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ADITYA ULTRA STEEL LIMITED

CIN: U27100GJ2011PLC066552

| Registered Office | Contact Person | Email and Telephone | Website |
|--|--|--|--|
| Survey No-48, Wankarner Boudry, Bhalgam, National Highway 8-A, Wankaner, Rajkot, Wankaner, Gujarat-363621, India | Vikas Babusingh Panwar Company Secretary and Compliance Officer | Tel. No.: +91-6357585716 E-mail: cs@aditya-ultra-steel.com | www.aditya-ultra-steel.com |

PROMOTERS OF THE COMPANY: SUNNY SUNIL SINGHL, VARUN MANOJKUMAR JAIN AND VARUNA JAIN

DETAILS OF THE ISSUE

| TYPE | FRESH ISSUE SIZE | OFFER FOR SALE SIZE | TOTAL ISSUE SIZE | ELIGIBILITY |
|-------------|--|---------------------|------------------|---|
| Fresh Issue | Upto 75,00,000 Equity Shares aggregating to ₹ [●] each | Nil | Upto ₹ [●] Lakhs | The Issue is being made pursuant to Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended. |

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹ 10. The Floor Price, Cap Price and Issue Price 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 under “Basis for Issue Price” on page 87 and 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 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 this 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 issued 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 this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “Risk Factors” on page 25.

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 issued through Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”). In terms of the Chapter IX of the SEBI ICDR Regulations as amended from time to time, our Company has received “in-principle” approval letter dated [●] from National Stock Exchange of India Limited (“NSE”) for using its name in the Issue Document for listing of our shares on NSE Emerge. For the purpose of this Issue, the Designated Stock Exchange will be NSE.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

| Name and Logo | Contact Person | Email & Telephone |
|--|-----------------|--|
|  Swastika Investment Limited | Mr. Mohit Goyal | Email: merchantbanking@swastika.co.in Tel. No.: +91-0731-664 4244 |

REGISTRAR TO THE ISSUE

| Name and Logo | Contact Person | Email & Telephone |
|---|------------------|--|
|  CAMEO CORPORATE SERVICES LIMITED | Mr. K. Sreepriya | Email: ipo@cameoindia.com Tel. No.: +91-044 4002 0700/2846 0390 |

ISSUE PROGRAMME

| ANCHOR INVESTOR BIDDING DATE | [●]* | BID/ISSUE OPENS ON# | [●] | BID/ISSUE CLOSES ON* | [●]** |
|------------------------------|------|---------------------|-----|----------------------|-------|
|------------------------------|------|---------------------|-----|----------------------|-------|

* Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date/ Issue period shall be one Working Day prior to the Bid/ Issue Opening Date.

** 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.

UPI mandate end time and date shall be at 5:00 p.m. on the Bid/ Issue Closing Date.



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. For further details, see "History and Certain Corporate Matters" on page 129.

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; Website: 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

THE ISSUE

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.

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.

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

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In 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, including Mutual Funds, subject to valid Bids being received 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 QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net 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 (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCBs or by the Sponsor Bank 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" beginning on page 232.

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 232.

RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price 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 under "Basis for Issue Price" on page 87 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 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 this 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 issued 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 this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 25.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in 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 issued through Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("NSE Emerge"). In terms of the Chapter IX of the SEBI ICDR Regulations as amended from time to time, our Company has received "in-principle" approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in the Issue Document for listing of our shares on NSE Emerge. For the purpose of this Issue, the Designated Stock Exchange will be NSE.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



Swastika Investment Limited
Address: Flat No.18, 2nd Floor, North Wing,
Madhaveshwar Co-operative Housing Society Ltd,
Madhav Nagar, 11/12, S. V. Road, Andheri W, Mumbai – 400058
Tel No.: +91-07316644244 Email: merchantbanking@swastika.co.in
Investor Grievance Email: mb.investorgrievance@swastika.co.in
Website: www.swastika.co.in
Contact Person: Mohit Goyal
SEBI Reg. No.: INM000012102



Cameo Corporate Services Limited
Address: Subramanian Building, No. 1
Club House Road, Chennai-600002, India
Tel. No.: +91-044 4002 0700/ 2846 0390
Email: ipo@cameoindia.com
Investor Grievance Email: investor@cameoindia.com
Website: www.cameoindia.com
Contact Person: Mr. K. Sreepriya
SEBI Registration No.: INR000003753

BID/ISSUE PERIOD

| ANCHOR INVESTOR BIDDING DATE | [●]* | BID/ISSUE OPENS ON# | [●] | BID/ISSUE CLOSES ON* | [●]** |
|------------------------------|------|---------------------|-----|----------------------|-------|
|------------------------------|------|---------------------|-----|----------------------|-------|

*Our Company, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

**Our Company, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs 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, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification, clarification, direction or policies shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarifications, modifications, replacements or reenactments thereto, 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. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act, 1996 or the rules and regulations made there under.

Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Restated Financial Information” and “Main Provisions of the Articles of Association of our Company” on page 94, 155 and 264 respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

| Terms | Description |
|---|--|
| “AUSL”, “the Company”, “our Company”, “Issuer” and “Aditya Ultra Steel Limited” | Aditya Ultra Steel Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Survey No-48, Wankarner Boudry, Bhalgam, National Highway 8-A, Wankaner, Rajkot, Wankaner, Gujarat-363621, India |
| “we”, “us” and “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 |
|---|--|
| AOA/ Articles/ Articles of Association | Articles of Association of our Company, as amended, from time to time |
| Audit Committee | The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 as described in the chapter titled “ Our Management ” on page no. 138. |
| Auditors/ Statutory Auditors | The Statutory Auditors of our Company being M/s. S N Shah and Associates, Chartered Accountants (Firm Registration No: 109782W). |
| Bankers to our Company | HDFC Bank Limited |
| Board of Directors/ the Board/ our Board | The Board of Directors of our Company, including all duly constituted Committees thereof |
| Chief Financial Officer/ CFO | The Chief Financial Officer of our Company being Amitkumar Harsukhbhai Sarena |
| Companies Act/ Act | The Companies Act, 2013 and amendments thereto and erstwhile Companies Act, 1956 as applicable. |
| Company Secretary and Compliance Officer | The Company Secretary & Compliance Officer of our Company being Vikas Babusingh Panwar. |
| Corporate Social Responsibility Committee | The Corporate Social Responsibility Committee of our Board constituted in accordance with Section 135 of the Companies Act, 2013 as described in the chapter titled “ Our Management ” on page no 141. |
| Director(s) / our Directors | The Director(s) of our Company, unless otherwise specified |
| Equity Shares | Equity Shares of the Company of face value of ₹10 each unless otherwise specified in the context thereof. |
| Executive Director | Executive Director is the Managing Director of our Company. |
| Group Company | Our group company identified in accordance with SEBI ICDR Regulations and in accordance with our Materiality Policy. For details, see “ Our Group Companies ” on page no 151. |
| Independent Director | An Independent Director as defined under Section 2(47) of the Companies |

| Term | Description |
|---|---|
| | Act, 2013 and as defined under the SEBI LODR Regulations. For details of our Independent Directors, see “Our Management” on page 133. |
| Kamdhenu | Kamdhenu Metallic Industries Limited |
| Kamdhenu Brand | Kay2/Kay2 Xenox |
| Key Management Personnel/KMP | Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and the Companies Act. For details, see “Our Management” on page no 142. |
| MOA/ Memorandum/ Memorandum of Association | Memorandum of Association of the Company as amended from time to time. |
| MD or Managing Director | The Managing Director of our Company, Sunny Sunil Singhi |
| Materiality Policy | The policy adopted by the Board in its meeting dated March 1, 2024 for identification of (a) material outstanding litigation proceedings involving our Company, Directors and Subsidiaries; (b) Group Companies; and (c) outstanding dues to material creditors by our Company, in accordance with the disclosure requirements under the SEBI ICDR Regulations as amended from time to time. |
| Non-Executive Directors/ Nominee Directors | Non-executive directors on our Board. For details, see “Our Management” on page no 133. |
| Nomination and Remuneration Committee | The Nomination and Remuneration Committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled “Our Management” on page no. 139. |
| NRIs / Non-Resident Indians | A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. |
| Promoter(s) | Shall mean promoters of our Company i.e. Sunny Sunil Singhi, Varun Manojkumar Jain and Varuna Jain. For further details, see “Our Promoters & Promoter Group” on page no. 145. |
| 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 enlisted in the section “Our Promoters and Promoter Group” on page 145. |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, 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. |
| Registered office | The registered office of our Company situated at Survey No-48, Wankarner Boudry, Bhagam, National Highway 8-A, Wankarner, Rajkot, Wankarner, Gujarat-363621, India. |
| Restated Financial Information | The restated financial statements of our Company, comprising of the restated statement of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and the restated statements of profit and loss and cash flows for the period ended March 31, 2024, March 31, 2023 and March 31, 2022 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto. |
| RoC/ Registrar of Companies | Unless specified otherwise refers to Registrar of Companies, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat |
| SMP | Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see “Our Management” on page no. 143 |
| Stakeholders’ Relationship Committee | Stakeholders’ relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled “Our Management” on page no. 140. |
| Stock Exchange | Unless the context requires otherwise, refers to, National Stock Exchange of India Limited |
| Shareholders | The holders of the equity shares of our Company from time to time |
| Sub- Account | Sub- accounts registered with SEBI under the Securities and Exchange Board of |



| Term | Description |
|-------------------|--|
| | India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals |
| Subscriber to MOA | Initial Subscribers to MOA being Dipen Rameshbhai Faldu, Pramodkumar Madhavjibhai Makadia, Chirag Lakhani and Yogesh Premjibhai Suvariya |

Issue Related Terms

| Terms | Description |
|--|--|
| Abridged Prospectus | Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf. |
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application. |
| Allotment/ Allot/ Allotted | Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful bidders. |
| Allotment Advice | A note or advice or intimation of Allotment sent to the successful 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 (s) | A successful bidder to whom the Equity Shares are allotted. |
| Anchor Investor(s) | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs. |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Issue Period. |
| Anchor Investor Application Form | The application 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 | One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the 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 Book Running Lead Manager |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, 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 Block Amount (ASBA) | An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism. |
| ASBA Account | A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism. |
| ASBA Bid | A Bid made by an ASBA Bidder |

| Terms | Description |
|---|--|
| ASBA Applicant(s) | Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application Form including through UPI mode (as applicable). |
| ASBA Application Location(s)/ Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad. |
| ASBA Bidder | Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process except Anchor Investor. |
| ASBA Form/ Bid cum Application | An Application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus or the Prospectus. |
| Banker to the Issue Agreement | Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue. |
| Bankers to the Issue/ Public Issue Bank/ Sponsor Bank | Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●] |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful bidders under the issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” on page 254. |
| Bid | An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) 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 at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly. |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue. |
| 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 Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Gujarat edition of Regional newspaper [●] where the registered office of the Company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB’s and Sponsor Bank, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Gujarat edition of Regional newspaper [●] where the registered office of the Company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Period | Except in relation to any Bids received from the Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders. |
| Bidder/ Applicant | Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor |

| Terms | Description |
|---|--|
| | Investor |
| Bidding | The process of making a Bid. |
| Bidding/ Collection Centers | Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs. |
| Book Building Process/ Book Building Method | Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made |
| BRLM / Book Running Lead Manager | Book Running Lead Manager to the Issue in this case being Swastika Investment Limited, SEBI Registered Category I Merchant Banker. |
| Broker Centres | Broker Centres notified by the Stock Exchanges, where the investors can submit the Bid-cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange. |
| Business Day | Monday to Friday (except public holidays). |
| CAN or Confirmation of Allocation Note | The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange. |
| Cap Price | The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted. |
| Client Id | Client Identification Number maintained with one of the Depositories in relation to Demat account. |
| Collecting Depository Participants or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Collecting Registrar and Share Transfer Agent | Registrar to an Issue 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 issued by SEBI. |
| Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange. |
| Cut Off Price | The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price. |
| Demographic Details | The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, Occupation and Bank Account details. |
| Depositor/ Depositories | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). |
| Designated CDP Locations | Such locations of the CDPs where Applicant can submit the Bid-cum-Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e. www.nseindia.com |
| Designated Date | The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as applicable, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer. |
| Designated Intermediaries/ Collecting Agent | An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and |

| Terms | Description |
|--------------------------------------|---|
| | share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity). |
| Designated Market Maker | [●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations. |
| Designated RTA Locations | Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com. |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | National Stock Exchange of India Limited (NSE Emerge i.e. SME platform of NSE). |
| DP ID | Depository's Participant's Identity Number. |
| DP/ Depository Participant | A depository participant as defined under the Depositories Act, 1996. |
| Draft Red Herring Prospectus | Draft Red Herring Prospectus dated June 12, 2024 issued in accordance with Sections 26 & 32 of the Companies Act, 2013. |
| Electronic Transfer of Funds | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable. |
| Eligible NRI | A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares. |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants. |
| Escrow Account(s) | The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/ RTGS in respect of the BidAmount when submitting a Bid. |
| Escrow Collection Bank(s) | The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being [●]. |
| FII/ Foreign Institutional Investors | Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |
| First Bidder/ Applicant/ Bidders | Bidder(s) 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(s) 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. |
| General Corporate Purposes | Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document. |
| General Information Document(GID) | The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 202 and the UPI Circulars. The General Information Document shall be available on the websites |



| Terms | Description |
|--|--|
| | of the Stock Exchanges, and the Book Running Lead Managers. |
| ISIN | International Securities Identification Number. In our case it is INE01YQ01013. |
| Issue Agreement | The Issue Agreement dated May 21, 2024 between our Company and the Book Running Lead Manager i.e. Swastika Investment Limited. |
| Issue Price | The Price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being ₹ [●] per Equity share. |
| Issue Proceeds | Proceeds to be raised by our Company through this Issue. For further details, see “ <i>Objects of the Issue</i> ” on page 79. |
| Issue/ Public Issue/ Issue size/Initial Public Issue/ Initial Public Offering/ IPO | The Initial Public Issue of upto 75,00,000 Equity shares of ₹ 10/- each at issue price of ₹ [●]/-per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs. |
| Listing Agreement | The Equity Listing Agreement to be signed between our Company and the Stock Exchange. |
| Lot Size | The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants. |
| Mandate Request | Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment. |
| Market Maker Reservation Portion | The reserved portion of [●] Equity Shares of ₹10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this issue. |
| Market Making Agreement | The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker, [●]. |
| Mutual Fund Portion | 5% of the Net QIB 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. |
| Mutual Funds | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of [●] equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the “ Issue Price ”), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs. |
| Net Proceeds | The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, see “ <i>Objects of the Issue</i> ” beginning on page 79. |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors. |
| Non- Resident | A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs. |
| Non-Institutional Bidders | All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs). |
| Non-Institutional Portion | The portion of the Issue being not less than 15% of the Issue, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price. |
| Other Investor | Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| Overseas Corporate Body/ OCB | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. |
| Pay-in-Period | The period commencing on the Bid/Issue Opening date and extended till the |

| Terms | Description |
|---|---|
| | closure of the Anchor Investor Pay-in-Date. |
| Payment through electronic transfer of funds | Payment through NECS, NEFT or Direct Credit, as applicable. |
| Person/ Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, 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. |
| Price Band | Price Band of a minimum price (Floor Price) of ₹[●] and the maximum price (Cap Price) of ₹ and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date. |
| Pricing Date | The date on which our Company in consultation with the BRLM, will finalize the Issue Price. |
| Prospectus | The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Issue Price, size of the Issue and certain other information. |
| Public Issue Account | The bank account opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Accounts and from the ASBA Accounts on the Designated Date. |
| Public Issue Account Bank | Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Issue Account(s) will be opened |
| QIB Category/ QIB Portion | The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Offer Price (for Anchor Investors). |
| Qualified Institutional Buyers/ QIBs/ QIB Bidders | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Red Herring Prospectus / RHP | The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date |
| Refund Account | The 'no-lien' and 'non-interest bearing' 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/ Refund Banker | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●]. |
| Refund through electronic transfer of funds | Refunds through NECS, direct credit, RTGS or NEFT, as applicable. |
| Registered Broker | The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids |
| Registrar Agreement | The agreement dated May 21, 2024 entered into 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 Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Registrar/ Registrar to the Issue/ RTA/ RTI | Registrar to the Issue, in this case being Cameo Corporate Services Limited |



| Terms | Description |
|---|--|
| Regulation S | Regulation S under the U.S. Securities Act of 1933, as amended from time to time. |
| Reservation Portion | The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations. |
| Reserved Category/ Categories | Categories of persons eligible for making application under reservation portion. |
| Retail Individual Bidders/ RIBs/Retail Individual Investors/ RIIs | Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs). |
| Retail Portion | The portion of the Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders. |
| Revision Form | Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (interms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Offer Closing Date. |
| Securities laws | Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board. |
| Self-Certified Syndicate Bank(s) / SCSB(s) | Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time. |
| SME Exchange | SME Platform of the National Stock Exchange of India Limited i.e. “ NSE Emerge ” |
| Specified Locations | Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time. |
| Specified Securities | Equity shares offered through this Draft Red Herring Prospectus. |
| Sponsor Bank | Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI. |
| Sub Syndicate Member | A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue. |
| Syndicate | Includes the BRLM, Syndicate Members. |
| Syndicate Agreement | The agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue. |
| Syndicate ASBA Bidding Locations | Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi |
| Syndicate Members/ Members of the Syndicate | Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●]. |
| Systemically Important Non-Banking Financial Company | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| Transaction Registration Slip/ TRS | The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application. |

| Terms | Description |
|--------------------------------------|--|
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| Underwriter | The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI ICDR Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time. |
| Underwriting Agreement | The Agreement [●] entered between the Underwriter, BRLM and our Company. |
| UPI | UPI is an instant payment system developed by the NPCI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account |
| UPI Circulars | SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number 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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with the circular issued by the NSE having reference no. 23/2022 dated July 22, 2022 and reference no. 25/2022 dated August 3, 2022 and the notice issued by BSE having reference no. 20220722-30 dated July 22, 2022 and reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard. |
| UPI ID | ID created on the UPI for single-window mobile payment system developed by the NPCI |
| UPI Mandate Request/ Mandate Request | A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking offunds equivalent to the application amount and subsequent debit to funds in case of allotment. |
| UPI Mechanism | The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues |
| UPI PIN | Password to authenticate UPI transaction |
| Venture Capital Fund/ VCF | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |
| WACA | Weighted average cost of acquisition. |
| Wilful Defaulter(s) | Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations. |
| Working Day | In accordance with Regulation 2(1) (mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI. |

Technical and Industry Related Terms:



| Term(s) | Description |
|----------------|---|
| AC | Alternating Current |
| B2B | Business to Business |
| BSI | British Standards Institution |
| C.I Moulds | Cast Iron Moulds |
| CRC | Cold Rolled Coils |
| CTD Bars | Cold Twisted Deformed Bars |
| CUM | Combined |
| DC | Direct Current |
| GDP | Gross Domestic Product |
| GETCO | Gujarat Energy Transmission Corporation Limited |
| HRC | Hot Rolled Coil |
| HSD Bars | High Strength Deformed Bars |
| HP | H Piles |
| IISC | Indian Iron and Steel Company |
| ISI | Indian Standards Institution |
| Kamdhenu/KMIL | Kamdhenu Metallic Industries Limited |
| Kamdhenu Brand | Kay2/Kay2 Xenox |
| MIPL | Maheshwar Ispat Private Limited |
| MT | Metric Tons |
| PCD | Pitch Circle Diameter |
| RCC | Reinforced Cement Concrete |
| SAIL | Steel Authority of India Ltd |
| TISCO | Tata Iron and Steel Company |
| TMT | Thermo Mechanically Treated |
| TOR Steel | Toristeg Steel |

