raw materials based on sale orders received from the customers. The company has anticipated a raw material inventory holding period of approx. 2 days for FY 2025 & FY 2026.
- The company holds finished goods inventory of 36 days for supply of goods to its customers on a timely basis. The company has estimated finished goods inventory of 36 days for FY 2025 & FY 2026.
- The Average Trade Payable cycle of the company ranges between 1-2 days. Company has estimated trade payable cycle of approx. 1 day for FY 2026 and 2 Days for FY 2025.

Working capital requirement of the Company for FY 2025 & FY 2026 is estimated at ₹ 11,129.67 Lakhs and ₹ 12,773.05 Lakhs respectively which is based on projected revenue of the company. For FY 2023-24 Company has achieved revenue of ₹ 587.80 Crores. Operational capacity of the Company is approx. 85% of installed capacity. Due to increasing demand of product and manufacturing plant of the Company running at its maximum operational efficiency, Company has entered into agreement with Maheshwar Ispat Private Limited for manufacturing of TMT Bars for 3000 MT per month. With the availability of additional production capacity, company has estimated turnover for FY 2024-25 & 2025-26.

### **Particulars of General Corporate Purpose**

#### **“3. GENERAL CORPORATE PURPOSE:**

*Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy ₹ [●] Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:*

- 1) funding growth opportunities;*
- 2) servicing our repayment obligations (principal and interest) under our existing & future financing arrangements;*
- 3) capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;*
- 4) meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or*
- 5) strategic initiatives and*
- 6) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.*

*The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above in any permissible manner. 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, as mentioned in this Draft Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.”*

**Particulars of Interim Use of Funds**

***“INTERIM USE OF FUNDS***

*Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934 in accordance with applicable laws.*

*In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.”*

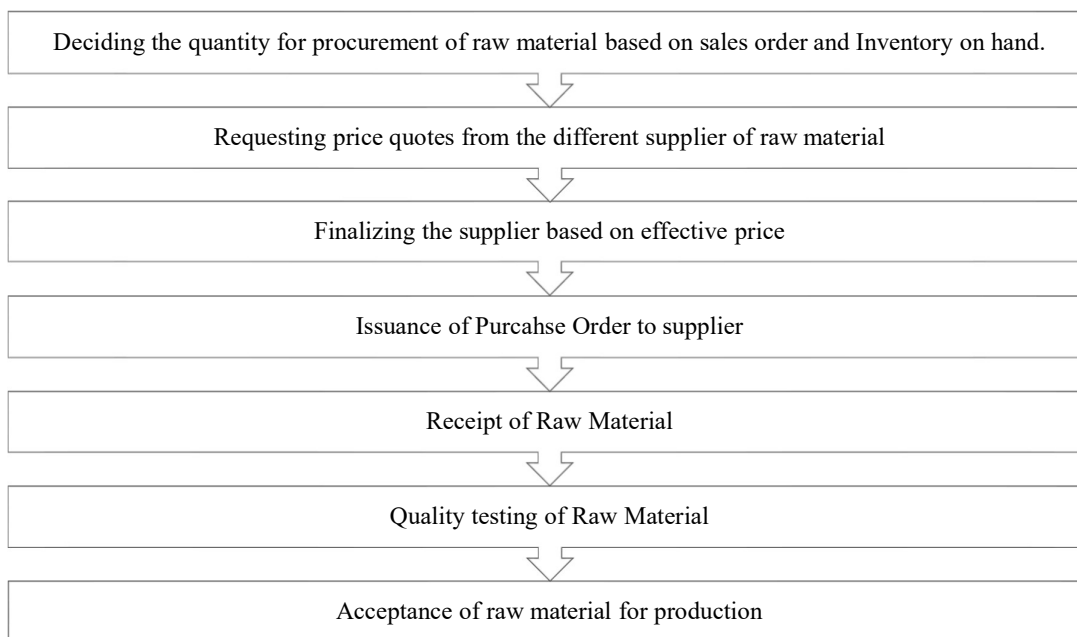
## OUR BUSINESS

### process of the company for procurement of orders and raw material

#### Procurement of Orders

Our Company is engaged in the business of manufacturing of TMT bars under a retail license agreement for the Kamdhenu Brand in the Kutch and Saurashtra region of Gujarat. Company sells TMT Bars under the Distribution channel of 73 dealers. Company receives order from such dealers on daily or weekly basis based on the requirement of such dealers.