Conventional terms and Abbreviations

| Abbreviation | Full Form |
|--------------------------|--|
| Rs./ Rupees/ INR/ ₹ | Indian Rupees |
| AS / Accounting Standard | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| A/c | Account |
| AGM | Annual General Meeting |
| ASBA | Applications Supported by Blocked Amount |
| Amt. | Amount |
| AIF | Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended. |
| AY | Assessment Year |
| AOA | Articles of Association |
| Approx | Approximately |
| Bn | Billion |
| BG/LC | Bank Guarantee / Letter of Credit |
| BIFR | Board for Industrial and Financial Reconstruction |
| BRLM | Book Running Lead Manager |
| BSE | BSE Limited |
| CDSL | Central Depository Services (India) Limited |
| CAGR | Compounded Annual Growth Rate |
| CAN | Confirmation of Allocation Note |
| Companies Act, 2013 | Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended. |
| Companies Act, 1956 | Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder. |
| CA | Chartered Accountant |

| Abbreviation | Full Form |
|---|---|
| Client ID | Client identification number of the Bidder's beneficiary account |
| CC | Cash Credit |
| CIN | Corporate Identification Number |
| CS | Company Secretary |
| CS & CO | Company Secretary & Compliance Officer |
| CFO | Chief Financial Officer |
| CSR | Corporate Social Responsibility |
| C.P.C. | Code of Civil Procedure, 1908 |
| CrPC | Code of Criminal Procedure, 1973 |
| CENVAT | Central Value Added Tax |
| CST | Central Sales Tax |
| CWA/ICWA | Cost and Works Accountant |
| CMD | Chairman and Managing Director |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India |
| DP | Depository Participant |
| Depositories Act | The Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder |
| Depository | A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 |
| DP ID | Depository Participant's Identification Number |
| EBITDA | Earnings Before Interest, Taxes, Depreciation & Amortization |
| ECS | Electronic Clearing System |
| ESIC | Employee's State Insurance Corporation |
| EPFA | Employee's Provident Funds and Miscellaneous Provisions Act, 1952 |
| EMI | Equated Monthly Installment |
| EPS | Earnings Per Share |
| EGM /EOGM | Extraordinary General Meeting |
| EXIM/ EXIM Policy | Export – Import Policy |
| FCNR Account | Foreign Currency Non-Resident (Bank) account established in accordance with the provisions of FEMA |
| FIPB | Foreign Investment Promotion Board |
| FY / Fiscal/Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| FEMA | Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under. |
| FDI | Foreign Direct Investment |
| FIs | Financial Institutions |
| FIIIs | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India |
| FPIs/ Foreign Portfolio Investor | “Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992 |
| FTA | Foreign Trade Agreement |
| FVCI/ Foreign Venture Capital Investors | Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000. |
| FEMA | Foreign Exchange Management Act, 1999, including the rules and regulations thereunder |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Finance Act | Finance Act, 1994 |
| Fraudulent Borrower | A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations. |
| FV | Face Value |

| Abbreviation | Full Form |
|----------------------------|--|
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| GoI/Government | Government of India |
| GDP | Gross Domestic Product |
| GIR Number | General Index Registry Number |
| GST | Goods and Services Tax |
| GVA | Gross Value Added |
| IBC | The Insolvency and Bankruptcy Code, 2016 |
| ICAI | The Institute of Chartered Accountants of India |
| ISIN | International Securities Identification Number |
| IST | Indian Standard Time |
| ICWAI | The Institute of Cost Accountants of India |
| IPO | Initial Public Offer |
| ICSI | The Institute of Company Secretaries of India |
| IT Act | The Information Technology Act, 2000 |
| IFRS | International Financial Reporting Standards |
| INR / ₹/ Rupees | Indian Rupees, the legal currency of the Republic of India |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| IT Authorities | Income Tax Authorities |
| IT Rules | Income Tax Rules, 1962, as amended, except as stated otherwise |
| Indian GAAP | Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 |
| Ind AS | Indian Accounting Standards as referred to in and notified by the Ind AS Rules |
| Ind AS Rules | The Companies (Indian Accounting Standard) Rules, 2015 |
| IRDA | Insurance Regulatory and Development Authority |
| JV/ Joint Venture | A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities. |
| KMP | Key Managerial Personnel |
| KVA | Kilovolt Amperes |
| KW | Kilowatt |
| LLB | Bachelor of Law |
| Ltd. | Limited |
| LLP | Limited Liability Partnership |
| MoF | Ministry of Finance, Government of India |
| MoU | Memorandum of Understanding |
| Mn | Million |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MSME | Micro, Small and Medium Enterprises |
| MAPIN | Market Participants and Investors Database |
| NA | Not Applicable |
| NCLT | National Company Law Tribunal |
| Networth | The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account |
| NACH | National Automated Clearing House |
| NEFT | National Electronic Funds Transfer |
| NECS | National Electronic Clearing System |
| NAV | Net Asset Value |
| NCT | National Capital Territory |
| NPV | Net Present Value |
| NRIs | Non-Resident Indians |
| NSE | National Stock Exchange of India Limited |
| NOC | No Objection Certificate |

| Abbreviation | Full Form |
|--|--|
| NSDL | National Securities Depository Limited |
| OCB or 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 the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue. |
| P.A. | Per Annum |
| PF | Provident Fund |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| P.O. | Purchase Order |
| PBT | Profit Before Tax |
| PLI | Postal Life Insurance |
| POA | Power of Attorney |
| PSU | Public Sector Undertaking(s) |
| Pvt. | Private |
| RoC | Registrar of Companies |
| RBI | The Reserve Bank of India |
| Registration Act | Registration Act, 1908 |
| ROE | Return on Equity |
| R&D | Research & Development |
| RONW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SEBI Act/ SEBI | Securities and Exchange Board of India Act, 1992, as amended from time to time |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended |
| SEBI SBEB Regulations | Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 |
| Self-Certified Syndicate Bank(s) / SCSB(s) | Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time. |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time |
| SEBI ICDR Regulation | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time |
| SEBI Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI (Venture Capital) Regulations | Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time. |
| SEBI LODR Regulations | The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI PIT Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time |



| Abbreviation | Full Form |
|--|--|
| SEBI Takeover Regulations or SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time. |
| SCR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SME | Small and Medium Enterprises |
| SCSB | Self-Certified syndicate Banks |
| STT | Securities Transaction Tax |
| Sub-Account | Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals. |
| Sec. | Section |
| SPV | Special Purpose Vehicle |
| TAN | Tax Deduction Account Number |
| TRS | Transaction Registration Slip |
| Trade Marks Act | Trade Marks Act, 1999 |
| TIN | Taxpayers Identification Number |
| TAT | Turnaround time |
| UIN | Unique identification number |
| U.N. | United Nations |
| US/United States | United States of America |
| UAE | United Arab Emirates |
| USD/ US\$/ \$ | United States Dollar, the official currency of the United States of America |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| U.S. Securities Act | United States Securities Act of 1933 |
| VAT | Value Added Tax |
| VCF/ Venture Capital Fund | Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |
| Wilful Defaulter(s) | Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such and as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations. |
| WDV | Written Down Value |
| WTD | Whole Time Director |
| w.e.f. | With effect from |
| -, (₹) | Represent Outflow |

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.



CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OFFINANCIAL PRESENTATION

Certain Conventions

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Aditya Ultra Steel Limited. All references in the Draft Red Herring Prospectus to “India” are to the Republic of India. All references in the Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

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”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum 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.

Use of Financial Data

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated financial statements prepared for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 in accordance with Indian GAAP, the Companies Act and SEBI ICDR Regulations included under Section titled “**Restated Financial Information**” beginning on page 155.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. 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. We havenot attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “**Restated Financial Information**” beginning on page 155. There is no subsidiary of our Company as on date of the Draft Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31 of every next year.

For additional definitions used in this Draft Red Herring Prospectus, see the section “**Definitions and Abbreviations**” on page 1. In the section titled “**Main Provisions of the Articles of Association**”, on page 264 defined terms have the meaning given to such terms in the Articles of Association of our Company.

Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the Draft Red Herring Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary



widely among different market and industry sources.

In accordance with the SEBI ICDR Regulations the section titled “*Basis for Issue Price*” on page 87 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

Currency of Financial Presentation

All references to “Rupees” or “INR” or “₹” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “*Industry Overview*” throughout this Draft Red Herring Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” on page 25, 104 and 187 respectively, unless otherwise indicated, have been calculated based on our restated financial information prepared in accordance with Indian GAAP.

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

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which 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. Forward-looking statements reflect our current views with respect to future events 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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. Our business is dependent on Kamdhenu Brand;
2. Our Company has given corporate guarantee in relation to certain debt facilities to our group company which if claimed, may require us to pay the guaranteed amount;
3. Almost entire operations of our Company are limited in the State of Gujarat;
4. Our Company is dependent on few numbers of customers for sales. Our ability to retain any of the large customer may affect our revenues and profitability;
5. Our ability to reduce dependency on few suppliers for purchase of product;
6. Our ability to restrict any loss or shutdown of operations of our manufacturing facility;
Our Company has not entered into any agreements/contracts for the supply of raw material and other utilities. .
7. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
8. Our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
9. Any change in government policies resulting in increases in taxes payable by us;
10. Our failure to keep pace with rapid changes in technology;
11. Our ability to retain our key managerial personnel, senior management and other employees;
12. Our ability to grow our business;
13. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
14. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
15. Inability to successfully obtain registrations in a timely manner or at all;
16. Conflicts of interest with affiliated companies, the promoter group and other related parties;
17. Any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoters;
19. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices
20. The performance of the financial markets in India and globally;
21. Global distress due to pandemic, war or by any other reason.

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 25, 104 and 187 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 future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, 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.

Neither our Company or our Directors or our Officers or Book Running Lead Manager or Underwriter 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 SEBI requirements, our Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.



SECTION II- SUMMARY OF THE ISSUE DOCUMENT

The following is a general summary of the terms of the Issue. 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 entitled “**Risk Factors**”, “**Industry Overview**”, “**Outstanding Litigation and Material Developments**”, “**Our Promoter and Promoter Group**”, “**Restated Financial Information**”, “**Objects of the Issue**”, “**Our Business**”, “**Issue Procedure**” and “**Main Provisions of The Articles of Association** ” on pages 25, 97, 198, 145, 155, 79, 104 and 232 respectively.

SUMMARY OF BUSINESS

Our Company is engaged in the business of manufacturing 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. We have a history of more than twelve 12 years in manufacturing of TMT bars industry. We design and manufacture TMT bars and sell it on B2B Basis. Our customer base is mainly spread across the State of Gujarat and also to certain customers in the State of Madhya Pradesh, State of Punjab & Haryana, State of Rajasthan, State of Uttar Pradesh and State of Maharashtra. We have our manufacturing plant located in Survey No-48, Wankarner Boudry, Bhalgam, National Highway 8-A, Wankaner, Rajkot, Wankaner, Gujarat-363621, India which is equipped with testing laboratories, workers’ accommodation, canteen and well-connected transport facilities.

For further details, please refer to the chapter titled “**Our Business**” on page no. 104.

SUMMARY OF INDUSTRY

The TMT bar market in India is on a growth trajectory, driven by the expanding construction and infrastructure sector. India ranks seventh globally as a producer of crude steel, with the iron and steel sector contributing significantly to the country's socio-economic development. The TMT bar market is expected to grow at a CAGR of 4.34% between 2022 and 2027, reaching a market size of USD 84.39 billion. The market is driven by the benefits of TMT steel bars over other steel bars, the expanding global industry, and the rising need for steel. TMT bars are known for their exceptional ductility, strength, weldability, and corrosion resistance, making them suitable for a wide range of construction applications. They are available in various grades such as Fe-415, Fe-500, Fe-550, and Fe 500D, and in diameters ranging from 8 to 40 millimeters. The market is influenced by factors such as infrastructure development, construction activities, and government policies.

(Source: <https://maantmt.com/blog/the-dramatic-rise-in-demand-for-tmt-bars-in-india/><https://jumbotmx.com/dynamics-of-tmt-bar-market-in-india/><https://www.prnewswire.com/news-releases/2023-insights-on-india-steel-tmt-bars-market-forecasts-cagr-of-9-6-in-revenue-and-7-in-volume-till-2033--market-decipher-301848082.html>)

For more details, please refer chapter titled “**Industry Overview**” on page no. 97.

OUR PROMOTERS

The promoters of our Company are Mr. Sunny Sunil Singhi, Mr. Varun Manojkumar Jain and Mr. Varuna Jain. For detailed information on our Promoters and Promoters’ Group, see “**Our Promoters and Promoters’ Group**” on page no. 145.

ISSUE SIZE*

This is an Initial Public Issue of upto 75,00,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] lakhs (“Issue”), out of which [●] Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. [●] lakhs will be reserved for subscription by the market maker to the Issue (the “Market Maker Reservation Portion”). The Issue less Market Maker Reservation Portion i.e. Issue of [●] Equity Shares of face value of Rs. 10 each, at an issue price of Rs. [●] per Equity Share for cash, aggregating to Rs. [●] lakhs is hereinafter referred to as the “Net Issue”. The Issue and Net Issue will constitute [●]% and [●] % respectively of the post- issue paid-up Equity Share capital of our Company.

*The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on May 17, 2024 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on May 18, 2024.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (*“Objects of the Issue”*):

| Sr. No. | Particulars | Amount (₹ in Lakhs) |
|---------|--------------------------------------|------------------------|
| 1. | Capital Expenditure | 1,535.00 |
| 2. | To meet Working Capital requirements | 1,500.00 |
| 3. | General Corporate Purpose | [●] |
| | Total | [●] |

PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

Our Promoters and Promoter Group collectively holds 1,70,77,060 Equity shares of our Company aggregating to 97.94 % of the pre- issue paid-up Share Capital of our Company.

Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Draft Red Herring Prospectus:

| Sr.No | Names | Pre IPO | | Post IPO | |
|-------|-------------------------------|--------------------|----------------|-------------------|----------------|
| | | Shares Held | % Shares Held* | Shares Held | % Shares Held* |
| | Promoters | | | | |
| 1. | Mr. Varun Manojkumar Jain | 41,24,260 | 23.65 | 41,24,260 | [●] |
| 2. | Mr. Sunny Sunil Singhi | 61,48,800 | 35.27 | 61,48,800 | [●] |
| 3. | Mrs. Varuna Jain | 68,04,000 | 39.02 | 68,04,000 | [●] |
| | Sub Total (A) | 17,077,060 | 97.94 | 17,077,060 | [●] |
| | Promoters Group | | | | |
| | | | NIL | | |
| | Sub Total (B) | NIL | NIL | NIL | NIL |
| | Public | | | | |
| 1. | Chanakya Opportunities Fund I | 1,55,568 | 0.89 | 1,55,568 | [●] |
| 2. | Kamdhenu Limited | 2,00,000 | 1.15 | 2,00,000 | [●] |
| 3. | Other Individual Shareholders | 2,940 | 0.02 | 2,940 | [●] |
| 4. | Public in IPO | - | - | Upto 75,00,000 | [●] |
| | Sub Total (C) | 3,58,508 | 2.06 | [●] | [●] |
| | Grand Total (A+B+C) | 1,74,35,568 | 100.00 | [●] | 100.00 |

*Rounded Off

SUMMARY OF RESTATED FINANCIAL INFORMATION

| Particulars | For the Financial Year ended | | |
|--|------------------------------|-------------------|-------------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Share Capital (₹ in Lakhs) | 1,723.56 | 1,220.00 | 1,220.00 |
| Networth (₹ in Lakhs) | 3,758.21 | 2,865.86 | 2,588.20 |
| Revenue from operations (₹ in Lakhs) | 58,780.08 | 53,044.78 | 51,535.53 |
| Profit after Tax (₹ in Lakhs) | 792.34 | 277.66 | 488.90 |
| Earnings per share -after bonus (Basic & Diluted) (₹) | 4.62 | 1.63 | 2.86 |
| Net Asset Value per Equity Share (Basic & diluted) (₹) | 21.93 | 16.78 | 15.15 |
| Total borrowings (₹ in Lakhs) | 5,427.07 | 4,984.14 | 4,695.12 |



QUALIFICATIONS OF AUDITORS

The Restated Financial Information do not contain any qualification requiring adjustments by the Statutory Auditors.

SUMMARY OF OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company are provided below:

| Name | By/Against | Civil Proceedings | Criminal Proceedings | Tax Proceedings | Actions by Other regulatory authorities | Amount Involved (₹ in Lakhs) |
|--------------------------------|------------|-------------------|----------------------|-----------------|---|------------------------------|
| Company | By | Nil | Nil | Nil | Nil | Nil |
| | Against | 1 | Nil | 8 | Nil | 320.44 |
| Promoter | By | Nil | Nil | Nil | Nil | Nil |
| | Against | Nil | Nil | Nil | Nil | Nil |
| Group Companies / Entities | By | Nil | Nil | Nil | Nil | Nil |
| | Against | Nil | Nil | Nil | Nil | Nil |
| Directors other than promoters | By | Nil | Nil | Nil | Nil | Nil |
| | Against | 1 | Nil | 2 | Nil | 3.64 |
| Total | | | | | | 324.08 |

For further details, see “*Outstanding Litigations & Material Developments*” on page no. 198.

RISK FACTORS

For details relating to risk factors, see “*Risk Factors*” on page no. 25.

SUMMARY OF CONTINGENT LIABILITIES

Our Company has no contingent liabilities for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 except as disclosed as below.

(₹ in Lakhs)

| Particulars | For the Year ended March, 31 2024 | For the Year ended March, 31 2023 | For the Year ended March, 31 2022 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| a) Contingent Liabilities | | | |
| 1) Bank guarantees given to PGVCL from HDFC Bank | 137.68 | 137.68 | 137.68 |
| 2) Corporate guarantee given on behalf of VMS TMT Private Limited | | | |
| - HDFC Bank | - | 1801.98 | 5058.86 |
| - SVC Bank | 4,167.56 | 3628.43 | 2981.75 |
| - ICICI Bank | 2,793.20 | - | - |
| TOTAL | 7,098.44 | 5568.10 | 8178.30 |

SUMMARY OF RELATED PARTY TRANSACTIONS

The details of related party transactions entered into by our Company for the Financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and derived from the Restated Financial Statements are as set out in the table below:

List of Related Parties as per AS – 18

| Particulars | Relation |
|-----------------------|--|
| Varun Manojkumar Jain | Promoter and Key Managerial Personal |
| Varuna Jain | Promoter and relative of Key Managerial Personal |
| Sunny Sunil Singhi | Promoter and Key Managerial Personal |

| Particulars | Relation |
|---|--|
| Maheshbhai T. Gulwani | Key Managerial Personal (resigned on May 31, 2024) |
| Tina Mulani | Key Managerial Personal (resigned on May 31, 2024) |
| Amitkumar Harsukhbhai Sarena | Key Managerial Personal (CFO) (Appointed w.e.f. June 01, 2024) |
| Vikas Babusingh Panwar | Key Managerial Personal (Company Secretary) (Appointed w.e.f. June 01, 2024) |
| VMS Industries Ltd. | Entity Under Common Control of Promoters, their relatives and KMPs |
| VMS TMT Limited | Entity Under Common Control of Promoters, their relatives and KMPs |
| VMS Autolink Private Limited | Entity Under Common Control of Promoters, their relatives and KMPs |
| Luxierge Media Private Limited | Entity Under Common Control of Promoters, their relatives and KMPs |
| Nebula Civitect LLP | Entity Under Common Control of Promoters, their relatives and KMPs |
| Yohaan Enterprises | Entity Under Common Control of Promoters, their relatives and KMPs |
| Entrepot Developers | Entity Under Common Control of Promoters, their relatives and KMPs |
| Entrepot A Developers | Entity Under Common Control of Promoters, their relatives and KMPs |
| Entrepot B Developers | Entity Under Common Control of Promoters, their relatives and KMPs |
| Eternal Automobiles | Entity Under Common Control of Promoters, their relatives and KMPs |
| Nischay Consultancy | Entity Under Common Control of Promoters, their relatives and KMPs |
| Dugar Consumer Products Private Limited | Entity Under Common Control of Promoters, their relatives and KMPs |
| Bohagi Projects Private Limited | Entity Under Common Control of Promoters, their relatives and KMPs |
| NBR Mines and Minerals Private Limited | Entity Under Common Control of Promoters, their relatives and KMPs |
| Hubilo Softech Private limited | Entity Under Common Control of Promoters, their relatives and KMPs |
| Hubilo Technologies Inc | Entity Under Common Control of Promoters, their relatives and KMPs |

Related Party Transactions

| Particulars | | | <i>(In Lakhs)</i> | | |
|---|---------------------------|--|-------------------|---------|---------|
| Nature of Transaction | Related Parties | Relation | 2023-24 | 2022-23 | 2021-22 |
| Remuneration (including bonus) | Mr. Varun Manojkumar Jain | Promoter and Key Managerial Personal | 63.60 | 60.30 | 22.30 |
| | Mrs. Varuna Jain | Promoter and relative of Key Managerial Personal (resigned as Director w.e.f. December 11, 2023) | 9.90 | 13.26 | 54.50 |
| | Mr. Sunny Singh | Director | 43.20 | 40.70 | 14.10 |
| | Maheshbhai T. Gulwani | Key Managerial Personal | 3.76 | - | - |
| | Tina Mulani | Key Managerial Personal | 0.80 | - | - |
| Purchase of Stores & Spares (Net of GST) | VMS Industries Ltd. | Entity Under Common Control of Promoters, their relatives and KMPs | - | - | 1.72 |



| Particulars | | | (In Lakhs) | | |
|---------------------------------|---------------------|--|------------|---------|---------|
| Nature of Transaction | Related Parties | Relation | 2023-24 | 2022-23 | 2021-22 |
| Purchase of Goods (Net) | VMS TMT Pvt. Ltd. | Entity Under Common Control of Promoters, their relatives and KMPs | - | - | 32.80 |
| Loan Repayment | VMS Industries Ltd. | Entity Under Common Control of Promoters, their relatives and KMPs | 300.00 | 99.00 | - |
| Loan Taken | VMS Industries Ltd. | Entity Under Common Control of Promoters, their relatives and KMPs | 300.00 | 99.00 | - |
| Rent Expense | VMS Industries Ltd. | Entity Under Common Control of Promoters, their relatives and KMPs | - | 0.60 | 0.60 |
| Interest Paid on Unsecured Loan | VMS Industries Ltd. | Entity Under Common Control of Promoters, their relatives and KMPs | 14.60 | - | - |

Note:

1. List of Related parties has been identified by the management and relied upon by the Statutory Auditor.
2. In case there is no transaction with any of the above related parties, only name of such related parties has been disclosed as required by AS- 18.

For further details, please refer to the “*Note AC– Related Party Transactions*” of chapter titled “*Restated Financial Information*” on page 182.

DETAILS OF FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, 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 (6) months immediately preceding the date of this Draft Red Herring Prospectus.

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTER IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

The weighted average price at which the equity shares were acquired by our Promoters in the one year preceding the date of this Draft Red Herring Prospectus is set out below:

| Name | Number of Equity Shares as on date | Weighted Average Cost of Acquisition per Equity Share (in ₹)* |
|-----------------------|------------------------------------|---|
| Varun Manojkumar Jain | 11,81,260 | Nil |
| Varuna Jain | 19,44,000 | Nil |
| Sunny Sunil Singhi | 17,56,800 | Nil |

* Source: Based on Certificate issued by our statutory auditors M/s. S. N. Shah & Associates, Chartered Accountants vide their certificate dated June 11, 2024 having UDIN 23136334BGXIUH1934.

WEIGHTED AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Red Herring Prospectus is:

| Name | Number of Equity Shares | Average Cost of Acquisition per Equity Share (in ₹)* |
|-----------------------|-------------------------|--|
| Varun Manojkumar Jain | 41,24,260 | 3.14 |
| Varuna Jain | 68,04,000 | 2.26 |



| Name | Number of Equity Shares | Average Cost of Acquisition per Equity Share (in ₹)* |
|--------------------|-------------------------|--|
| Sunny Sunil Singhi | 61,48,800 | 8.90 |

*Source: Based on Certificate issued by our statutory auditors M/s. S. N. Shah & Associates, Chartered Accountants vide their certificate dated June 11, 2024 having UDIN 23136334BGXIUH1934.

DETAILS OF PRE-ISSUE PLACEMENT

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

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR

Except as disclosed below, we have not issued equity shares for consideration other than cash:

| Date of Allotment | Name of the Allottees | No. of Shares Allotted | Face Value (₹) | Issue Price (₹) | Reasons for Allotment |
|-------------------|-------------------------------|------------------------|----------------|-----------------|---|
| February 16, 2024 | Varun Manojkumar Jain | 11,77,920 | 10 | N.A. | Issue of Bonus shares for capitalization of reserves. |
| | Sunny Sunil Singhi | 17,56,800 | 10 | N.A. | |
| | Varuna Jain | 19,44,000 | 10 | N.A. | |
| | Kaushik Thakkar | 400 | 10 | N.A. | |
| | Sangeeta Jain | 40 | 10 | N.A. | |
| | Vaibhav Jain | 400 | 10 | N.A. | |
| | Hemal Patel | 400 | 10 | N.A. | |
| | Jayshree Vikram Patel | 40 | 10 | N.A. | |
| | Chanakya Opportunities Fund I | 44,448 | 10 | N.A. | |
| Total | | 49,24,448 | | | |

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Red Herring Prospectus.

EXEMPTION FROM PROVISIONS OF SECURITIES LAW, IF ANY, GRANTED BY SEBI

Our Company has not applied or received any exemption from complying with any provisions of Securities Law by SEBI.



SECTION III- RISK FACTORS

An investment in equity involves a high degree of risk. Investors 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. Any of the following risks as well as other risks and uncertainties discussed in this Draft Red Herring Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

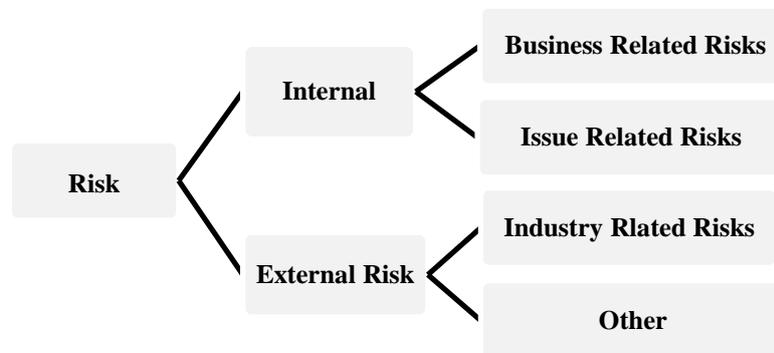
If any one or more of the following risks as well as other risks and uncertainties discuss in the Draft Red Hearing Prospectus were to occur, our financial condition and results of our operation could suffer material adverse effects and could cause the trading price of our equity shares and the value of investment in the equity share and the value of equity shares to materially decline which could result in the loss of all or part of the investment. Prospective Investors should pay particular attention to the fact that our Company is incorporate under the laws of India and is therefore subject to a legal and regulatory environment that may differ in certain respect from that of other countries.

The Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Red Herring Prospectus.

MATERIALITY

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in the future.



NOTE:

The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “*Risk Factors*” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in our restated financial statements prepared in accordance with Indian GAAP.

Unless otherwise specifically provided in the respective Risk Factors given below, the amounts of impact of risks specified hereunder, on our financial conditions, are not quantifiable.

INTERNAL RISK FACTORS

1. *Business of our Company is dependent on Kamdhenu Brand.*

Our Company, engaged in the manufacturing of TMT bars under a retail license agreement for the Kamdhenu Brand in the Kutch and Saurashtra region of Gujarat, faces several risks due to its dependency on the Kamdhenu brand. Firstly, the Company's reputation and market perception are heavily tied to the Kamdhenu brand, making it vulnerable to any negative publicity, quality issues, or controversies associated with the brand. This could adversely affect our business and the market acceptance of our products. Additionally, our reliance on the Kamdhenu brand limits our ability to differentiate ourselves in the market. We lack control over branding, marketing strategies, and product positioning, which hinders our ability to effectively respond to market dynamics and consumer preferences.

The terms of our retail license agreement with Kamdhenu also impose certain restrictions and obligations, such as minimum sales quotas, branding guidelines, and royalty payments. Any breach of these terms or disputes with Kamdhenu could result in legal liabilities, termination of the agreement, or loss of brand rights. Our sales and distribution channels are heavily reliant on Kamdhenu's market presence and network, meaning any changes in Kamdhenu's marketing strategies, distribution channels, or market coverage could impact our access to customers and sales opportunities.

Furthermore, there is a risk of brand dilution if Kamdhenu expands its product portfolio or partners with other manufacturers, which could reduce the exclusivity and differentiation of our TMT bars in the market. Our dependency on the Kamdhenu brand also limits our ability to pivot our business strategy or diversify into new markets or product lines, leaving us vulnerable to changes in consumer preferences, market trends, or industry disruptions.

We are also exposed to legal and regulatory risks associated with the use of the Kamdhenu brand, such as trademark infringement claims or changes in intellectual property laws. Non-compliance with these regulations could result in legal disputes and financial penalties. Additionally, our dependency on the Kamdhenu brand extends to the supply chain, where any disruptions or quality issues could affect our ability to meet production targets and maintain product quality.

Lastly, any controversies or negative incidents involving the Kamdhenu brand could lead to a decline in consumer trust, affecting our sales and reputation. Rebuilding trust or transitioning to a different brand identity could be challenging and costly. Overall, our dependency on the Kamdhenu brand presents several significant risks that could impact our business operations and market position.

For more details related to Agreement with Kamdhenu Group, please refer to chapter titled as "***Our Business***" on page 104 of the Draft Red Herring Prospectus.

2. *We have given corporate guarantee in relation to certain debt facilities to our group company which if claimed, may require us to pay the guaranteed amount.*

We have provided corporate guarantee to our group Company. As on March 31, 2024, we have given the corporate guarantee for the debt facilities of our group company viz. VMS TMT Limited amounting to ₹ 6,960.76 Lakhs which more than the Networth of our Company. Networth of our Company as on March 31, 2024 is ₹ 3,758.21 Lakhs. For further details, see Note B of Annexure IV of section —***Restated Financial information*** of the Company on page no. 155 of this Draft Red Herring Prospectus. In the event that these guarantees are claimed, we have to pay the guaranteed amount which will adversely affect the financial position and profitability of our Company.

3. *Almost entire operations of our Company are limited in the state of Gujarat. Any adverse development affecting our operations in this region could have an adverse impact on our business, financial condition and results of operations.*

Operations of our Company are entirely concentrated in the state of Gujarat. Our Company is engaged in the business of manufacturing of TMT Bars under the Retail License Agreement with Kamdhenu for Kutch and Saurashtra region of State of Gujarat. Our Company sells the TMT bars in the distribution channel having 1 distributor and 73 dealers under the Kamdhenu Brand. More than 98% of our revenue from operations for the period FY 2023-24, FY 2022-23 and FY 2021-22 is derived from Gujrat. Our manufacturing plant is also located in the Rajkot District of Gujrat.

The concentration of our business in Gujrat subjects us to various risks, including but not limited to:

- Regional slowdown in Industrial activities;
- Major Crackdown, force majeure situation;



- vulnerability to change of policies, laws and regulations or the political and economic environment; and
- constraint on our ability to diversify across states;

We do not have any alternate arrangement apart from our existing setup in Gujarat. Any adverse situation in Gujarat may affect our operational efficiency and ultimately profitability of our Company.

4. *Our Managing Director Mr. Sunny Sunil Singhi has limited experience in the steel industry in which our Company is operating.*

Our Managing Director, Mr. Sunny Sunil Singhi, brings a wealth of experience to our Company, particularly in financial advisory services, where he has accumulated over a decade of expertise. However, his exposure to the steel industry is relatively limited, spanning approximately two and half years. While Mr. Singhi has been an integral part of our team since October 2021, the absence of extensive experience within the steel sector may pose challenges in effectively navigating the unique risks inherent to this industry, potentially impacting our operational effectiveness.

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. 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.

6. *Our Company is dependent on a few suppliers for purchase of product. Loss of any of these large suppliers may affect our business operations.*

Our top ten suppliers contribute 70.91%, 72.91% and 65.98% of our total purchases for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 respectively. We cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of operations. However, the composition and amount of purchase from these suppliers might change as we continue seek new suppliers for our product for better quality and price 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 suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time.

7. *Our business is dependent on our manufacturing facility. The loss of or shutdown of operations of our manufacturing facility may have a material adverse effect on our business, financial condition and results of operations.*

Our manufacturing plant is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Our manufacturing plant was not in operation for 1 month during FY 2023-24 on account of upgradation of machineries. The occurrence of any of these risks could significantly affect our operating results. We carry out planned shutdowns of our plant for maintenance. Although we take precautions to minimize the risk of any significant operational problems at our facility, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facility, including due to any of the factors mentioned above.

8. *Steel Manufacturing Plants involve hazardous processes that can cause personal injury and loss of life, severe*

damage to and destruction of property and equipment, which could result in incurring material liabilities, loss of revenues and increased expenses.

Owing to the risks associated with the steel manufacturing process carried out at the steel plants, the steel plants are prone to accidents which may involve moving machinery, on-site transport, fires in control rooms, electrical switch rooms, fires caused by contact of hot billets from the hot billets in reheating, extreme temperatures, vibration and noise and exposure to, through inhalation or contact with, hazardous chemicals. Occurrence of any accidents may result in destruction of property and equipment, injuries and even fatalities to employees (including contract labour) interrupting our operations, damaging our reputation and brand name. We have continuously in the past taken efforts to monitor, safeguard and strengthen safety measures and reduce accidents at our Manufacturing Plants. Although we have not encountered any such incidence in past, we cannot assure you that there would not be such instances.

9. We will continue to be controlled by our Promoters after the completion of the Issue.

As of the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group hold almost 98% of the issued, subscribed and paid-up equity share capital of our Company. Upon completion of the issue, our Promoters and certain members of the Promoter Group together will own [●]% of our equity share capital, which will allow them to continue to control the outcome of matters submitted to our Board or shareholders for approval. After this Issue, our Promoters will continue to exercise significant control or exert significant influence over our business and major policy decisions, including but not limited to the following:

- Controlling the election of directors;
- Controlling the selection of senior management;
- Approving significant corporate transactions, including acquisitions and disposals of our assets or business, or change of control transactions;
- Making overall strategic and investment decisions;
- Approving our annual budgets; and
- Amending our Memorandum and Articles of Association.

The interests of our Promoters and certain members of the Promoter Group may conflict with your interests and the interests of our other shareholders, and our Promoters and certain members of the Promoter Group could make decisions that may adversely affect our business operations and hence the value of your investment in the Equity Shares.

10. Our Company has not entered into any agreements/contracts for the supply of raw material and other utilities. Risks related to shortfall or non-availability of raw material and other utilities may adversely affect our manufacturing processes and have an adverse impact on our operations and financial condition.

We do not have long term arrangements with our vendors/suppliers and we operate on a purchase order basis. There are no long-term supply agreements for our raw material and other utilities. Our inability to obtain high quality raw materials in a timely and cost-effective manner would cause delays in our production and delivery schedules besides increasing cost of production, which may result in us losing some customers and hence could lead to reduction in revenues. Hence, we also face market risks for each of these products.

11. Our Company is dependent on third party manufacturer for manufacturing of TMT Bars.

At Present we are operating at 86% of our installed capacity (which is a practical capacity of our manufacturing plant) of our manufacturing plant. In order to cater to increased demand, we have entered into agreement with Maheshwar Ispat Private Limited for manufacturing of TMT Bars. Any lapses in quality control processes at Maheshwar Ispat Private Limited could lead to defects in the TMT bars, resulting in product recalls, customer complaints, and reputational damage for the Company. Any operational issues, production delays, or capacity constraints at Maheshwar Ispat Private Limited could impact the Company's ability to fulfill customer orders on time and meet market demand.

Moreover, Maheshwar Ispat Private Limited production capacity may be limited, leading to bottlenecks in manufacturing and potential delays in fulfilling large or urgent orders from the Company's customers. This could result in lost sales opportunities and dissatisfaction among customers. The Company's operations are vulnerable to any disruptions or interruptions in Maheshwar Ispat Private Limited business, such as equipment failures, labor strikes, or financial difficulties. Lack of alternative manufacturing options could exacerbate the impact of such disruptions on the Company's business continuity.



12. The steel industry is highly cyclical and adverse variation in steel prices may have an adverse effect on the Company's results of operations and financial condition.

Steel prices are volatile, reflecting the highly cyclical nature of the global steel industry. Steel prices fluctuate based on macroeconomic factors, including, amongst others, consumer confidence, employment rates, interest rates and inflation rates, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as the automotive, construction, packaging, appliance, machinery, equipment and transportation industries, which are among the biggest consumers of steel products. When downturns occur in these economies or sectors, our Company may experience decreased demand for its products, which may lead to a decrease in steel prices which may ultimately affect profitability of our Company.

13. Our Company, Promoter, Directors and Group Company are involved in certain legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.

Our Company, Promoter, Directors and Group Company are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to civil matters, Income Tax matters, actions by regulatory/ statutory authorities have been set out below:

| Name | By/Against | Civil Proceedings | Criminal Proceedings | Tax Proceedings | Actions by Other regulatory authorities | Amount Involved (₹ in Lakhs) |
|--------------------------------|------------|-------------------|----------------------|-----------------|---|------------------------------|
| Company | By | Nil | Nil | Nil | Nil | Nil |
| | Against | 1 | Nil | 8 | Nil | 320.44 |
| Promoter | By | Nil | Nil | Nil | Nil | Nil |
| | Against | Nil | Nil | Nil | Nil | Nil |
| Group Companies / Entities | By | Nil | Nil | Nil | Nil | Nil |
| | Against | Nil | Nil | Nil | Nil | Nil |
| Directors other than promoters | By | Nil | Nil | Nil | Nil | Nil |
| | Against | 1 | Nil | 2 | Nil | 3.64 |

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page 198 of this Draft Red Herring Prospectus.

Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. If the courts or tribunals rule against us or our Company, Group Company, our Directors and Promoter, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

14. We have experienced significant working capital requirements in past and may continue to experience in future also. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business, cash flows and results of operations.

The business of our Company is working capital intensive. The successful operation of our business heavily relies on significant working capital, which is essential for various aspects, including financing project operations, inventory management, and the purchase of raw materials and may continue to so in future also. However, changes in credit terms and payment delays can adversely impact our working capital, resulting in lower cash flows and increased funding requirements. Inadequate financing of our working capital needs may arise due to several factors, such as delays in disbursements under financing arrangements, higher interest rates, increased insurance costs, or borrowing and lending restrictions. Such circumstances could have a material adverse effect on our overall business, financial condition, and prospects.

As such, we continually strive to enhance our financial management practices to effectively address working capital challenges. By closely monitoring credit terms, payment schedules, and contract agreements, we aim to mitigate risks associated with fluctuations in working capital requirements. Additionally, prudent financial planning, exploring

diverse financing options, and maintaining strong relationships with financial institutions are key factors in managing our working capital efficiently. Despite our proactive measures, there can be no assurance that working capital fluctuations will not impact our business operations or financial performance. For details related to working capital requirement, please refer to chapter titled as “*Object of the Issue*” on page 79.