#### Raw material procurement.



Moreover, Company needs to maintain minimum inventory level to ensure smooth, continuous and uninterrupted manufacturing process. Company places fresh orders for sourcing raw material on daily basis based on the quantity sold and orders received from customers.

#### Particulars of Capacity Data

##### INSTALLED CAPACITY

Particulars	Present Capacity		
	FY 2023-24	FY 2022-23	FY 2021-22
Installed Capacity(in MT)	1,08,000	1,08,000	1,08,000
Actual Production (in MT)	85,493	93,286	93,187
Capacity Utilization (%)*	86.36	86.38	86.28

#### Details of own manufacturing and third party manufacturing

Company has entered into agreement with Maheshwar Ispat Private Limited for manufacturing of TMT Bars starting from June 2023. During the year 2023-24 Company has received total production of 10,866 MT from Maheshwar Ispat Private Limited which amounts to 11.28% of total production (including third party manufacturing). Please see below tabular presentation for your easy reference.

Particulars	2021-22		2022-23		2023-24	
	Amount	%	Amount	%	Amount	%

Own Production	93,187	100.00	93,286	100.00	85,493	88.72
Production from Third Party	NIL	NIL	NIL	NIL	10,866	11.28
<b>Total</b>	<b>93,187</b>	<b>100.00</b>	<b>93,286</b>	<b>100.00</b>	<b>96,359</b>	<b>100.00</b>

#### **JUSTIFICATION FOR THIRD PARTY MANUFACTURING**

Due to increasing in demand for our product and our factory being operated at its maximum operational efficiency, Company has entered into agreement with Maheshwar Ispat Private Limited for manufacturing of TMT Bars to cater the additional demand of the market with contracted supply minimum 3000 MT per month commencing from June 2023.

#### **In the heading INFRASTRUCTURE & UTILITY following para is added**

Company has entered into agreement with Maheshwar Ispat Private Limited for manufacturing of TMT Bars starting from June 2023. During the year 2023-24 Company has received total production of 10,866 MT from Maheshwar Ispat Private Limited which amounts to 11.28% of total production (including third party manufacturing). Please see below tabular presentation for your easy reference.

Particulars	2021-22		2022-23		2023-24	
	Amount	%	Amount	%	Amount	%
Own Production	93,187	100.00	93,286	100.00	85,493	88.72
Production from Third Party	NIL	NIL	NIL	NIL	10,866	11.28
<b>Total</b>	<b>93,187</b>	<b>100.00</b>	<b>93,286</b>	<b>100.00</b>	<b>96,359</b>	<b>100.00</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### RELATED PARTY TRANSACTIONS

For further information, please refer "Note – AC - Related Party Transactions" on page **Error! Bookmark not defined.** under section "Restated Financial Information" beginning from page no. **Error! Bookmark not defined.** of this Draft Red Herring Prospectus.

#### % of RPT from Revenue from operations for last three years

**₹ in Lakhs**

<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>	<b>FY 2021-22</b>
Revenue From Operation	58,780.08	53,044.78	51,535.53
Remuneration	121.26	114.26	90.90
(% of Revenue from operation)	0.21%	0.22%	0.18%
Loans taken	300.00	99.00	0
(% of Revenue from operation)	0.51%	0.19%	0.00%
Loans Repaid	300.00	99.00	0
(% of Revenue from operation)	0.51%	0.19%	0.00%
Interest Paid on Unsecured Loan	14.60	-	-
(% of Revenue from operation)	0.02%	0.00%	0.00%
Rent Paid (Net of GST)	-	0.60	0.60
(% of Revenue from operation)	0.00%	0.00%	0.00%
Purchase of Goods	32.80	-	-
(% of Revenue from operation)	0.06%	0.00%	0.00%
Purchase of Stores & Spares (Net	-	-	1.72
(% of Revenue from operation)	0.00%	0.00%	0.00%