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.

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.

16. We do not have access to records and data pertaining to certain historical legal and secretarial information in relation to certain disclosures.

Our Company is unable to trace copies of prescribed forms filed by it with the RoC, including *inter-alia* in respect of the appointment of auditor for the period commencing from 01/04/2011 to 31/03/2012 and 01/04/2012 to 31/03/2013 and form CHG-1 for the modification of charge of charge ID-100158814 and e-forms MGT-14 filed for filing of resolutions passed for approval of accounts, appointment of internal auditor in FY 21-22 and FY 22-23, appointment of secretarial auditor for the FY 21-22 and FY 22-23, e-form CRA-2 for the appointment of cost auditor for the FY 21-22. Despite having conducted search of our records and a search in the records of the RoC for the untraceable documents, which was conducted by a practicing company secretary engaged by us, we have not been able to trace the aforementioned documents. While we believe that the forms had been filed with the RoC in a timely manner, we have not been able to obtain copies of these forms. Though our Company has made efforts to retrieve such records however, there is no certainty that these forms or records will be available in the future. Since copies of these regulatory filings are unavailable with us, we cannot assure you that these regulatory filings were duly filed on a timely basis, or at all. Although no regulatory action/litigation is pending against us in relation to the missing documents, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect. We have relied on the independent search report by practising company secretary engaged by us and we cannot assure you of the accuracy and completeness of the report.

17. We have offered Equity Shares during the last one year at a price below the Issue Price.

Our Company had issued Preferential Issuance of 1,11,120 shares on February 13, 2024 at price of Rs. 90/- and preferential issuance of 2,00,000 shares on May 15, 2024 at price of Rs. 65/- in the last 12 months at price which might be lower than the Issue Price. The Equity Shares allotted to shareholders pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For further details, see “*Capital Structure*” on page 65.

18. 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.

19. Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.

We are insured for a risk associated with our business, through policies. We believe that we have got our assets and stock adequately insured, however our policy of covering these risks through insurance may not always be effective or adequate, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected. For details on insurance policies taken by our Company please page no. 104 in chapter titled “*Our Business*”.

20. One of our Group Company and also Promoter Group Entity is engaged in similar line of business. Any conflict of interest may occur between our group company or our promoter group entities and us may adversely affect our business, prospects, results of operations and financial condition.

Our Company is engaged in the business of manufacturing TMT Bars. Our group company and Promoter Group Entity, VMS TMT Limited, also operates in the same industry. To avoid conflicts, both companies have entered into a Memorandum of Understanding dated May 16, 2024 regarding business non-compete, which outlines the segregation of geographies within the State of Gujarat. Our Company will focus on the Kutch and Saurashtra regions, while VMS TMT Limited will serve other areas of Gujarat.

However, potential conflicts of interest may arise when allocating business opportunities among our Company and other Promoter Group Entities. In such cases, our Promoters might prioritize the interests of the Group Entities in which they have a stake, potentially to the detriment of our Company.

There can be no assurance that our Promoters/Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our business, results of operations and financial condition. For further details please refer to chapter titled “Financial Information of “*Our Group Companies*” beginning on page no. 151 of this Draft Red Herring Prospectus.

21. We are dependent on third party transportation providers for procuring raw material from our suppliers and delivery of trading goods and materials to our clients. Any failure on the part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.

Our Company owns 23 trucks for supply of our manufactured TMT bars. However, we are dependent on third party transportation for procuring raw material for manufacturing and purchase and sell of trading materials. As Manufacturing is our main activities, our success depends on the smooth supply and transportation of the Raw Material materials from our suppliers and transportation of our trading materials from our suppliers to us/ or our buyers/clients, both of which are subject to various uncertainties and risks.

In addition, materials may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of materials which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of materials to us as well as to our clients in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

22. Failure to manage our appropriate level of inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.

We are engaged in the business of Manufacturing of TMT bars under retail license agreement with Kamdhenu. We supply TMT bars to distribution network of Kamdhenu in the Kutch and Saurashtra region state of Gujrat. We are required to maintain sufficient level of raw materials and finished goods for uninterrupted manufacturing process and delivery of goods to the distribution channel. We are subject to certain terms and conditions of Retail license agreement with Kamdhenu which inter alia includes quality and timely dispatch of the Products.

Therefore, any delay in supply of requisite quantity / quality of TMT bars will result in escalation or may affect our profitability and our image in the market or in eyes of Kamdhenu.

23. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.



Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us, hiding unauthorized or unsuccessful activities from us or the improper use of confidential information. Such misconduct could result in unexpected business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. The precautions we take to prevent and detect these activities may not be effective. Any delinquencies or trading errors on the part of our employees could materially affect our business operations, financial position and/or reputation.

24. A shortage or non-availability of electricity or water may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

Our manufacturing operations require a significant amount and continuous supply of electricity and water and any shortage or non-availability may adversely affect our operations. The production process of certain products, as well as the storage of our products at particular temperatures requires significant power. We currently source our water requirements from private water suppliers and depend on state electricity supply for our energy requirements. Any failure on our part to obtain alternate sources of electricity or water in a timely fashion and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

25. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition.

We have experienced considerable growth over the past years. Our Company has recorded a CAGR of approx. 40% in our revenue from operations during the period of FY 2017-18 to FY 2023-24. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate.

Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition.

26. Dependence on debt and outflow of finance cost leads to outflow of cash flows and reduce overall profitability.

Due to manufacturing activities, our business requires significant working capital. We depend on internal accrual, creditors and borrowed fund to meet out finance for working capital. We may also be required to depend on the additional borrowed capital to fund the working capital in future with increase in volume of operations and production. The additional borrowed fund may require us to dedicate a substantial portion of our cash flow from operations to payments of interests, thereby reducing the availability of our cash flow to fund capital expenditures and other general corporate expenditures. It limits our borrowing ability and places us at a competitive disadvantage relative to competitors that have less debt or greater financial resources. There can be no assurance that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, we may need to refinance some or all of our indebtedness.

27. Our manufacturing activities are dependent upon availability of skilled and unskilled labour.

We have made arrangement of labour requirements at our manufacturing facility through our on-roll employees, wherever required by our Company by arranging contract labour based on requirement. Our manufacturing activities are dependent on availability of skilled and unskilled labour. Though our business has not experienced any disruptions due to non-availability of labour or any disputes with them in past, we cannot assure you the same in future which may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. Any high attrition or competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure you that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects. For further details about business of our Company, please refer chapter titled "***Our Business***" beginning on page 104 of this Draft Red Herring Prospectus.

28. Our success depends on our ability to attract and retain our key management personnel. If we are unable to do so, it would adversely affect our business and results of operations.

Our future success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for management, running of our daily operations, and the planning and execution of our business strategy. There is intense competition for experienced senior management and other key personnel with technical and industry expertise in our business and if we lose the services of any of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired. We face specific disadvantages in our efforts to attract and retain our management. As a public sector undertaking, Government of India policies regulate and control the emoluments, benefits and perquisites that we pay to our employees, including our key managerial and technical personnel and these policies may not permit us to pay at market rates.

Additionally, we may not have in place the necessary systems and processes to develop key personnel internally. The loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations. Our performance also depends on our ability to attract and train highly skilled personnel. If we are unable to do so, it would materially and adversely affect our business, prospects and results of operations.

29. In addition to regular remuneration, other benefits and expense reimbursement our Promoters, Directors, KMPs and SMPs hold a vested interest in our Company; to the extent of their shareholding and associated dividend entitlements. They also have a stake in transactions involving our Company, whether with themselves individually or with our group companies/entities. Our Company in future may enter in related party transactions subject to necessary compliances.

Our Promoters, Directors, KMPs and SMPs are interested in our Company to the extent of their shareholding and associated dividend entitlements thereon in our Company, in addition to regular remuneration or benefits and expenses reimbursement. Our Promoters, Directors, KMPs and SMPs are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Company/Entity. All transactions with related parties entered into by the Company in past were at arm's length basis, in compliance with applicable provisions of Companies Act, 2013 and other applicable provisions. Our Company, promoters and group companies may enter into such related party transaction in future as well which may be or may not be at Arms' Length Price and in Ordinary Course of Business. If such future transactions are not on Arms' Length Price and in Ordinary Course of Business, our financial position may get affected to that extent.

Additionally, our Company may enter in related party transactions in future subject to necessary compliances in accordance with relevant acts, rules and regulations. For details of transactions already executed by our Company with our Promoters, Directors and Group Companies/Entities during last three years and stub period, please refer to the "Note AC – Related Party Transactions" on page 182 under the Chapter titled "Restated Financial Information" beginning on page No. 155. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

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 our such as GST return and PF returns on several instances and have accordingly been subjected to penalty and charged with interest for delayed deposit of tax on various instances as well. Further, with the expansion of our operations, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

31. Strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees/workmen in future could adversely affect our business and results of operations.

Our Company has total 149 employees as at April 30, 2024, with an increase in our operation capacities or execution of any expansion projects in future, we expect increase in such number of employees and labours. Historically, we have enjoyed a good relationship with our employees, labours and have not experienced any lockouts, strikes, or any disruptions of any sort due to labour unrest. However, there can be no assurance that we may not experience any



disruptions in our operations in future as well. In case of disputes or other problems with our work force such as strikes, work stoppages or increased wage demands, our business, financial conditions and results of operations may be materially and adversely affected.

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. Moreover, few of the government approvals are in the name of private limited. For details related to Government Approval applied but approval pending, please refer to chapter titled as “*Government and Other Approvals*” on page 202. 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.”

33. Compliance with and changes in safety, health and environmental laws and various labour, workplace and related laws and regulations impose additional costs and may increase our compliance costs and a such adversely affect our results of operations and our financial condition.

We are subject to a broad range of safety, health and environmental laws and various labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, employee exposure to hazardous substances and other aspects of our operations. Compliance with, and changes in these laws may increase our compliance costs and as such adversely affect our results of operations and financial condition.

34. We have experienced negative cash flows from operations in the recent past, and we may have negative cash flows in the future.

Our cash flows from operating activities for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are set forth below:

| | ₹in Lakhs | | |
|-----------------------------------|----------------|----------------|----------------|
| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Net cash generated from/(used in) | 912.59 | 841.14 | (618.20) |

| Particulars | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|----------------------|----------------|----------------|----------------|
| operating activities | | | |

Cash flows of a Company are a key indicator to show the extent of cash generated from the operations of a Company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial 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. Further as on the date of this Draft Red Herring Prospectus our Company has not received “No objection” certificate from our lenders to undertake this issue. Non receipt of such “No- Objection” certificate could lead to non-compliance of the terms of loan agreements entered into by our Company with said lenders.

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.

36. If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition.

As of March 31, 2024 our Company had total indebtedness in the form of short term and long-term borrowings of ₹ 5,427.07 lakhs on restated basis. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements;

Many of our financing agreements also include various conditions and covenants that require us to obtain consent of the lenders prior to carrying out certain activities or entering into certain transactions. 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. For further details in this regard, please refer to notes C & F under chapter titled “**Restated Financial Information**” beginning on page 155 of this Draft Red Herring Prospectus.

37. Our lenders have charge over our movable and immovable properties in respect of finance availed by us and our group company, promoters, Directors and member of promoters group have provided their personal guarantee for such debt facility availed by us.

We have secured outstanding debt of ₹ 5024.31 lakhs as on March 31, 2024 and we have secured our lenders by creating charge over our movable and immovable properties and our group company, promoters and directors have provided their personal guarantee for such debt facility availed by us. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders.

Moreover, In the event that any of these guarantees are revoked by promoters, members of promoters group or third party, the lenders for such facilities may require alternate properties as mortgages/guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities.



We may not be successful in procuring alternative properties/guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources 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 condition.

For further information on the financing and loan agreements along with the total amounts outstanding, please refer to section titled “**Restated Financial Information**” on page 155.

38. Our contingent liabilities as stated in our Restated Financial Statements could affect our financial condition.

Our Contingent liabilities as on March 31, 2024 were ₹ 7,098.44 Lakhs. If these contingent liabilities materialize, fully or partly, the financial condition of our Company could be affected.

For more information, regarding our contingent liabilities, please refer “Note B of Annexure IV” in chapter titled “**Restated Financial Information**” beginning on page 155.

39. Changes in technology may render our current technologies obsolete or require us to make substantial investments.

To remain competitive and efficient, modernization and technology upgradation are crucial for reducing costs and increasing output. Our business heavily relies on technology and machinery to deliver quality products. However, there is a risk of our technology and machinery becoming obsolete over time or not being upgraded timely, which can adversely impact our operations and financial condition. While we believe that we have implemented updated technology, we understand the importance of continuous improvement. We are committed to staying abreast of the latest technological standards and trends to enhance our capabilities. In the event of a new technology emerging in our industry, we may be required to invest in adopting that technology or upgrading our existing machinery and equipment to remain competitive.

The costs associated with upgrading technology and modernizing machinery are significant, and they can have a substantial impact on our finances and operations. These investments may lead to higher capital expenditures and can temporarily affect our profitability and cash flow. We must carefully assess the potential benefits and returns on such investments to ensure they align with our long-term growth objectives.

Our ability to successfully implement technology upgrades and modernization efforts depends on various factors, including availability of skilled technicians, compatibility of new technology with existing systems, and adequate financial resources. Delays or challenges in adopting new technology can hinder our operational efficiency and competitiveness in the market.

40. The average cost of acquisition of Equity shares by our Promoters is lower than the Issue price

Our Promoter’s average cost of acquisition of Equity shares in our Company is lower than the Issue Price of Equity shares as given below:

| Sr. No | Name of Promoters | No. of Equity Shares Held | Average Cost of Acquisition per equity share (in ₹) |
|--------|-------------------|---------------------------|---|
| 1. | Mr. Sunny Singhi | 61,48,800 | 8.90 |
| 2. | Mr. Varun Jain | 41,24,260 | 3.14 |
| 3. | Mrs. Varuna Jain | 68,04,000 | 2.26 |

41. Fraud, theft, employee negligence or similar incidents may adversely affect the results of operations and financial condition.

Our Company faces potential risks related to incidents of theft or damage to inventory. While we have not encountered such situations in the past, we acknowledge that there is a possibility of experiencing inventory losses due to various factors such as employee theft, vendor fraud, and general administrative errors. These incidents could have a negative impact on the results of operations and financial condition. Despite implementing security measures and internal controls, there is no guarantee that we will completely avoid instances of fraud, theft, employee negligence, or security lapses in the future. Any such occurrence could lead to significant financial losses and affect our overall business performance.

Although we have insurance coverage against losses due to theft, fire, breakage, or damage caused by other casualties,

the extent of coverage may not fully mitigate the financial impact of such incidents on our operations and financial condition. In some cases, the losses incurred may exceed the insurance coverage, resulting in additional financial strain for the Company.

42. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

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. As such our Company has not paid any dividend in past. 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. 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.

43. There is no monitoring agency appointed by our Company to monitor the utilization of the Issue proceeds.

As per SEBI ICDR Regulations, as amended, appointment of monitoring agency is required only for Issue size above ₹ 10,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

44. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.

We propose to utilize the Net Proceeds towards utilization for the Capital Expenditure for installation of Solar , working capital requirement and General Corporate Purposes. For further details of the proposed objects of the Issue, see Chapter titled as “*Objects of the Issue*” beginning on page 79 of this Draft Red Herring Prospectus. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition, if any, which may adversely affect our business and results of operations.

45. Any future issuance of our Equity Shares may dilute prospective investors’ shareholding, and sales of our Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such



issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financing could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders.

We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy. Any issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

46. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "Basis for Issue Price" beginning on page 87 of the Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

47. The Objects of the Issue for which funds are being raised, are based on our management estimates and the same have not been appraised by any bank or financial institution or any independent agency. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titled as "Objects of the Issue".

The fund requirement and deployment, as mentioned in the chapter titled as "***Objects of the Issue***" on page 79 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter titled "***Objects of the Issue***" on page 79 of this Draft Red Herring Prospectus is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation under chapter titled "***Objects of the Issue***" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control and will be subject applicable rules and regulations. The occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

48. In the event there is any delay in the completion of the Issue, or delay in schedule of implementation, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.

The funds that we receive would be utilized for the objects of the Issue as has been stated in the chapter titled "***Objects of The Issue***" on Page no. 79 of this Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management 's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, it may adversely affect our revenues and results of operations.

49. We have not identified any alternate source of raising the funds required for the object of the Issue and the deployment of funds is entirely at our discretion and as per the details mentioned in the section titled "Objects of the Issue".

Our Company has not identified any alternate source of funding for our object of the Issue and hence any failure or

delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds or may result in borrowing funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the Company. Further the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. For further details of Please refer chapter titled “*Object for the Issue*” beginning on page 79 of this Draft Red Herring Prospectus.

50. *The requirements of being a public listed company may strain our resources and impose additional requirements.*

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge, and we cannot assure that we will be able to do so in a timely manner. The failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by Stock Exchange.

51. *Certain data mentioned in this Draft Red Herring Prospectus has not been independently verified.*

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

EXTERNAL RISK FACTORS

After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares on the stock exchange may fluctuate as a result of the factors, including:

- Volatility in the India and global capital market;
- Company’s results of operations and financial performance;
- Performance of Company’s competitors;
- Adverse media reports on Company;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India’s economic and fiscal policies; and
- Significant developments in India’s environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

1. *An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our business, results of operations and financial condition.*

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus, the H1N1 virus, avian influenza (bird flu), the Zika virus or the Ebola virus, if uncontrolled, may have a material adverse effect on the economies of certain countries and our operations. If any of our employees or the employees of our suppliers and/or customers are infected with such diseases or if a significant portion of our workforce refuses to work for fear of contracting an infectious disease, our Company, our suppliers and/or our customers may be required



to shut down operations for a period of time, and this could adversely affect our business, results of operations and financial condition. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

2. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

3. *Any changes in the regulatory framework could adversely affect our operations and growth prospects.*

Our Company is subject to various regulations and policies. For details see section titled “**Key Industry Regulations and Policies**” beginning on page no. 117 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

4. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.*

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

5. *Entire Revenue of our Company is derived from business in India and a decrease in economic growth in India could cause our business to suffer.*

At present, we derive entire revenue in India, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

6. *We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.*

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

7. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.*

Prior to this Issue, there has been no public market for our Equity Shares. Our Company has appointed Swastika Investmart Limited as Book Running Lead Manager for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and

announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

8. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Once listed, we would be subject to circuit breakers imposed by stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index - based market - wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

9. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.*

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include various taxes introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates / slab will continue in the future. Any changes in these tax rates / slabs could adversely affect our financial condition and results of operations.

10. *NSE may not grant Approval for listing of equity shares of our Company.*

Our company will apply for In-principle approval to NSE for its proposed public issue. There is a risk that the National Stock Exchange of India Limited (NSE) may not grant approval for our proposed public issue. The approval process involves rigorous scrutiny of our company's financials, compliance with regulatory requirements, and overall suitability for listing. Despite our best efforts to meet all regulatory standards and provide comprehensive disclosures, there is no guarantee that the NSE will find our application satisfactory. Non-approval by the NSE would significantly impact our ability to access the capital markets and raise the necessary funds for our planned expansions and operations. This could adversely affect our financial condition and future growth prospects. Investors should consider this risk before making any investment decisions. Company had in November 2018 filed DRHP with NSE in past.

11. *You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.*

The Equity Shares will be listed on the Emerge Platform of NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

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

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

13. *The Equity Shares have never been publicly traded, and the Issue may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price.*

Prior to the issue, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market



for the Equity Shares will develop, or if developed, there will be liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian and global machine tools industry, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares. General or industry-specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance may also affect the price of the Equity Shares. In particular, the stock market as a whole in the past has experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

14. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in affect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

15. Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

16. Terrorist attacks or war or conflicts involving India or other countries could adversely affect consumer and business sentiment and the financial markets and adversely affect our business.

Terrorist attacks and other acts of violence or war may adversely affect global equity markets and economic growth as well as the Indian economy and stock markets. Such acts negatively impact business and economic sentiment, which could adversely affect our business and profitability. Also, India has from time to time experienced, and continues to experience, social and civil unrest and hostilities with neighboring countries. Armed conflicts could disrupt communications and adversely affect the Indian economy. Such events could also create a perception that investments in Indian companies involve a high degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares. The consequences of any armed conflicts are unpredictable and we therefore may not be able to foresee events that could have an adverse effect on our business.

SECTION IV – INTRODUCTION

THE ISSUE

| PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS | |
|---|--|
| Equity Shares Offered through Public Issue⁽¹⁾⁽²⁾ | Issue of upto 75,00,000 Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs. |
| Out of which: | |
| Issue Reserved for the Market Makers | Upto [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| Net Issue to the Public | Upto [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| Out of which* | |
| A. QIB Portion ⁽³⁾⁽⁴⁾ | Not more than [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| Of which | |
| i) Anchor Investor Portion | Upto [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | Upto [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| Of which | |
| (a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | Upto [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| (b) Balance of QIB Portion for all QIBs including Mutual Funds | Upto [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| B. Non-Institutional Portion | Not less than [●] Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| C. Retail Portion | Not less than [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| Pre and Post – Issue Equity Shares | |
| Equity Shares outstanding prior to the Issue | 1,74,35,568 Equity Shares of face value of ₹ 10 each. |
| Equity Shares outstanding after the Issue | Upto [●] Equity Shares of face value ₹ 10 each. |
| Use of Net Proceeds by our Company | Please see “ <i>Objects of the Issue</i> ” on page 79. |

Subject to finalisation of the Basis of Allotment, the number of shares may need to be adjusted for lot size upon determination of Issue Price.

Notes:

- 1) *The Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations. This Issue is being made by our Company in terms of Regulation of 229(2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our Company are being offered to the public for subscription.*
- 2) *The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on May 17, 2024*



and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on May 18, 2024.

- 3) *The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.*
- 4) *Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*
- 5) *Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis 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. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, 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 232.*

SUMMARY FINANCIAL INFORMATION

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

| Sr. No. | Particulars | As at March 31, | | |
|---------|---|------------------|-----------------|-----------------|
| | | 2024 | 2023 | 2022 |
| | EQUITY AND LIABILITIES | | | |
| 1) | <u>Shareholders' Funds</u> | | | |
| | a. Share Capital | 1,723.56 | 1,220.00 | 1,220.00 |
| | b. Reserves & Surplus | 3,128.60 | 2,739.81 | 2,462.15 |
| | | 4,852.16 | 3,959.81 | 3,682.15 |
| 2) | <u>Non-Current Liabilities</u> | | | |
| | a. Long Term Borrowings | 651.46 | 536.61 | 799.20 |
| | b. Deferred Tax Liability | 236.39 | 217.81 | 215.82 |
| | c. Long Term Provisions | 27.99 | 25.61 | 22.91 |
| | | 915.84 | 780.03 | 1,037.93 |
| 3) | <u>Current Liabilities</u> | | | |
| | a. Short Term Borrowings | 4,775.61 | 4,447.53 | 3,895.92 |
| | b. Trade Payables | | | |
| | - (A) total outstanding dues of micro enterprises and small enterprises; and | 202.44 | - | - |
| | - total outstanding dues of creditors other than micro enterprises and small enterprises. | 2,565.39 | 239.21 | 218.07 |
| | c. Other Current Liabilities | 1,199.88 | 186.11 | 61.94 |
| | d. Short Term Provisions | 241.01 | 121.96 | 260.61 |
| | | 8,984.32 | 4,994.81 | 4,436.54 |
| | T O T A L | 14,752.33 | 9,734.65 | 9,156.62 |
| | ASSETS | | | |
| 1) | <u>Non-Current Assets</u> | | | |
| | a. Property, Plant & Equipment and Intangible Assets | | | |
| | i. Property, Plant and Equipment | 4,425.09 | 4,143.11 | 4,014.28 |
| | ii. Less: Accumulated Depreciation | 1,146.16 | 1,014.69 | 865.31 |
| | Net Block | 3,278.93 | 3,128.42 | 3,148.97 |
| | b. Non-current Investments | 8.55 | 13.21 | 9.64 |
| | | 3,287.48 | 3,141.63 | 3,158.61 |
| 2) | <u>Current Assets</u> | | | |
| | a. Inventories | 5,751.16 | 5,292.91 | 4,133.08 |
| | b. Trade Receivables | 4,724.57 | 1,055.27 | 770.63 |
| | c. Cash and Cash Equivalents | 374.78 | 18.08 | 21.09 |
| | d. Short Term Loans & Advances | 610.86 | 226.60 | 1,070.45 |
| | e. Other Current Assets | 3.48 | 0.16 | 2.76 |
| | | 11,464.85 | 6,593.02 | 5,998.01 |
| | T O T A L | 14,752.33 | 9,734.65 | 9,156.62 |

RESTATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

| Sr. No. | Particulars | For the year ended March 31, | | |
|----------|---|------------------------------|------------------|------------------|
| | | 2024 | 2023 | 2022 |
| A | INCOME | | | |
| | Revenue from Operations | 58,780.08 | 53,044.78 | 51,535.53 |
| | Other Income | 76.21 | 4.13 | 62.81 |
| | Total Income (A) | 58,856.29 | 53,048.91 | 51,598.34 |
| B | EXPENDITURE | | | |
| | Cost of Material Consumed | 38,099.45 | 49,284.74 | 45,570.43 |
| | Purchase of Stock in trade | 15,424.26 | 599.47 | 800.06 |
| | Change in Inventories | (337.18) | (2,175.51) | (300.17) |
| | Manufacturing Expenses | 1,579.80 | 2,149.82 | 2,232.61 |
| | Employee benefit expenses | 819.95 | 838.35 | 820.24 |
| | Finance costs | 643.94 | 463.03 | 297.50 |
| | Depreciation and amortisation Expense | 161.47 | 149.37 | 141.26 |
| | Administrative Selling & Other Expenses | 1,392.42 | 1,361.12 | 1,320.83 |
| | Total Expenses (B) | 57,784.11 | 52,670.39 | 50,882.75 |
| C | Profit before exceptional, extraordinary items and tax | 1,072.18 | 378.52 | 715.58 |
| | Exceptional items | | | |
| D | Profit before extraordinary items and tax | 1,072.18 | 378.52 | 715.58 |
| | Extraordinary Expenses | 0.00 | 0.00 | 0.00 |
| E | Profit before tax | 1,072.18 | 378.52 | 715.58 |
| | <i>Tax expense :</i> | | | |
| | (i) Current tax | 261.26 | 98.87 | 171.74 |
| | (ii) Deferred tax | 18.58 | 1.99 | 54.94 |
| F | Total Tax Expense | 279.84 | 100.86 | 226.68 |
| G | Profit after tax (E-F) | 792.34 | 277.66 | 488.90 |
| H | Earnings per share (face value of ₹ 10/- each): | | | |
| | (a) Basic (in ₹) | 4.62 | 1.63 | 2.86 |
| | (b) Diluted (in ₹) | 4.62 | 1.63 | 2.86 |

RESTATED STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

| Particulars | 31 st March, 2024 | 31 st March, 2023 | 31 st March, 2022 |
|---|---------------------------------|---------------------------------|---------------------------------|
| Cash flow from operating activities: | | | |
| Net Profit before tax as per Profit And Loss A/c | 1,072.18 | 378.53 | 715.58 |
| Adjusted for: | | | |
| Depreciation & Amortisation | 157.62 | 149.37 | 141.26 |
| Interest & Finance Cost | 532.51 | 449.97 | 278.04 |
| Interest Income | (8.88) | (0.82) | (31.61) |
| Earlier years Gratuity | - | - | 18.41 |
| Sundry Balance W/off of Earlier Years | - | - | 89.71 |
| Profit on Capital Asset | (61.00) | - | (30.76) |
| | | | |
| Operating Profit Before Working Capital Changes | 1,692.43 | 977.05 | 1,180.64 |
| Adjusted for (Increase)/ Decrease: | | | |
| Long Term Provision | 2.38 | 2.70 | 17.81 |
| Short term Borrowings | 328.08 | 551.62 | 1,124.08 |
| Short Term Provision | 119.04 | (138.66) | (2.62) |
| Trade Receivables | (3,669.30) | (284.64) | (391.54) |
| Trade Payables | 2,528.63 | 21.14 | 10.34 |
| Other Current Liabilities | 1,013.77 | 124.18 | (294.40) |
| Inventories | (458.25) | (1,159.83) | (1,240.53) |
| Short term loan and Advances | (384.26) | 843.85 | (872.68) |
| Other Non Current Assets | 4.66 | - | 17.51 |
| Change in Other Current Assets | (3.32) | 2.60 | 4.95 |
| Cash Generated From Operations | 1,173.85 | 940.01 | (446.46) |
| Direct Tax Paid | (261.26) | (98.87) | (171.74) |
| Net Cash Flow from/(used in) Operating Activities: (A) | 912.59 | 841.14 | (618.20) |
| | | | |
| Cash Flow From Investing Activities: | | | |
| Purchase of Fixed Assets | (327.90) | (128.83) | (98.30) |
| Sale of Fixed Assets | 80.78 | - | 44.41 |
| Interest Income | 8.88 | 0.82 | 31.61 |
| Increase in Non-Current Assets | - | (3.57) | - |
| Net Cash Flow from/(used in) Investing Activities: (B) | (238.24) | (131.58) | (22.28) |
| | | | |
| Cash Flow from Financing Activities: | | | |
| Proceeds From Share Capital & Share Premium | 100.01 | - | - |
| Proceeds / (Repayment) from Long Term Borrowing (Net) | 114.85 | (262.59) | (38.25) |
| Interest & Finance Cost | (532.51) | (449.97) | (278.04) |
| Net Cash Flow from/(used in) Financing Activities (C) | (317.66) | (712.56) | (316.29) |
| | | | |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | 356.69 | (3.00) | (956.77) |
| Cash & Cash Equivalents As At Beginning of the Year | 18.08 | 21.09 | 977.86 |
| Cash & Cash Equivalents As At End of the Year | 374.78 | 18.08 | 21.09 |

Reconciliation of Cash & Cash Equivalents as per the statement of cash flow.

| | | | |
|----------------------------|--|--|--|
| Balances with Banks | | | |
| - Current Account | | | |



| | | | |
|---|---------------|--------------|--------------|
| Balances with Banks | | | |
| - Fixed Deposits in Bank | 369.87 | 16.28 | 13.29 |
| Cash on hand | 4.91 | 1.80 | 7.80 |
| FD With Banks | | | |
| Cash and Cash Equivalents at the End of the Period | 374.78 | 18.08 | 21.09 |



SECTION V GENERAL INFORMATION

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.

For further details, see “History and Certain Corporate Matters” on page no. 129.

REGISTERED OFFICE OF OUR COMPANY

Aditya Ultra Steel limited

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;

Website: www.aditya-ultra-steel.com;

For details relating to changes to the address of our Registered Office, see “History and Certain Corporate Matters - Changes to the address of the Registered Office of our Company” on page no. 129.

CORPORATE IDENTITY NUMBER AND REGISTRATION NUMBER

Corporate Identification Number: U27100GJ2011PLC066552

Company Registration Number: 066552

Our Company is registered with the Registrar of Companies, Gujarat at Ahmedabad located at the following address:

ROC Bhavan,
Opp Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura,
Ahmedabad-380013,
Gujarat
Telephone: +91-079-27438531
Facsimile: 022 2281 1977
E-mail: roc.ahmedabad@mca.gov.in

BOARD OF DIRECTORS OF OUR COMPANY

Our Board comprises of the following Directors as on the date of filing of this Draft Red Herring Prospectus as set forth in the following table:-

| Sr. No. | Name of Directors | DIN | Designation | Residential Address |
|---------|------------------------------|----------|------------------------------------|---|
| 1. | Mr. Sunny Sunil Singhi | 07210706 | Chairman and Managing Director | 201, Safal Floora, Near Jay Kishan Building, Shahibag, Ahmedabad City, Ahmedabad, Gujarat-380004 |
| 2. | Mr. Varun Manojkumar Jain | 03502561 | Non-Executive Director | 404-B, Ashwari Tower, B/H, Wide Angle, Satellite, Ahmedabad City, Ahmedabad, Manekbag, Gujarat-380015 |
| 3. | Mrs. Sapna Jain | 09298942 | Non-Executive Independent Director | A 119A, Kamla Nehru Nagar First Extension, Jodhpur, Rajasthan-342001, India |
| 4. | Mr. Piyush Ravishanker Bhatt | 10143807 | Non-Executive Independent | B. No. 30, Madhur Co Op HSL, Nirman Twins Bungalows, Ghatlodia, Ahmedabad City, |



| Sr. No. | Name of Directors | DIN | Designation | Residential Address |
|---------|-------------------|-----|-------------|----------------------------------|
| | | | Director | Ahmedabad, Gujarat-380061, India |

For detailed profile of our Board of Directors, see the chapter titled “*Our Management*” on page no 133.

COMPANY SECRETARY & COMPLIANCE OFFICER

Vikas Babusingh Panwar

Company Secretary and Compliance Officer;

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;

Website: www.aditya-ultra-steel.com.

CHIEF FINANCIAL OFFICER

Amitkumar Harsukhbhai Sarena

Chief Financial Officer

Survey No-48, Wankarner Boudry,

Bhalgam, National Highway 8-A,

Wankaner, Rajkot, Wankaner,

Gujarat-363621, India;

Tel No: +91-6357585716;

Email: finance@adityaultrasteel.com;

Website: www.aditya-ultra-steel.com.

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Book Running Lead Manager, in case of any pre-Issue or post-Issue related problems such as non-receipt of Intimation for Allotment, credit of allotted Equity Shares in the respective beneficiary account and refund orders, and/ or non-receipt of funds by electronic mode, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

Applicants may contact the Book Running Lead Manager for complaints, information or clarifications pertaining to the Issue.

INVESTOR GRIEVANCES

All Issue related grievances relating to the ASBA process and UPI payment mechanism may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form Number, Applicant DP ID, Client ID, UPI ID, PAN, date of the ASBA Form, address of the applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant and ASBA Account number (for Applicants other than Retail Investors using the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or the UPI ID in case of Retail Investor using the UPI Mechanism.

Further, the investors shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned above. All grievances relating to Applications submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicants whose application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and 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 SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, post offer the Book Running Lead Manager is required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

Details of Key Intermediaries pertaining to this Issue and our Company:

| Book Running Book Running Lead Manager to the Issue | Legal Advisor to the Issue |
|--|---|
| Swastika Investment Limited Address: Flat No.18, 2nd Floor, North Wing, Madhaveshwar Co-operative Housing Society Ltd, Madhav Nagar, 11/12, S. V. Road, Andheri W, Mumbai – 400058 Tel No.: +91-07316644244 Email: merchantbanking@swastika.co.in Investor Grievance Email: mb.investorgrievance@swastika.co.in Website: www.swastika.co.in Contact Person: Mohit Goyal SEBI Reg. No.: INM000012102 | Khaitan & Khaitan Address: A-38, Kailash Colony New Delhi - 110048 Tel No: +91-11-49774545 E-mail Id: soumyajit.m@khaitanandkhaitan.com Contact Person: Soumyajit Mitra Website: www.khaitanandkhaitan.com |
| Registrar to the Issue | Statutory Auditor & Peer Review Auditor |
| Cameo Corporate Services Limited Subramanian Building, No. 1 Club House Road, Chennai-600002, India Tel. No.: +91-044-4002 0700/ 2846 0390 Email: ipo@cameoindia.com Website: www.cameoindia.com Investor Grievance Email: investor@cameoindia.com Contact Person: Mr. K. Sreepriya SEBI Registration No.: INR000003753 | M/s. S. N. Shah & Associates Chartered Accountants Address: Sapan House, 10/B, Government Servant Co. Op. Housing Society, Opposite Municipal Market, Navrangpura, Ahmedabad-380009 Email: snsah_asso@hotmail.com Telephone No.: 9824431031 Contact Person: CA Priyam Shah Membership No: 144892 Firm Registration No: 109782W Peer Review Certificate No: 013759 |
| Bankers to our Company | Syndicate Member* |
| HDFC Bank Limited Shivalik 3, Third Floor, Near Drive-in Cinema, Thaltej, Ahmedabad, Gujarat-380054 Tel No: +91-9322292511 E-mail Id: raunak.pagaria@hdfcbank.com Website: www.hdfcbank.com Contact Person: Raunak Pagaria | [●] [●] Tel No: +[●] Fax No: + [●] E-mail Id: [●] Website: [●] Contact Person: [●] |
| Bankers to the Issue/ Refund Banker/Sponsor Bank* | |
| [●] [●] Tel No: +[●] Fax No: + [●] E-mail Id: [●] Website: [●] Contact Person: [●] | |

*The Bankers to the Issue/ Refund Banker/ Sponsor Bank and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

CHANGE IN THE STATUTORY AUDITOR DURING LAST 3 YEARS

There has been no change in the auditor during the last three (3) years.

FILING THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS/ PROSPECTUS

The Draft Red Herring Prospectus is being filed with Emerge Platform of National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.



The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI ICDR Regulations. Pursuant to Regulation 246(5) of SEBI ICDR Regulations and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 26 & 32 of the Companies Act, 2013 shall be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be filed to the RoC through the electronic portal at <http://www.mca.gov.in>.

DESIGNATED INTERMEDIARIES:

Self-Certified Syndicate Banks (“SCSBs”)

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link: <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>; <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, Retail Individual Applicant using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, UPI Applicants applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided as ‘Annexure A’ for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is also available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> for SCSBs and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying 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 updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as ‘Annexure A’ for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at National Stock Exchange of India Limited at www.nseindia.com as updated from time to time.

Registrar and Share Transfer Agents

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 website of National Stock Exchange of India Limited at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm -as updated from time to time.

Collecting Depository Participants (“CDP”)

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated

from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Brokers to the Issue

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

IPO Grading

Since the issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, there is no requirement of appointing an IPO Grading agency.

Credit Rating

This being an Issue of Equity Shares, credit rating is not required.

Debenture Trustees

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

Green Shoe Option

No Green Shoe Option is contemplated under this Issue.

Inter-se Allocation of Responsibilities

Since, Swastika Investment Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

Monitoring Agency

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹ 10,000 Lakh. Since the Issue size is less than ₹ 10,000 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Expert

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

Our Company has received written consent dated May 28, 2024, from M/s. S. N. Shah & Associates, Chartered Accountants, Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated May 27, 2024 relating to the Restated Financial Information; and (ii) the statement of special tax benefits dated May 28, 2024 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 received a written consent dated May 16, 2024 from B.P. OZA & Associates, Independent Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act 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 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificate on Installed capacity and capacity utilisation of our Company dated May 16, 2024.



However, the term “expert” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Underwriters

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being issued through this Issue.

| Name, Address, Telephone, Facsimile, and Email of the Underwriters | Indicated number of Equity Shares to be Underwritten* | Amount Underwritten (₹ in Lakhs) | % of the total Issue size Underwritten |
|--|---|----------------------------------|--|
| [●] [●] Tel No: +91 [●] Fax No: [●] Contact Person: [●] Email Id: [●] Website: [●] Investor Grievance Email: [●] SEBI Registration Number: [●] | [●] | [●] | [●] |
| TOTAL | [●] | [●] | [●] |

*Includes [●] Equity shares of ₹10.00 each for cash of ₹ [●]/- the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their underwriting obligations in full.