#### Justification for changes in Profits

<b>Sr. No</b>	<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
A.	Revenue from Operations	58,780.08	53,044.78	51,535.53
B.	Cost of Goods Consumed	53,186.53	47,708.70	46,070.31
<b>C.</b>	<b>% Cost of Goods Consumed (B/A*100)</b>	<b>90.48</b>	<b>89.94</b>	<b>89.40</b>
D.	Manufacturing Expenses	1,579.80	2,149.82	2,232.61
E.	Cost of Goods Sold (B+D)	55,586.28	50,696.87	49,123.17
F.	Gross Margins (A-E)	<b>3,193.80</b>	<b>2,347.91</b>	<b>2,412.36</b>
G.	% of Gross Margin	<b>5.43</b>	<b>4.43</b>	<b>4.68</b>
H.	Other Administrative Cost	<b>1,392.42</b>	<b>1,361.12</b>	<b>1,320.83</b>
I.	EBITDA Margin	<b>1,801.38</b>	<b>986.79</b>	<b>1,091.54</b>
J.	EBITDA Margin %	<b>3.06%</b>	<b>1.86%</b>	<b>2.12%</b>
K.	Depreciation	161.47	149.37	141.26
L.	Finance Cost	643.94	463.03	297.50
M.	Other Income	76.21	4.13	62.81
N.	Profit Before Tax	1,072.18	378.52	715.58
O.	Tax	279.84	100.86	226.68
P.	Profit After Tax	792.34	277.66	488.90

### **Justification for FY 2022-23 as compared to FY 2021-22**

During the FY 2022-23 and FY 2021-22 company has achieved revenue from operations of ₹ 53,044.78 Lakhs and ₹ 51,535.53 Lakhs respectively with Profit after tax of ₹ 277.66 Lakh for FY 2022-23 and ₹ 488.90 Lakhs for FY 2020-21. Moreover, Company has achieved EBIDTA (Operating Margins) of ₹ 986.79 Lakhs and ₹ 1,091.53 Lakhs amounting to 1.86% and 2.12% for FY 2022-23 and FY 2021-22 respectively. Gross Margins of the Company were ₹ 2,412.36 Lakhs and ₹ 2,347.91 Lakhs amounting to at 4.68% and 4.43% for FY 2021-22 and FY 2022-23 respectively.

Based on above it can be identified that revenue from operations of the company has increased marginally by approx. ₹ 1500 Lakhs whereas gross margin of the company was reduced by ₹ 64.25 Lakhs (₹ 2,347.91 Lakhs - ₹ 2,412.36 Lakhs). Reduction in gross margin was mainly on account of following factors;

- The company had sold 90052 MT TMT Bars in FY 2022-23 and 95,523 MT TMT Bars in FY 2021-22. Due to reduction in sold Qty during the year FY 2022-23. The reduction was only upto 6%. Due to market demand and supply qty of TMT bars sold varies. Moreover, Qty of TMT Bars sold also depends on prices of TMT Bars. Sometime due to higher prices of TMT, demand of TMT bars tend to reduce to some extent. Therefore to summarise reduction in qty sold was on account of demand of TMT bars in the Market and to some extent increased prices of TMT Bars.
- During FY 2022-23 there was increase in average cost of Goods purchased. During FY 2022-23 cost of Goods purchased was 89.94% of revenue from operations and it was 89.40% in FY 2021-22. The increase in cost of goods purchase was mainly on account of increase in price of raw materials marginally as compared to increase in price of TMT Bars. Average prices of TMT Bars were ₹ 51,567.72 PMT in FY 2021-22 and ₹ 56,297.24 PMT in FY 2022-23. Average prices of Raw Material was ₹ 45,807.84 PMT in FY 2021-22 and ₹ 49,504.98 PMT in FY 2022-23.
- There was reduction in Manufacturing Expenses from ₹ 2,232.61 Lakhs in FY 2021-22 as compared to ₹ 2,149.82 Lakhs in FY 2022-23. The reduction in Manufacturing Expenses was mainly on account of reduction Qty sold during the year. The company had sold 90052 MT TMT Bars in FY 2022-23 and 95,523 MT TMT Bars in FY 2021-22. Due to reduction in sold Qty during the year FY 2022-23 Manufacturing Expenses were reduced.
- Moreover, the profits of the company were also mainly decreased on account of decrease in other income and increase in finance cost. Other Income of the Company were also reduced from ₹ 62.81 Lakhs to ₹ 4.13 Lakh. There was income on account sale of fixed assets in FY 2021-22 which was not there in FY 2022-23 which has resulted in other income in FY 2022-23 as compared to FY 2021-22. Finance cost of the Company was increased by ₹ 165.53 Lakhs in FY 2022-23 on account of increase in loan amount utilization in FY 2022-23.

Therefore, due to increase in overall price of raw material and decrease in Manufacturing Expenses and other income, Profits of the Company were reduced in FY 2022-23 as compared to FY 2021-22.