BOOK BUILDING PROCESS

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Gujarati Edition of Regional newspaper [●] where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager in this case being Swastika Investment limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the Book Running Lead Manager allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the “**Anchor Investor Portion**”), out 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 Issue Price. 5% of the QIB 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, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available

for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the 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 until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. 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 terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either ASBA facility for making application or also can use UPI as a payment mechanism with ASBA for making application. For details in this regard, see “*Issue Procedure*” on page no. 232.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see “*Issue Procedure*” on page no. 232.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|--------------|-------------------|------------------------|--------------|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00 |
| 2,000 | 21 | 5,000 | 166.67 |
| 2,500 | 20 | 7,500 | 250.00 |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the Book Running Book Running Lead Manager, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:



- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page no. 232;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

Bid/ Issue Program:

| Event | Indicative Dates |
|--|-------------------------|
| Bid/ Issue Opened Date | [●] ¹ |
| Bid/ Issue Closed Date | [●] ² |
| Finalization of Basis of Allotment with the Designated Stock Exchange (T+1) | On or about [●] |
| Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account* (T+2) | On or about [●] |
| Credit of Equity Shares to Demat Accounts of Allottees (T+2) | On or about [●] |
| Commencement of Trading of The Equity Shares on the Stock Exchange (T+3) | On or about [●] |

1 Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. 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

2 Our Company in consultation with the Book Running Lead Manager, 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.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. 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 Exchange are taken within three (3) Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidder on Bid/Issue Closing Date maybe extended in consultation with the Book Running Lead Manager, RTA and NSE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid Cum Application Forms prior to the Bid/Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.



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 file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of such withdrawal, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly. The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the Final Listing and Trading Approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Prospectus with RoC.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Red Herring Prospectus / Prospectus with the Stock Exchange where the Equity Shares may be proposed to be listed.

DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Book Running Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfill the obligations of Market Making for this Issue:

| | |
|---------------------------------------|-----|
| Name | [●] |
| Address | [●] |
| Tel no | [●] |
| Fax no | [●] |
| Email id | [●] |
| Website | [●] |
| Contact person | [●] |
| Market Making Registration No. | [●] |

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with NSE to fulfill the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

[●], registered with SME Platform of NSE "NSE Emerge" will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the National Stock Exchange of India Limited (SME platform



of NSE) and SEBI from time to time.

3. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of NSE from time to time.
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Equity Shares of Market Maker in our Company reaches to 25% or upper limit (including the 1.45% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker(s) under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25% of the Issue. As soon as the Equity Shares of Market Maker in our Company reduce to 24% of the Issue Size, the Market Maker will resume providing 2-way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker(s) exhausts his inventory through market making process, the Stock Exchange may intimate the same to SEBI after due verification.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
8. There would not be more than five market makers for a script at any point of time. These would be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The Market Maker(s) may compete with other market maker for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
9. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
10. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problem. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
11. The shares of our Company will be traded in continuous trading session from the time and day our Company gets listed on SME Platform of NSE and the Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
12. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory market making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI ICDR Regulations. Further our Company and the Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.
13. **Risk containment measures and monitoring for Market Makers:** NSE Emerge Exchange will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
14. **Punitive Action in case of default by Market Makers:** The Exchange will monitor the obligations on a real time

basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

15. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:

- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue Price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

| Sr. No. | Market Price slab (in ₹) | Proposed spread (in % to sale price) |
|---------|--------------------------|--------------------------------------|
| 1. | Up to 50 | 9 |
| 2. | 50 to 75 | 8 |
| 3. | 75 to 100 | 6 |
| 4. | Above 100 | 5 |

16. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upperside for Market Maker(s) during market making process has been made applicable, based on the Issue size and as follows:

| Issue Size | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size) |
|----------------|---|--|
| Up to 20 Crore | 25% | 24% |
| 20 to 50 Crore | 20% | 19% |
| 50 to 80 Crore | 15% | 14% |
| Above 80 Crore | 12% | 11% |

17. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/ NSE Limited from time to time.

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.



SECTION VI CAPITAL STRUCTURE

The Share Capital of our Company as of the date of this Draft Red Herring Prospectus before and after the Issue is set forth below:

(₹ in Lakhs)

| Sr. No. | Particulars | Aggregate Value at | |
|-----------|---|--------------------|-------------|
| | | Face Value | Issue Price |
| A. | Authorised Share Capital out of which | | |
| | 2,50,00,000 Equity Shares of face value of ₹ 10/- each | 2,500.00 | - |
| B. | Issued, Subscribed and Paid-up Share Capital before the Issue out of which | | |
| | 1,74,35,568 fully paid-up Equity Shares of face value of ₹ 10/- each | 1,743.55 | - |
| C. | Present Issue in terms of this Draft Red Herring Prospectus * | | |
| | Upto 75,00,000 Equity Shares of face value of ₹ 10/- each at a price of ₹ [●] per Equity Share | [●] | [●] |
| | <i>Which comprises of:</i> | | |
| | [●] Equity Shares of face value of ₹ 10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker portion | [●] | [●] |
| | Net Issue to Public of [●] Equity Shares of face value of ₹ 10/- each at a price of ₹ [●] per Equity Share to the Public | [●] | [●] |
| | Of which: | | |
| | <u>Retail Portion:</u> | | |
| | [●] Equity Shares of face value of ₹ 10/- each at a price of per Equity Share will be available for allocation to Retail Individual Investors. | [●] | [●] |
| | <u>Non- Institutional Portion:</u> | | |
| | [●] Equity Shares of face value of ₹ 10/- each at a price of ₹ [●] per Equity Share will be available for allocation to Non- Institutional Investors. | [●] | [●] |
| | <u>Qualified Institutional Buyers:</u> | | |
| | [●] Equity Shares of ₹ 10/- each fully paid-up of our Company for cash at a price of ₹ [●]/- per Equity Share will be available for allocation to Qualified Institutional Buyers. | [●] | [●] |
| D. | Paid-up Share Capital after the Issue | | |
| | [●] Equity Shares of face value of ₹ 10/- each | [●] | - |
| E. | Securities Premium Account | | |
| | Before the Issue | | 198.90 |
| | After the Issue | | [●] |

* The Issue has been authorized pursuant to a resolution of our Board under section 62(1)(c) dated May 17, 2024 and a Special Resolution passed under Section 23 and Section 62(1)(c) of the Companies Act, 2013 at an EGM of our shareholders held on May 18, 2024.

Classes of Shares

Our Company has only one class of share capital i.e. Equity Shares of face value of ₹ 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

Details of changes in Authorized Share Capital of our Company since incorporation:

The initial authorised capital of our Company was ₹ 1,00,00,000 (Rupees one crores only) divided into 10,00,000 Equity Shares of ₹ 10 each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

| Sr. No. | Particulars of Change | | Date of Shareholders Meeting | AGM/EGM |
|---------|---|---|------------------------------|---------|
| | From | To | | |
| 1 | ₹ 1,00,00,000 (10,00,000 Equity Shares of ₹ 10/- each) | ₹ 8,00,00,000 (80,00,000 Equity Shares of ₹ 10/- each) | February 29, 2012 | EGM |
| 2 | ₹ 8,00,00,000 (80,00,000 Equity Shares of ₹ 10/- each) | ₹ 12,50,00,000 (1,25,00,000 Equity Shares of ₹ 10/- each) | July 10, 2014 | EGM |
| 3 | ₹ 12,50,00,000 (1,25,00,000 Equity Shares of ₹ 10/- each) | ₹ 20,00,00,000 (2,00,00,000 Equity Shares of ₹ 10/- each) | June 25, 2018 | EGM |

| Sr. No. | Particulars of Change | | Date of Shareholders Meeting | AGM/EGM |
|---------|---|---|------------------------------|---------|
| | From | To | | |
| 4 | ₹ 20,00,00,000 (2,00,00,000 Equity Shares of ₹ 10/- each) | ₹ 25,00,00,000 (2,50,00,000 Equity Shares of ₹ 10/- each) | February 19, 2024 | EGM |

NOTES TO THE CAPITAL STRUCTURE:

1. Equity Share Capital History of our Company

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

| Date of Allotment of Equity Shares | No. of Equity Shares Issued | Face Value (₹) | Issue Price (₹) | Nature of Consideration | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative paid-up share capital (₹) |
|------------------------------------|-----------------------------|----------------|-----------------|-------------------------|---|---------------------------------|--------------------------------------|
| On incorporation* | 10,000 | 10 | 10 | Cash | Subscription to MOA ⁽ⁱ⁾ | 10,000 | 1,00,000 |
| June 29, 2012 | 71,90,000 | 10 | 10 | Cash | Allotment of shares by further issuance ⁽ⁱⁱ⁾ | 72,00,000 | 7,20,00,000 |
| September 20, 2014 [#] | 50,00,000 | 10 | 10 | Cash | Allotment of shares by way of Private Placement ⁽ⁱⁱⁱ⁾ | 1,22,00,000 | 12,20,00,000 |
| February 13, 2024 | 1,11,120 | 10 | 90 | Cash | Allotment of shares by way of Preferential Issuance ^(iv) | 1,23,11,120 | 12,31,12,000 |
| February 16, 2024 ^{##} | 49,24,448 | 10 | - | N.A. | Bonus Issue in the ratio of 2:5 ^(v) | 1,72,35,568 | 17,23,55,680 |
| May 15, 2024 | 2,00,000 | 10 | 65 | Cash | Preferential Issue ^(vi) | 1,74,35,568 | 17,43,55,680 |

*The MoA of our Company was signed on July 25, 2011. However, our Company was incorporated on July 27, 2011.

[#]Our Company had earlier wrongly filed Form PAS-3 for the allotment of 50,00,000 Equity Shares on the Private Placement Basis with list of allottees of 51 shareholders with allotment date September 23, 2014. However, our Company filed revised PAS 3 along with clarification letter with the revised list of allottees with 49 shareholders and the date of allotment as September 20, 2014.

^{##}Our Company filed Form PAS-3 wherein list of allottee was wrongly filed. To rectify the same, our Company had filed revised form PAS 3 along with clarification letter.

For further details, see Risk Factor 15– “There are certain discrepancies/errors/non-filings which have occurred in some of our corporate 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” on page 30.

(1) Initial subscribers to the Memorandum of Association of our Company:

| Sr. No. | Name of the Person | No. of Shares Allotted |
|--------------|---------------------|------------------------|
| 1 | Dipanbhai Faldu | 3,500 |
| 2 | Chiragbhai Lakhani | 2,000 |
| 3 | Pramodbhai Mankadia | 3,500 |
| 4 | Yogeshbhai Suvariya | 1,000 |
| Total | | 10,000 |

(2) Allotment of 71,90,000 equity shares by way of Private Placement:

| Sr. No. | Name of the Person | No. of Shares Allotted |
|---------|-----------------------------|------------------------|
| 1. | Dipen R. Faldu | 1,196,500 |
| 2. | Swati Dipen Faldu | 640,000 |
| 3. | Jeet Pramodbhai Makadia | 759,050 |
| 4. | Vibhaben Pramodbhai Makadia | 757,450 |
| 5. | Harishbhai Lakhani | 720,000 |
| 6. | Chirag H. Lakhani | 238,000 |

| Sr. No. | Name of the Person | No. of Shares Allotted |
|--------------|------------------------|------------------------|
| 7. | Darshan H. Lakhani | 160,000 |
| 8. | Meenaben H. Lakhani | 400,000 |
| 9. | Bharatlal S. Pandey | 200,000 |
| 10. | Sanjay H. Vyas | 160,000 |
| 11. | Mita S. Vyas | 160,000 |
| 12. | Rameshbhai C. Panchani | 280,000 |
| 13. | Priyank R. Panchani | 280,000 |
| 14. | Anjuben B. Makadia | 80,000 |
| 15. | Ilaben R. Makadia | 80,000 |
| 16. | Pannaben N. Panchani | 80,000 |
| 17. | Mahindrabhai Makadia | 239,500 |
| 18. | Punit M. Makadia | 80,000 |
| 19. | Anand M. Makadia | 80,000 |
| 20. | Vinodbhai Savsani | 399,500 |
| 21. | Sushma B. Pandey | 200,000 |
| Total | | 71,90,000 |

⁽³⁾ *Allotment of 50,00,000 equity shares by way of Private Placement:*

| Sr. No. | Name of the Person | No. of Shares Allotted |
|---------|-------------------------------------|------------------------|
| 1. | Kishorchnadra Laljibhai Patel (HUF) | 40,000 |
| 2. | Kamlaben Bhailalbai Patel | 5,000 |
| 3. | Neeta Amrutlal Patel | 5,000 |
| 4. | Mitaben Kishorbhai Patel | 5,000 |
| 5. | Bhailal Laljibhai Patel HUF | 10,000 |
| 6. | Hitesh Bhavanlal Patel | 15,000 |
| 7. | Gitaben Bhavanbhai Patel | 17,500 |
| 8. | Nishant Bhailalbai Patel | 35,000 |
| 9. | Amrutlal Laljibhai Patel HUF | 10,000 |
| 10. | Hetal Bhavanlal Patel | 10,000 |
| 11. | Maganlal P Patel | 20,000 |
| 12. | Maniben M Patel | 50,000 |
| 13. | Amrutlal M Patel | 30,000 |
| 14. | Mahendra M Patel | 13,500 |
| 15. | Sunita A Patel | 50,000 |
| 16. | Phushpa M Patel | 50,000 |
| 17. | Kantilal Somjibhai Patel | 66,000 |
| 18. | Jayaben Kantilal Patel | 50,000 |
| 19. | Mukesh Kantilal Patel | 1,00,000 |
| 20. | Archna Mukesh Patel | 50,000 |
| 21. | Ketan Kantilal Patel | 1,00,000 |
| 22. | Gopalbhai Bhanjibhai Patel | 2,04,000 |
| 23. | Dharmshibhai Bhanjibhai Patel | 2,04,000 |
| 24. | Bhanjibhai Khimjibhai Patel HUF | 1,00,000 |
| 25. | Valjibhai Premjibhai Patel HUF | 35,500 |
| 26. | Bhanjibhai Valjibhai Patel | 50,000 |
| 27. | Gangaben Bhanjibhai Patel | 50,000 |
| 28. | Ashokbhai Bhanjibhai Patel | 50,000 |
| 29. | Naynaben Ashokbhai Patel | 50,000 |
| 30. | Kamlesh Bhanjibhai Patel | 50,000 |
| 31. | Rekhaben Kamleshbhai Patel | 50,000 |
| 32. | Nitin M Patel | 75,000 |
| 33. | Mamta N patel | 75,000 |
| 34. | Mahesh M Patel | 90,000 |
| 35. | Joshna M Patel | 90,000 |
| 36. | Manjibhai K Patel | 2,74,750 |
| 37. | Vimlaben M Patel | 1,83,250 |
| 38. | Rameshbhai Valjibhai Patel HUF | 60,000 |

| Sr. No. | Name of the Person | No. of Shares Allotted |
|--------------|-------------------------------|------------------------|
| 39. | Mohanlal Valjibhai Patel HUF | 1,26,500 |
| 40. | Rameshbhai Valjibhai Patel | 50,000 |
| 41. | Komal Parimal Patel | 30,000 |
| 42. | Chetna Dipak Patel | 20,000 |
| 43. | Parimal Ramesh Patel | 20,000 |
| 44. | Bhavesbhai Karamshibhai Patel | 200,000 |
| 45. | Muljibhai Karamshibhai Patel | 1,80,000 |
| 46. | Dipen Rameshbhai Patel | 10,64,450 |
| 47. | Chirag Harishbhai Lakhani | 4,55,950 |
| 48. | Meenaben Harishbhai Lakhani | 3,43,250 |
| 49. | Vibhagauri Pramodbhai Patel | 86,350 |
| Total | | 50,00,000 |

(iv) Allotment of 1,11,120 equity shares by way of Preferential Issuance to Chanakya Opportunities Fund I.

(v) Allotment of 49,24,448 equity shares by way of Bonus issuance:-

| Sr. No. | Name of the Person | No. of Shares Allotted |
|--------------|-------------------------------|------------------------|
| 1. | Varun Manojkumar Jain | 11,77,920 |
| 2. | Sunny Sunil Singhi | 17,56,800 |
| 3. | Varuna Jain | 19,44,000 |
| 4. | Kaushik Thakkar | 400 |
| 5. | Sangeeta Jain | 40 |
| 6. | Vaibhav Jain | 400 |
| 7. | Hemal Patel | 400 |
| 8. | Jayshree Vikram Patel | 40 |
| 9. | Chanakya Opportunities Fund I | 44,448 |
| Total | | 49,24,448 |

(vi) Allotment of 2,00,000 equity shares by way of Preferential Issuance to Kamdhenu Limited.

2. Preference Share capital history of our Company

Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

3. Issue of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Issue:

Except as mentioned below, we have not issued equity shares for consideration other than cash out of revaluation reserves and through bonus Issue.

| Date of Allotment | Name of the Allottees | No. of Shares Allotted | Face Value (₹) | Issue Price (₹) | Reasons for Allotment | Benefit accrued to Company |
|-------------------|-------------------------------|------------------------|----------------|-----------------|-----------------------|---|
| February 16, 2024 | Varun Manojkumar Jain | 11,77,920 | 10 | N.A. | Bonus Issue | Expansion of Paid up equity capital of the Company by capitalising reserves |
| | Sunny Sunil Singhi | 17,56,800 | 10 | N.A. | | |
| | Varuna Jain | 19,44,000 | 10 | N.A. | | |
| | Kaushik Thakkar | 400 | 10 | N.A. | | |
| | Sangeeta Jain | 40 | 10 | N.A. | | |
| | Vaibhav Jain | 400 | 10 | N.A. | | |
| | Hemal Patel | 400 | 10 | N.A. | | |
| | Jayshree Vikram Patel | 40 | 10 | N.A. | | |
| | Chanakya Opportunities Fund I | 44,448 | 10 | N.A. | | |
| Total | | 49,24,448 | | | | |

4. As of date of this Draft Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.



5. Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
6. Except as disclosed below, we have not issued any equity shares in last one year at price below the Issue Price immediately from the date of filing of this Draft Red Herring Prospectus:
 - Issuance of 1,11,120 equity shares to Chanakya Opportunities Fund I on February 13, 2024 for cash price of ₹ 90 per equity shares;
 - Issuance of 2,00,000 equity shares by way of Preferential Issuance to Kamdhenu Limited for cash price of ₹ 65 per equity shares; and
 - Issuance of 49,24,448 bonus equity shares on February 16, 2024.