### **Justification for FY 2023-24 as compared to FY 2022-23**

During the FY 2023-24 and FY 2022-23 company has achieved revenue from operations of ₹ 58,780.08 Lakhs and ₹ 53,044.78 Lakhs respectively with Profit after tax of ₹ 792.34 Lakh for FY 2023-24 and ₹ 277.66 Lakhs for FY 2022-23. Moreover, Company has achieved EBIDTA (Operating Margins) of ₹ 986.79 Lakhs and ₹ 1,801.38 Lakhs amounting to 1.86% and 3.06% for FY 2022-23 and FY 2023-24 respectively. Gross Margins of the Company were ₹ 3,193.80 Lakhs and ₹ 2,347.91 Lakhs amounting to at 5.43% and 4.43% for FY 2023-24 and FY 2022-23 respectively.

Based on above it can be identified that revenue from operations of the company has increased by approx. ₹ 57 Crores whereas operating margin of the Company has increased by approx. ₹ 815 Lakhs as compared to FY 2022-23 and increased by ₹ 710 Lakhs as compared to FY 2021-22.

Reduction in gross margin was mainly on account of following factors;

- Revenue from the operations of the company has increased by approx. ₹ 57 Crores in FY 2023-24. Company has earned additional gross margin of ₹ 257 Lakh in FY 2023-24 from increased sales i.e. gross margins were increased to ₹ 5,593.55 Lakhs in FY 2023-24 from ₹ 5,336.08 Lakhs in FY 2022-23. Gross margins of the Company were increased in absolute

terms but reduced in % terms from 10.06% in FY 2022-23 to 9.52% in FY 2023-24 due to a marginal increase in Raw Material prices. During FY 2023-24 there was increase in average cost of Goods purchased. During FY 2023-24 cost of Goods purchased was 90.48% of revenue from operations and it was 89.94% in FY 2022-23. Please note there was a reduction in average price of TMT Bars and Raw Materials during FY 2023-24 as compared to FY 2022-23. The increase in % cost of goods purchase from 89.94% to 90.48% was mainly on account of an increase in price of raw materials marginally as compared to increase in price of TMT Bars. Average prices of TMT Bars were ₹ 50,539.21 PMT in FY 2023-24 and ₹ 56,297.24 PMT in FY 2022-23. Average prices of Raw Material were ₹ 44,105.93 PMT in FY 2023-24 and ₹ 49,504.98 PMT in FY 2022-23.

- There was reduction in Manufacturing Expenses from ₹ 2,149.82 Lakhs in FY 2022-23 as compared to ₹ 1,579.80 Lakhs in FY 2023-24. The reduction in Manufacturing Expenses was mainly on account of the reduction in Power, Fuel & Utilities and Stores & Spares. Power, Fuel & Utilities and Stores & Spares expenses were ₹ 1,515.07 Lakhs in FY 2023-24 and it was ₹ 2,080.76 Lakhs in FY 2022-23 resulting in cost saving of approx. ₹ 565 Lakhs. During FY 2023-24 coal prices have reduced drastically from average coal prices of ₹ 12,014 PMT in FY 2022-23 and it was reduced to 8588 PMT in in FY 2023-24.
- There was increase in other income of the company from ₹ 4.13 Lakhs in FY 2022-23 to ₹ 76.21 Lakhs in FY 2023-24. Other income was increased on account of profit on sale of fixed asset. Company has earned profit on sale of fixed of ₹ 61 lakhs in FY 2023-24 which was not there in FY 2022-23. The profits of the company decreased on account of an increase in Finance cost. Finance cost of the Company was increased by ₹ 180.91 Lakhs in FY 2023-24 on account of increase in loan amount utilization in FY 2023-24.

To summarise Profits of the Company were increased on account of increase in revenue from operations of the company, other income and reduction in manufacturing expenses. Profits of the Company were reduced to some extent due to increase in finance cost.