7. Details of the Build-up of our Promoter's shareholding:

Set forth below are the details of the build-up of shareholding of our Promoters:

| Mr. Varun Manojkumar Jain | | | | | | | |
|------------------------------|---------------|--|----------------------|------------|--------------------------|---------------------------------------|--|
| Date of Allotment / Transfer | Consideration | Nature of the issue | No. of equity shares | Face Value | Issue/ acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| June 7, 2016 | Cash | Transferred from Kishorchandra Laljibhai Patel (HUF) | 40,000 | 10 | 1.00 | 0.23 | [●] |
| June 7, 2016 | Cash | Transferred from Kamlaben Bhailalbhai Patel | 5,000 | 10 | 1.00 | 0.03 | [●] |
| June 7, 2016 | Cash | Transferred from Neeta Amrutlal Patel | 5,000 | 10 | 1.00 | 0.03 | [●] |
| June 7, 2016 | Cash | Transferred from Mitaben Kishorbhai Patel | 5,000 | 10 | 1.00 | 0.03 | [●] |
| June 7, 2016 | Cash | Transferred from Bhailal Laljibhai Patel HUF | 10,000 | 10 | 1.00 | 0.06 | [●] |
| June 7, 2016 | Cash | Transferred from Hitesh Bhavanlal Patel | 15,000 | 10 | 1.00 | 0.09 | [●] |
| June 7, 2016 | Cash | Transferred from Gitaben Bhavanbhai Patel | 17,500 | 10 | 1.00 | 0.10 | [●] |
| June 7, 2016 | Cash | Transferred from Nishant Bhailalbhai Patel | 35,000 | 10 | 1.00 | 0.20 | [●] |
| June 7, 2016 | Cash | Transferred from AmrutlalLalji bhai Patel HUF | 10,000 | 10 | 1.00 | 0.06 | [●] |
| June 7, 2016 | Cash | Transferred from Hetal Bhavanlal Patel | 10,000 | 10 | 1.00 | 0.06 | [●] |
| June 7, 2016 | Cash | Transferred from Maganlal P Patel | 20,000 | 10 | 1.00 | 0.11 | [●] |
| June 7, 2016 | Cash | Transferred from Maniben M. Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Amrutlal M. Patel | 30,000 | 10 | 1.00 | 0.17 | [●] |

| Mr. Varun Manojkumar Jain | | | | | | | |
|-------------------------------------|----------------------|---|-----------------------------|-------------------|---------------------------------|--|---|
| Date of Allotment / Transfer | Consideration | Nature of the issue | No. of equity shares | Face Value | Issue/ acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| June 7, 2016 | Cash | Mahendra M. Patel | 13,500 | 10 | 1.00 | 0.08 | [●] |
| June 7, 2016 | Cash | Transferred from Sunita A. Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Phushpa M. Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Kantilal Somjibhai Patel | 66,000 | 10 | 1.00 | 0.38 | [●] |
| June 7, 2016 | Cash | Transferred from Jayaben Kantilal Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Mukesh Kantilal Patel | 100,000 | 10 | 1.00 | 0.57 | [●] |
| June 7, 2016 | Cash | Transferred from Archna Mukesh Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Ketan Kantilal Patel | 100,000 | 10 | 1.00 | 0.57 | [●] |
| June 7, 2016 | Cash | Transferred from Valjibhai Premjibhai Patel HUF | 35,500 | 10 | 1.00 | 0.20 | [●] |
| June 7, 2016 | Cash | Transferred from Bhanjibhai Valjibhai Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Gangaben Bhanjibhai Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Ashokbhai Bhanjibhai Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Naynaben Ashokbhai Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Kamlesh BhanjiBhai Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Rekhaben KamleshBhai Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Nitin M. Patel | 75,000 | 10 | 1.00 | 0.43 | [●] |
| June 7, 2016 | Cash | Transferred from Mamta N. Patel | 75,000 | 10 | 1.00 | 0.43 | [●] |
| June 7, 2016 | Cash | Transferred from Mahesh M. Patel | 90,000 | 10 | 1.00 | 0.52 | [●] |
| June 7, 2016 | Cash | Transferred from Joshna M. Patel | 90,000 | 10 | 1.00 | 0.52 | [●] |
| June 7, 2016 | Cash | Transferred from Manjibhai K. Patel | 274,750 | 10 | 1.00 | 1.58 | [●] |
| June 7, 2016 | Cash | Transferred from Vimlaben M. Patel | 183,250 | 10 | 1.00 | 1.05 | [●] |
| June 7, 2016 | Cash | Transferred from | 60,000 | 10 | 1.00 | 0.34 | [●] |

| Mr. Varun Manojkumar Jain | | | | | | | |
|-------------------------------------|----------------------|--|-----------------------------|-------------------|---------------------------------|--|---|
| Date of Allotment / Transfer | Consideration | Nature of the issue | No. of equity shares | Face Value | Issue/ acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| | | Rameshbhai Valjibhai Patel HUF | | | | | |
| June 7, 2016 | Cash | Transferred from Mohanlal Valjibhai Patel HUF | 126,500 | 10 | 1.00 | 0.73 | [●] |
| June 7, 2016 | Cash | Transferred from Rameshbhai Valjibhai Patel | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 7, 2016 | Cash | Transferred from Komal Parimal Patel | 30,000 | 10 | 1.00 | 0.17 | [●] |
| June 7, 2016 | Cash | Transferred from Chetna Dipak Patel | 20,000 | 10 | 1.00 | 0.11 | [●] |
| June 7, 2016 | Cash | Transferred from Parimal Ramesh Patel | 20,000 | 10 | 1.00 | 0.11 | [●] |
| June 7, 2016 | Cash | Transferred from Bhavesh Karamshibhai Patel | 200,000 | 10 | 1.00 | 1.15 | [●] |
| June 7, 2016 | Cash | Transferred from Muljibhai Karamshibhai Patel | 180,000 | 10 | 1.00 | 1.03 | [●] |
| June 24, 2016 | Cash | Transferred from Harshad Manjibhai Parmar | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 24, 2016 | Cash | Transferred from Harshad Manjibhai Parmar | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 24, 2016 | Cash | Transferred from Harshad Manjibhai Parmar | 100,000 | 10 | 1.00 | 0.57 | [●] |
| June 24, 2016 | Cash | Transferred from Kanheyalal Shankarlal Carpenter | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 24, 2016 | Cash | Transferred from Sapna Jitenkumar Ahir | 54,000 | 10 | 1.00 | 0.31 | [●] |
| June 24, 2016 | Cash | Transferred from Akash Pradipkumar Pinagwala | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 24, 2016 | Cash | Transferred from Akash Pradipkumar Pinagwala | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 24, 2016 | Cash | Transferred from Pradipkumar Pinagwala | 50,000 | 10 | 1.00 | 0.29 | [●] |
| June 24, 2016 | Cash | Transferred from Pradip Mansukhlal Pinagwala | 54,000 | 10 | 1.00 | 0.31 | [●] |
| July 22, 2016 | Cash | Transferred from Darshan Lakhani | 160,000 | 10 | 8.75 | 0.92 | [●] |

| Mr. Varun Manojkumar Jain | | | | | | | |
|-------------------------------------|----------------------|---|-----------------------------|-------------------|--------------------------------|--|---|
| Date of Allotment / Transfer | Consideration | Nature of the issue | No. of equity shares | Face Value | Issue/acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| July 22, 2016 | Cash | Transferred from Chirag Lakhani | 2,000 | 10 | 8.75 | 0.01 | [●] |
| July 22, 2016 | Cash | Transferred from Chirag Lakhani | 2,38,000 | 10 | 8.75 | 1.37 | [●] |
| July 22, 2016 | Cash | Transferred from Chirag Lakhani | 4,55,950 | 10 | 8.75 | 2.62 | [●] |
| August 2, 2016 | Cash | Transferred from Harishbhai Lakhani | 720,000 | 10 | 8.75 | 4.13 | [●] |
| August 5, 2016 | Cash | Transferred from Jeet P Makadia | 760,000 | 10 | 8.75 | 4.36 | [●] |
| August 5, 2016 | Cash | Transferred from Vibhaben P Makadia | 846,350 | 10 | 8.75 | 4.85 | [●] |
| September 25, 2016 | Cash | Transferred from Dipen R. Faluda | 3,500 | 10 | 8.75 | 0.02 | [●] |
| September 25, 2016 | Cash | Transferred from Dipen R. Faluda | 11,96,500 | 10 | 8.75 | 6.86 | [●] |
| September 25, 2016 | Cash | Transferred from Dipen R. Faluda | 10,64,450 | 10 | 8.75 | 6.11 | [●] |
| September 25, 2016 | Cash | Transferred from Meenaben Lakhani | 743,250 | 10 | 8.75 | 4.26 | [●] |
| September 25, 2016 | Cash | Transferred from Bhartlal S. Pandey | 200,000 | 10 | 8.75 | 1.15 | [●] |
| September 25, 2016 | Cash | Transferred from Priyank R. Panchani | 280,000 | 10 | 8.75 | 1.61 | [●] |
| September 25, 2016 | Cash | Transferred from Pannaben Panchani | 80,000 | 10 | 8.75 | 0.46 | [●] |
| September 25, 2016 | Cash | Transferred from Rameshbhai C. Panchani | 280,000 | 10 | 8.75 | 1.61 | [●] |
| September 25, 2016 | Cash | Transferred from Sushma B Pandey | 200,000 | 10 | 8.75 | 1.15 | [●] |
| September 25, 2016 | Cash | Transferred from Anjuben Makadia | 80,000 | 10 | 8.75 | 0.46 | [●] |
| September 25, 2016 | Cash | Transferred from Ilaben R. Makadia | 80,000 | 10 | 8.75 | 0.46 | [●] |
| June 6, 2018 | Cash | Transferred to Manojkumar Jain | (1,000) | 10 | 10.00 | (0.01) | [●] |
| June 6, 2018 | Cash | Transferred to Sangeeta Jain | (1,000) | 10 | 10.00 | (0.01) | [●] |
| June 6, 2018 | Cash | Transferred to Vaibhav M Jain | (1,000) | 10 | 10.00 | (0.01) | [●] |
| June 6, 2018 | Cash | Transferred to Hemal Patel | (1,000) | 10 | 10.00 | (0.01) | [●] |
| June 6, 2018 | Cash | Transferred to Kaushik Thakar | (1,000) | 10 | 10.00 | (0.01) | [●] |
| February 26, 2021 | Cash | Transferred to Varuna Jain | (31,00,000) | 10 | Nil* | (17.78) | [●] |
| March 4, 2021 | Cash | Transferred to Sunny Sunil Singhi | (800,000) | 10 | 12.46 | (4.59) | [●] |
| March 4, 2021 | Cash | Transferred to Sunny Sunil Singhi | (1,600,000) | 10 | 12.46 | (9.18) | [●] |
| March 4, | Cash | Transferred to | (1,192,000) | 10 | 12.46 | (6.84) | [●] |

| Mr. Varun Manojkumar Jain | | | | | | | |
|-------------------------------------|----------------------|---|-----------------------------|-------------------|---------------------------------|--|---|
| Date of Allotment / Transfer | Consideration | Nature of the issue | No. of equity shares | Face Value | Issue/ acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| 2021 | | Sunny Sunil Singhi | | | | | |
| March 4, 2021 | Cash | Transferred to Sunny Sunil Singhi | (800,000) | 10 | 12.46 | (4.59) | [●] |
| February 8, 2024 | Other than Cash | Transferred from Manojkumar Jain | 900 | 10 | NIL* | 0.01 | [●] |
| February 12, 2024 | Other than Cash | Transferred from Sangeeta Manojkumar Jain | 900 | 10 | NIL * | 0.01 | [●] |
| February 16, 2024 | N.A. | Bonus Issue in the ratio of 2:5 | 11,77,920 | 10 | NIL | 6.76 | [●] |
| April 22, 2024 | Other than Cash | Transferred from Vaibhav M Jain | 1400 | 10 | NIL* | 0.01 | [●] |
| April 22, 2024 | Other than Cash | Transferred from Sangeeta Manojkumar Jain | 140 | 10 | NIL* | 0.00 | [●] |
| Total | | | 41, 24, 260 | | | | |

*Transferred by way of gift

| Mrs. Varuna Jain | | | | | | | |
|--------------------------|----------------------|---------------------------------------|-----------------------------|-------------------|---------------------------------|--|---|
| Date of Allotment | Consideration | Nature of the issue | No. of equity shares | Face Value | Issue/ Acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| September 21, 2016 | Cash | Transferred from Swati Dipen Faldu | 640,000 | 10 | 8.75 | 3.67 | [●] |
| September 21, 2016 | Cash | Transferred from Mahindrabhai Makadia | 240,000 | 10 | 1.00 | 1.38 | [●] |
| September 25, 2016 | Cash | Transferred from Sanjay H. Vyas | 160,000 | 10 | 8.75 | 0.92 | [●] |
| September 25, 2016 | Cash | Transferred from Mita S. Vyas | 160,000 | 10 | 8.75 | 0.92 | [●] |
| September 25, 2016 | Cash | Transferred from Punit M. Makadia | 80,000 | 10 | 1.00 | 0.46 | [●] |
| September 25, 2016 | Cash | Transferred from Anand M. Makadia | 80,000 | 10 | 1.00 | 0.46 | [●] |
| September 25, 2016 | Cash | Transferred from Vinaykant G. Savsani | 400,000 | 10 | 8.75 | 2.29 | [●] |
| February 26, 2021 | Cash | Transferred from Varun Jain | 31,00,000 | 10 | Nil* | 17.78 | [●] |
| February 16, 2024 | N.A. | Bonus Issue in the ratio of 2:5 | 19,44,000 | 10 | N.A. | 11.15 | [●] |
| Total | | | 68,04,000 | | | | |

*Transferred by way of gift

| Mr. Sunny Sunil Singhi | | | | | | | |
|-------------------------------|----------------------|----------------------------|-----------------------------|-------------------|---------------------------------|--|---|
| Date of Allotment | Consideration | Nature of the issue | No. of equity shares | Face Value | Issue/ Acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| March 4, | Cash | Transferred from | 800,000 | 10 | 12.46 | 4.59 | [●] |

| Mr. Sunny Sunil Singhi | | | | | | | |
|-------------------------------|----------------------|--|-----------------------------|-------------------|---------------------------------|--|---|
| Date of Allotment | Consideration | Nature of the issue | No. of equity shares | Face Value | Issue/ Acquisition Price | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
| 2021 | | Varun Manojkumar Jain | | | | | |
| March 4, 2021 | Cash | Transferred from Varun Manojkumar Jain | 1,600,000 | 10 | 12.46 | 9.18 | [●] |
| March 4, 2021 | Cash | Transferred from Varun Manojkumar Jain | 1,192,000 | 10 | 12.46 | 6.84 | [●] |
| March 4, 2021 | Cash | Transferred from Varun Manojkumar Jain | 800,000 | 10 | 12.46 | 4.59 | [●] |
| February 16, 2024 | N.A. | Bonus Issue in the ratio of 2:5 | 17,56,800 | 10 | NIL | 10.08 | [●] |
| Total | | | 61,48,800 | | | | |

8. The details of the Shareholding of the members of the Promoter and Promoter Group and public as on the date of this Draft Red Herring Prospectus are set forth in the table below:

| Sr. No. | Names | Pre IPO | | Post IPO | |
|----------------------------|-------------------------------|--------------------|-----------------------|--------------------|-----------------------|
| | | Shares Held | % Shares Held* | Shares Held | % Shares Held* |
| Promoters | | | | | |
| 1. | Mr. Varun Manojkumar Jain | 41,24,260 | 23.65 | 41,24,260 | [●] |
| 2. | Mr. Sunny Sunil Singhi | 61,48,800 | 35.27 | 61,48,800 | [●] |
| 3. | Mrs. Varuna Jain | 68,04,000 | 39.02 | 68,04,000 | [●] |
| Sub Total (A) | | 17,077,060 | 97.94 | 17,077,060 | [●] |
| Promoters Group | | | | | |
| 1. | NIL | | | | |
| Sub Total (B) | | NIL | NIL | NIL | NIL |
| Public | | | | | |
| 1. | Chanakya Opportunities Fund I | 1,55,568 | 0.89 | 1,55,568 | [●] |
| 2. | Kamdhenu Limited | 2,00,000 | 1.15 | 2,00,000 | [●] |
| 3. | Other Individual Shareholders | 2,940 | 0.02 | 2,940 | [●] |
| 4. | Public in IPO | - | - | Upto 7500000 | [●] |
| Sub Total (C) | | 3,58,508 | 2.06 | [●] | [●] |
| Grand Total (A+B+C) | | 1,74,35,568 | 100.00 | [●] | 100.00 |

9. Except as disclosed below, our Promoter, Promoter Group, Directors of our Company have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (6) months preceding the date on which this Draft Red Herring Prospectus is filed with Stock Exchange:

| Sr. No. | Name of Shareholders | Date of Transaction | Promoter/ Promoter Group/ Director | Number of Equity Shares Subscribed to/Acquired | Number of Equity Shares Sold | Subscribed/Acquired/ Transferred |
|----------------|-----------------------------|----------------------------|---|---|-------------------------------------|---|
| 1. | Mr. Sunny Sunil Singhi | February 16, 2024 | Promoter and Managing Director | 17,56,800 | - | Bonus Issue in the ratio of 2:5 |



| Sr. No. | Name of Shareholders | Date of Transaction | Promoter/ Promoter Group/ Director | Number of Equity Shares Subscribed to/Acquired | Number of Equity Shares Sold | Subscribed/Acquired/ Transferred |
|---------|---------------------------|---------------------|------------------------------------|--|------------------------------|--|
| 2. | Mr. Varun Manojkumar Jain | February 12, 2024 | Promoter and Director | 900 | - | Transferred from Sangeeta Manojkumar Jain* |
| | | February 8, 2024 | | 900 | - | Transferred from Manojkumar Jain* |
| | | February 16, 2024 | | 11,77,920 | - | Bonus Issue in the ratio of 2:5 |
| 3. | Mrs. Varuna Jain | February 16, 2024 | Promoter | 19,44,000 | - | Bonus Issue in the ratio of 2:5 |
| 4. | Mrs. Sangeeta Jain | February 12, 2024 | Promoter Group | 900 | - | Transferred to Varun Manojkumar Jain* |
| | | February 16, 2024 | | 400 | - | Bonus Issue in the ratio of 2:5 |
| | | April 22, 2024 | | 140 | - | Transferred to Varun Manojkumar Jain* |
| 5. | Mr. Manojkumar Jain | February 8, 2024 | Promoter Group | 100 | - | Transferred to Jayshree Vikram Patel |
| | | | | 900 | - | Transferred to Varun Manojkumar Jain* |
| 6. | Mr. Vaibhav M Jain | February 16, 2024 | Promoter Group | 400 | - | Bonus Issue in the ratio of 2:5 |
| | | April 22, 2024 | | 1400 | - | Transferred to Varun Manojkumar Jain* |

*Transferred by way of gift

10. There are no financing arrangements wherein the Promoter, 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 six (6) months immediately preceding the date of filing of the Draft Red Herring Prospectus.

11. Details of Promoter's Contribution locked in for three years:

Pursuant to Regulation 236 and 238 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment or commencement of commercial production of project whichever is later ("Minimum Promoter's Contribution"), and the Promoter's shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Minimum Promoter's Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Minimum Promoter's Contribution:

| Number of Equity Shares Locked in *(1)(2)(3) | Nature of Allotment / Transfer | Date of Allotment and Date when made fully paid-up | Face value (in ₹) | Issue / Acquisition Price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | % of fully diluted post- Issue paid-up capital | Period of lock-in |
|---|--------------------------------|--|-------------------|---|--|--|-------------------|
| [•] | [•] | [•] | [•] | [•] | [•] | [•] | [•] |

* Subject to finalisation of Basis of Allotment.

(1) For a period of three years from the date of allotment. Details to be inserted in the Prospectus.

(2) All Equity Shares have been fully paid-up at the time of allotment.

(3) All Equity Shares held by our Promoter are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoter, see “*Details of the Build-up of our Promoter’s shareholding*” on page 65.