## FINANCIAL INDEBTEDNESS

Terms & Conditions of Loans for Annexure-							
Sr. No.	Lender	Nature of facility	Sanctioned Amount (₹ in Lakhs)	Outstanding as on March 31, 2024 (₹ in Lakhs)	Rate of Interest/Margin	Repayment Terms	Security/ Principal terms and conditions
1	HDFC BANK	BBG- Working Capital Term Loans	110.00	10.36	9.76%	Term Loan to be repaid in 48 monthly EMI commencing from December 2019 of Rs. 2,76,881/- each.	<b>Details of Securities applicable for all the facilities:</b> <b>Security -Primary :</b> Debtors Less Than 90 Days, Fixed Deposit For Letter of Credit, Fixed Deposit for Margin For Bank Guarantee @ 10%, Industrial Property Const 74259803/-, Plant And Machinery, Stock <b>Security -Collateral:</b> Fixed Deposit From Company, Fixed Deposit From Director/share Holder, Personal guarantee Of Directors and Security Owners <b>Property Description:</b> Aditya Ultra Dist. Rajkot, Gujarat 363621 Steel Pvt Ltd. , Nh-8 A, Wankaner Boundry, Bhalgam, Wankaner Chotila Gujarat 363520 <b>Type of property(Residential / Commercial):</b>
		Working Capital Term Loan -GECL	581.00	182.03	9.25%	repayable within 60 EMIs of months ₹ 1827351	
		Working Capital Term Loan -GECL Extension	293.14	286.18	9.25%		
		Letter Of Credit	2500	0.00	Commission @1.20% pa.	90 Days	
		Cash Credit	2500 (Sublimit of Letter of Credit)	0.00	9.5%, 3m tbill ref rate to be taken at time of disbursment Current Reference rate is 6.87	Repayable on Demand and and are subject to annual renewal	
		Bank Guarantee	150.00	137.68\$	Commission @1.20% pa. 10% Margin on FD / cash /Bill margin .	-	
		Corporate Card	100.00	0.00	9.50%	valid upto 15th December, 2024	



Terms & Conditions of Loans for Annexure-							
Sr. No.	Lender	Nature of facility	Sanctioned Amount (₹ in Lakhs)	Outstanding as on March 31, 2024 (₹ in Lakhs)	Rate of Interest/Margin	Repayment Terms	Security/ Principal terms and conditions
		Cash Credit	4665.00	4353.88	9.75%	Repayable on Demand and are subject to annual renewal	Industrial Estates With Industrial Activity <b>Property Owner Name :</b> Aditya Ultra Steel Pvt Ltd
		Letter Of Credit	2500 (Sublimit of Cash Credit)	0.00	Commission @1.20% pa.	90 days	
		Vehicle Loan	290.08	191.86	6.8% - 9.60%	New Truck Loans from Bank to be repaid in 60 Monthly Instalments, Truck Loans Refinanced From Bank to be repaid in 36 Monthly Instalments. Repayment instructions of on the 05th of every Month.	Primarily secured by way of Hypothecation of Vehicle
2	OXYZO Financial Services Limited	Unsecured Loan	400.00	402.76*	14.00%	Monthly Principal Payment of ₹ 16.67 Lakhs for 24 Months.	Cash collateral for an amount Rs 40,00,000 /- (Rupees Forty Lacs Only)
	<b>Total</b>			<b>5,427.07</b>	`		

\* Includes interest from date of disbursement to March 31, 2024.

\$ classified in contingent liability.

## **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

### **(e) Other pending material litigations against our Company**

An application bearing Company Petition No. CP/19(AHM) of 2022 has been filed under sections 73(4) and 76(2) of the Companies Act, 2013 read along with Companies (Acceptance of Deposits) Rules, 2014 (“Application”) by Mr. Mujlibhai Karamshibhai Patel and Mr. Sandipkumar Karamshibhai Patel (collectively, “Applicants”) against our Company before the Hon’ble National Company Law Tribunal, Ahmedabad Bench at Ahmedabad (“NCLT”). The matter is relating to a dispute arising out of the deposit amounts (“Deposits”) that are payable to the Applicants by our Company. The Applicants in the Application have prayed for payment of Deposits made by the Applicants amounting to ₹ 48.13 lakh along with interest on account of its default in repayment of amounts given as Deposits in the form of unsecured loan by the Applicants at an agreed rate of interest. Further, the Applicants alleged that since our Company had not replied to certain letters sent to it by the Applicants seeking repayment, the Applicants had filed a complaint under investor compliant form with the RoC for default in repayment of Deposits. Thereafter, the RoC had issued a notice dated July 31, 2020 (“Notice”) to our Company in relation to the aforementioned complaint. The Applicants stated that since no reply was received by them from the RoC, the Applicant has filed the Application before the NCLT. However, our Company had duly sent a reply to the Notice on October 10, 2020 denying all the claims of the Applicants, including the receipt of Deposits from the Applicants, and the existence of any liability with respect to the repayment of any dues to the Applicants in view of a memorandum of understanding (“MoU”) executed on May 1, 2016 by and between the promoters, shareholders, and past directors of our Company, including the Applicants on one part, and our Company, including the present shareholders and directors, on the other part. The MoU lays down certain terms and conditions pertaining to transfer of 100% shareholding of our Company from the past directors to the present directors of our Company. Through the MoU, the Applicants, being the erstwhile directors, had waived-off all past liabilities of our Company with respect to payment of dues except an amount of ₹11.75 Cr not attributable to the Applicants. The MoU further lays down that the liability with respect to all dues payable before the date of execution of the MoU (inclusive) would be that of the transferors of the shareholding, i.e., the past directors, including the Applicants themselves, who had resigned from the directorship of our Company before the execution of the MoU. The matter is presently pending.

## GOVERNMENT AND OTHER APPROVALS

Sr. No.	Authorization Granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue/ Date of Renewal	Valid up to
1.	Importer -Exporter Code under the Foreign trade (Development and Regulation) Act, 1992	Additional Director General of Foreign Trade, Ministry of Commerce, and Industry, GoI	2412009961	December 7, 2012	Valid until cancelled
2.	Registration under Employee's Provident Fund under Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employee's Provident Fund Organization	GJ/RAJ/0077454/000	August 31, 2012	Valid until cancelled
3.	License under Bureau of Indian Standards	Bureau of Indian Standards, Rajkot Branch Office	CM/L- 3847982	July 4, 2024	July 4, 2025
4.	Legal Entity Identifier (LEI)	Legal Entity Identifier India Limited	335800GW14ZF35YTXV24	-	September 19, 2024

### **“LICENSES APPLIED FOR BUT NOT YET RECEIVED / RENEWALS MADE IN THE USUAL COURSE OF BUSINESS:**

1. Our Company has made an application with Ministry of Commerce & Industry, Department of Industrial Policy and Promotion on January 23, 2024 bearing Acknowledgement no. IEM/A/ACK/6495/2024 for the premises Wankaner Boundry, Survey No-48, National Highway 8-A, Bhalgam, Rajkot, Gujarat-363621. *Current status of the Application is under process.*

### **2. Applications related to Factory.**

Our Company has made an application with the Gujarat Pollution Control Board on May 25, 2024 bearing reference no. PCB- ID: 38931 for seeking consent of the Board under Air (Prevention & Control of Pollution) Act, 1981. The details of the same are disclosed on page 204 of the DRHP under the heading “*Licenses applied for but not yet received / renewals made in the usual course of business*”. *Current status of the Application is under process.*”

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### **“Prohibition by SEBI, RBI or governmental authorities**

*Except as mentioned below, we confirm that our Company, Promoters, Promoter Group and Directors have not been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them”*

*A show cause notice (“SCN”) bearing reference no. SEBI/HO/EAD/EAD-3/BM/DS/OW/37374/2022 dated August 08, 2022 was issued by SEBI against one of the member of our Promoter Group, Sangeeta Jain (“**Noticee**”) under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 alleging violation of regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) of SEBI (Prohibition of Fraudulent and Unfair Trading Practices relating to Securities Markets) Regulations, 2003 with respect to trading in illiquid stock options at BSE. In the SCN, while SEBI had mentioned in the event the alleged violations, if established, will make the Noticee liable for monetary penalty under section 15HA of the SEBI Act. However, the case was settled by filing an application on April 13, 2024 for settlement SEBI ISO Settlement Scheme, 2024 framed by SEBI (“**Scheme**”) pursuant to the order dated May 13, 2022 passed by the Hon’ble Securities Appellate Tribunal by payment of Settlement Scheme Fees of Rs 2,40,000 by the Noticee.*

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum to Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Addendum to Draft Red Herring Prospectus are true and correct.

**Signed by the Directors of the Company:**

<b>Name</b>	<b>Designation</b>	<b>Signature</b>
Sunny Sunil Singhi	Chairman & Managing Director	Sd/-
Varun Manojkumar Jain	Non-Executive Director	Sd/-
Sapna Jain	Non-Executive Independent Director	Sd/-
Piyush Ravishanker Bhatt	Non-Executive Independent Director	Sd/-

**Signed by:**

<b>Name</b>	<b>Designation</b>	<b>Signature</b>
Amitkumar Harsukhbhai Sarena	Chief Financial Officer	Sd/-
Vikas Babusingh Panwar	Company Secretary and Compliance Officer	Sd/-

**Place: Rajkot**

**Date: August 26, 2024**