The Promoter’s Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as ‘promoter’ under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter’s Contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity Shares resulting from bonus issue by utilization of revaluations reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are otherwise ineligible for minimum promoter’s contribution;
- Except as disclosed below and allotment of bonus shares on February 16, 2024, no Equity Shares has been acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue:

| Date of Allotment | Particulars of Transactions | No. of Shares Allotted/transferred | Face Value (₹) | Issue Price (₹) |
|--------------------------|---|---|-----------------------|------------------------|
| April 22, 2024 | Transfer of 1400 Shares by Mr. Vaibhav Jain and 140 Shares by Mrs. Sangeeta Jain to Mr. Varun Manojkumar Jain | 1,540 | 10 | Nil* |
| February 12, 2024 | Transfer of 900 Shares by Mr. Manoj Kumar Jain to Mr. Varun Manojkumar Jain | 900 | 10 | Nil* |
| February 08, 2024 | Transfer of 900 Shares by Sangeeta Jain to Mr. Varun Manojkumar Jain | 900 | 10 | Nil* |

*Transferred by way of gift

- Equity Shares issued to the Promoter upon conversion of a partnership firm, at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management;
- Equity Shares held by the Promoter that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoter’s Contribution subject to lock-in.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm in the past one year.

All the Equity Shares held by the Promoter and the members of the Promoter Group are held in dematerialized form.

In terms of undertaking executed by our Promoters, Equity Shares forming part of Promoter’s Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoter during the period starting from the date of filing of this Draft Red Herring Prospectus till the date of commencement of lock in period as stated in this Draft Red Herring Prospectus.

Other than the Equity Shares locked-in as Promoter’s Contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoter’s Contribution, as per Regulation 238 of the SEBI ICDR Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

Other requirements in respect of ‘lock-in’

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation



239 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by our Promoter which are locked in as per the provisions of Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 242(a) of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important nonbanking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 242(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

12. Shareholding pattern of our Company:

The shareholding pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

Declaration:

| S. No. | Particular | Yes/No | Promoter and Promoter Group | Public shareholder | Non Promoter-Non Public |
|--------|--|--------|-----------------------------|--------------------|-------------------------|
| 1. | Whether the Company has issued any partly paid-up shares? | No | No | No | No |
| 2. | Whether the Company has issued any Convertible Securities? | No | No | No | No |
| 3. | Whether the Company has issued any Warrants? | No | No | No | No |
| 4. | Whether the Company has any shares against which depository receipts are issued? | No | No | No | No |
| 5. | Whether the Company has any shares in locked-in?* | No | No | No | No |
| 6. | Whether any shares held by promoters are pledge or otherwise encumbered? | No | No | No | No |
| 7. | Whether company has equity shares with differential voting rights? | No | No | No | No |

*All Pre-IPO Equity Shares of our Company will be locked-in prior to listing of shares on Emerge Platform of NSE.



The table below represents the current Shareholding pattern of our Company:

| Category (I) | Category of shareholder (II) | No. of shareholders (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) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) 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) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|--------------|------------------------------|---------------------------|---|---|--|--|---|---|-----------|-------------------------|---|--|----------------------------------|---------------------------------|---|---------------------------------|---|
| | | | | | | | | No. of voting rights | | Total as a % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| | | | | | | | | Class : X | Class : Y | | | | | | | | |
| 1 | Promoter & Promoter Group | 3 | 17077060 | - | - | 17077060 | 97.94 | 17077060 | - | 17077060 | 97.94 | - | - | - | - | - | 17077060 |
| 2 | Public | 5 | 358508 | - | - | 358508 | 2.06 | 358508 | - | 358508 | 2.06 | - | - | - | - | - | 358508 |



| | | | | | | | | | | | | | | | | | | |
|---|--------------------------------|---|-------------|---|---|-------------|-----|-------------|---|-------------|-----|---|-----|---|---|---|---|-------------|
| 3 | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | TOTAL | 8 | 1,74,35,568 | - | - | 1,74,35,568 | 100 | 1,74,35,568 | - | 1,74,35,568 | 100 | - | 100 | - | - | - | - | 1,74,35,568 |

Note: The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- Our Company will file the shareholding pattern of our Company in the form prescribed under Regulation 31 of SEBI LODR Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of NSE before commencement of trading of our Equity Shares.
- There are no Equity Shares against which depository receipts have been issued.
- Other than the Equity Shares, there is no other class of securities issued by our Company.

13. Other details of shareholding of our Company:

(a) Equity Shareholding of Directors and Key Managerial Personnel in our Company:

Except as stated below, none of our directors or Key Managerial Personnel hold any Equity Shares in our Company:

| Sr. No. | Name of Shareholder | Pre-Issue | | Post Issue | |
|--------------|---------------------------|----------------------|----------------------------|----------------------|----------------------------|
| | | No. of Equity Shares | % age of Pre-Issue capital | No. of Equity Shares | % age of Pre-Issue capital |
| 1. | Mr. Varun Manojkumar Jain | 41,24,260 | 23.65 | 41,24,260 | [•] |
| 2. | Mr. Sunny Sunil Singhi | 61,48,800 | 35.27 | 61,48,800 | [•] |
| TOTAL | | 1,02,73,060 | 58.92 | 1,02,73,060 | [•] |

(b) List of shareholders holding 1% or more of the paid-up capital of our Company as on date of this Draft Red Herring Prospectus:

| Sr. No. | Name of Shareholder | No. of Shares | % age of Pre-Issue capital |
|--------------|---------------------------|--------------------|----------------------------|
| 1. | Mr. Varun Manojkumar Jain | 41,24,260 | 23.65 |
| 2. | Mr. Sunny Sunil Singhi | 61,48,800 | 35.27 |
| 3. | Mrs. Varuna Jain | 68,04,000 | 39.02 |
| 4. | Kamdheni Limited | 2,00,000 | 1.15 |
| Total | | 1,72,77,060 | 99.09 |

(c) List of shareholders holding 1% or more of the paid-up capital of our Company as on ten days prior to the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of Shareholder | No. of Shares | % age of then existing capital |
|--------------|---------------------------|--------------------|--------------------------------|
| 1. | Mr. Varun Manojkumar Jain | 41,24,260 | 23.65 |
| 2. | Mr. Sunny Sunil Singhi | 61,48,800 | 35.27 |
| 3. | Mrs. Varuna Jain | 68,04,000 | 39.02 |
| 4. | Kamdheni Limited | 2,00,000 | 1.15 |
| Total | | 1,72,77,060 | 99.09 |

* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.

(d) List of shareholders holding 1% or more of the paid-up capital of our Company as on one year prior to the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of Shareholder | No. of Shares | % age of then existing capital |
|--------------|---------------------------|--------------------|--------------------------------|
| 1. | Mr. Varun Manojkumar Jain | 29,43,000 | 24.12 |
| 2. | Mr. Sunny Sunil Singhi | 43,92,000 | 36.00 |
| 3. | Mrs. Varuna Jain | 48,60,000 | 39.84 |
| Total | | 1,21,95,000 | 99.96 |

* The Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.

(e) List of shareholders holding 1% or more of the paid-up capital of our Company as on two year prior to the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of Shareholder | No. of Shares | % age of then existing capital |
|--------------|---------------------------|--------------------|--------------------------------|
| 1. | Mr. Varun Manojkumar Jain | 29,43,000 | 24.12 |
| 2. | Mr. Sunny Sunil Singhi | 43,92,000 | 36.00 |
| 3. | Mrs. Varuna Jain | 48,60,000 | 39.84 |
| Total | | 1,21,95,000 | 99.96 |

* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.



14. As on the date of this Draft Red Herring Prospectus, the Company has 8 (Eight) shareholders.
15. Our Company, our Promoters, our Directors and the Book Running Lead Manager have no existing buyback arrangements and/ or standby arrangements and/ or any other similar arrangements for the purchase of Equity Shares from any person.
16. The post-Issue paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.
17. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, 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.
18. There neither have been and 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 the date of filing of the Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.
19. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
20. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
21. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
22. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
23. Our Company shall ensure that any transactions in Equity Shares by our Promoter and the Promoter Group during the period between the date of filing the Draft Red Herring Prospectus and the date of closure of the Issue, shall be reported to the Stock Exchanges within 24 hours of the transaction.
24. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
25. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
26. There are no safety net arrangements for this Issue.
27. As per RBI regulations, OCBs are not allowed to participate in this Issue.
28. This Issue is being made through the Book Building Method.
29. Our Promoters and the members of our Promoter Group will not participate in the Issue.
30. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
31. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue

is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations.

32. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
33. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “**Basis of Allotment**” on page no. 254 in the chapter titled “**Issue Procedure**” beginning on page 232. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI ICDR Regulations, as amended from time to time.
34. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
35. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased so as to ensure that 20% of the post Issue paid-up capital is locked in.
36. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
37. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
38. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Issue.
39. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Draft Red Herring Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.



SECTION VII PARTICULARS OF THE ISSUE

OBJECT OF THE ISSUE

The Issue constitutes a public Issue of upto 75,00,000 Equity Shares of our Company at an Issue Price of [●]/- per Equity Share.

FRESH ISSUE

The Issue Proceeds from the Fresh Issue will be utilized towards the following objects:

1. Capital Expenditure
2. To Meet Working Capital Requirements
3. General Corporate Purposes
4. To meet Public Issue Expenses

(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the Emerge Platform of NSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our 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. Our 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.

The objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

REQUIREMENTS OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ [●] Lakhs (the “Net Issue Proceeds”).

The following table summarizes the requirement of funds:

| Particulars | Amount (₹ in) Lakhs |
|-------------------------------------|---------------------|
| Gross Issue Proceeds | [●]* |
| Less: Public Issue Related Expenses | [●] |
| Net Issue Proceeds | [●]* |

**Subject to finalization of Basis of Allotment.*

UTILIZATION OF NET ISSUE PROCEEDS

The Gross Issue Proceeds will be utilized for following purpose:

| Sr. No. | Particulars | Amount (₹ in) Lakhs | % of Gross Issue Proceeds |
|---------------------------|--------------------------------------|---------------------|---------------------------|
| 1. | Capital Expenditure | 1,535.00 | [●] |
| 2. | To Meet Working Capital Requirements | 1,500.00 | [●] |
| 3. | General Corporate Purpose | [●] | [●] |
| Net Issue Proceeds | | [●] | [●] |

MEANS OF FINANCE

We intend to finance our Objects of the Issue through Issue Proceeds which are as follows:

| Sr. No. | Particulars | Amount Required (₹ in Lakhs) | From IPO Proceeds | Internal Accruals/Equity/Reserves | Balance from Long/Short Term Borrowing |
|---------|------------------------------|---------------------------------|-------------------|-----------------------------------|--|
| 1. | Capital Expenditure | 1,535.00 | 1,535.00 | 0.00 | 0.00 |
| 2. | Working Capital Requirements | 12,773.05 | 1,500.00 | 4,004.69 | 7,268.36 |
| 3. | General Corporate Purpose | [●] | [●] | 0.00 | 0.00 |
| 4. | Public Issue Expenses | [●] | [●] | 0.00 | 0.00 |
| | Total | [●] | [●] | 4,004.69 | 7,268.36 |

Accordingly, we confirm that we are in compliance with the requirement to make the firm arrangement of finance under Regulation 230(1) (e) of the SEBI ICDR Regulations and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals).

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in Internal / external circumstances or costs or other financial conditions and other factors. In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilized for repayment of any Part of unsecured loan outstanding as on date of Draft Red Herring Prospectus. As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors 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 the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the Section titled "**Risk Factors**" beginning on page no 25 of this Draft Red Herring Prospectus.

DETAILS OF USE OF ISSUE PROCEEDS

1. CAPITAL EXPENDITURE

Our Company recognizes the importance of sustainability and environmental stewardship and aims to transition towards renewable energy sources to power its operations. The Proposed Power plant is expected to have 5000 KWP capable of generating clean energy to meet a significant portion of the Company's electricity requirements. Our Company intends to utilise ₹ 1535.00 lakhs towards Capital Expenditure for commissioning of Solar Power. Our Company received consent letter from KPI Green Energy Limited for installation of Solar power plant at Survey Nos. 105, 106 p1, 108 & 109 Village: Kundani, Sub-Dist. Jasdani, Dist. Rajkot.

The solar power plant will enhance operational resilience by diversifying its energy sources and reducing exposure to volatility in electricity prices.

Details of Solar Power Plant is as follows;

| Sr. No | Model | Capacity (KWP) | Installation type | Module Wp/Make | Amount (₹ in Lakhs) |
|--------|-------------------------------------|----------------|-------------------------------|--------------------------------------|---------------------|
| 1. | Ground Mounted | 5000 | Grid Connected Solar PV Plant | Mono Bi-Facial (Greater than 500 Wp) | 1530.00 |
| 2. | Other Government Regulatory Charges | | | | 5.00 |



| Sr. No | Model | Capacity (KWP) | Installation type | Module Wp/Make | Amount (₹ in Lakhs) |
|--------------|-------|----------------|-------------------|----------------|---------------------|
| Total | | | | | 1535.00 |

• Above Amount are exclusive of GST.

Based on quotation received from Sundrop Energia Private Limited (part of KP group) dated May 27, 2024. Our Company has paid advance of Rs. 11.00 Lakhs to Sundrop Energia Private Limited on May 29, 2024. Scope of quotation includes Designing, Engineering, Procurement, Installation, Testing, commissioning with Government statutory approvals with complete civil work, transmission line, GETCO end metering & protection work up to commissioning of complete project

As per the above quotation, installation is expected to complete within 16 to 18 weeks from commencing from the placement of the order with the receipt of the advance amount. Solar Power Plant is expected to have estimated life of 25 years.

Estimated Time

| Particulars | Tentative Timeline |
|--|--------------------------|
| Execution of Lease Deed | By end of September 2024 |
| GEDA (Gujarat Energy Development Agency) Approval | By end of October 2024 |
| UGVCL (Uttar Gujarat Vij Company Ltd) Approval | By end of October 2024 |
| CEIG (Chief Electrical Inspector to the Government) Approval | By end of November 2024 |
| Installation and commissioning | By end of January 2025 |
| Post Commissioning approval of GEDA, UGVCL, and CEIG | By end of February 2025 |

Notes:

- (a) We have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged to eventually supply the machineries/equipment or at the same costs.
- (b) We are not acquiring any second-hand machinery.

2. WORKING CAPITAL REQUIREMENTS:

Net Working Capital requirement of our Company on restated basis was ₹ 7264.69 Lakhs, ₹ 6058.95 Lakhs and ₹ 5467.03 Lakhs for March 31, 2024, March 31, 2023 and March 31, 2022 respectively. The Net Working capital requirements for the FY 2024-25 is estimated to be ₹ 11,922.41 Lakhs respectively. The Company will meet the requirement to the extent of ₹ 1435.00 Lakhs from the Net Proceeds of the Issue and balance from borrowings and internal accruals at an appropriate time as per the requirement.

Basis of estimation of working capital requirement and estimated Working Capital Requirement;

(Amount in ₹ Lakhs)

| Particulars | Projected | | As per Restated financial statement | | |
|---|------------------|------------------|-------------------------------------|-----------------|-----------------|
| | 31-Mar-26 | 31-Mar-25 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Assets | | | | | |
| Inventories | | | | | |
| ➤ Raw Material | 418.02 | 321.41 | 103.20 | 119.68 | 1,404.33 |
| ➤ Finished Goods & Others | 7,934.02 | 7,077.20 | 5,647.96 | 5,173.23 | 2,728.76 |
| Trade receivables | 4,050.87 | 3,584.84 | 4,724.57 | 1,055.27 | 770.63 |
| Cash and cash equivalents | 82.60 | 73.29 | 374.78 | 18.08 | 21.09 |
| Loans and advances (including Long Term) | 759.00 | 709.00 | 619.41 | 239.81 | 1,080.09 |
| Other Assets | 15.00 | 10.00 | 3.48 | 0.16 | 2.76 |
| Total Assets | 13,259.51 | 11,775.74 | 11,473.40 | 6,606.23 | 6,007.65 |
| | | | | | |
| Liabilities | | | | | |
| Trade payables | 211.46 | 321.07 | 2,767.84 | 239.21 | 218.07 |

| Particulars | Projected | | As per Restated financial statement | | |
|---|------------------|------------------|-------------------------------------|-----------------|-----------------|
| | 31-Mar-26 | 31-Mar-25 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Other liabilities (Including Non-current) | 175.00 | 200.00 | 1,199.88 | 186.11 | 61.94 |
| Short-term provisions | 100.00 | 125.00 | 241.00 | 121.95 | 260.61 |
| Total Liabilities | 486.46 | 646.07 | 4,208.72 | 547.28 | 540.62 |
| Net Working Capital | 12,773.05 | 11,129.67 | 7,264.69 | 6,058.95 | 5,467.04 |
| Sources of Funds | | | | | |
| Borrowing | 7,268.36 | 7,566.85 | 5,235.21 | 4,874.92 | 4,547.17 |
| Internal Accruals/Existing Net worth | 4,004.69 | 2,812.82 | 2,029.48 | 1,184.03 | 919.86 |
| Proceeds from IPO | 1,500.00 | 750.00 | 0.00 | 0.00 | 0.00 |
| Total | 12,773.05 | 11,129.67 | 7,264.69 | 6,058.95 | 5,467.04 |

Assumptions for working capital requirements

| Particulars | Holding level (in Days-Rounded off) | | | | |
|---------------------------|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | FY 25-26 (Projected) | FY24-25 (Projected) | FY 23-24 (Restated) | FY 22-23 (Restated) | FY 21-22 (Restated) |
| Raw Material | 2 | 2 | 1 | 1 | 11 |
| Finished Goods & Others | 36 | 36 | 36 | 35 | 20 |
| Trade Receivables | 18 | 18 | 29 | 7 | 5 |
| Trade Payables | 1 | 2 | 18 | 2 | 2 |
| Net Working Capital Cycle | 55 | 54 | 48 | 41 | 34 |

Justification for working capital cycle:

| Particulars | |
|-------------------------|---|
| Raw Material | Raw Material holding period for FY 2024-25 and FY 2025-26 is estimated to be approx. 2 days which is in line with holding period for previous years. Sufficient amount of raw material is also crucial to ensure an uninterrupted manufacturing process. |
| Finished Goods & Others | Finished Goods & Others holding period for FY 2024-25 and FY 2025-26 is estimated to be approx. 36 Days. This estimation is based on Finished Goods holding cycle of previous financial year and to meet expected turnover requirement for FY 2024-25 and FY 2025-26. |
| Trade receivables | Trade receivables are the amount owed to the Company by customers following sale of goods on credit. Our Company has estimated the average trade receivable cycle to be 18 days for FY 2024-25 and FY 2025-26. This is in line with our expected credit line for sale of goods on credit and to achieve future projected revenue. |
| Trade payables | Trade payables include dues to micro and small enterprises and other creditors. The Trade Payable Cycle is estimated to be at 1-2 days for FY 2024-25 & FY 2025-26. Generally, there are very negligible Trade Payables, only negligible amount of trade payable remains outstanding. |

Apart from above there are other working capital requirements such as Cash and Cash Equivalents, Other Current assets, loans and advances, short term provisions and other current liabilities. Details of which are given below.

| | |
|---------------------------|---|
| Cash and Cash Equivalents | Cash and cash equivalents include balances in current accounts, Fixed Deposits in Bank and cash in hand. Cash and Cash Equivalent balance is estimated based on previous years outstanding amount and for expected Business requirement of Company. |
| Loans and Advances | Loans and advances mainly include Advance to suppliers, statutory receivables from government, prepaid insurance and expenses. Loans and advances are estimated based on |

| | |
|-----------------------|--|
| | previous years outstanding amount and for expected Business requirement of Company. |
| Other Assets | Other Assets mainly include interest receivables and are estimated based on previous year outstanding amount and for expected Business requirement of Company. |
| Other liabilities | Other Liabilities mainly includes advance from customers and duties & taxes payable. Other liabilities is estimated based on previous years outstanding amount and for expected Business requirement of Company. |
| Short-term provisions | Short-term provisions mainly include Provision for income tax, employee benefits and gratuity payable. Short-term provisions is estimated based on previous years outstanding amount and for expected Business requirement of Company. |

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) working capital;
- 5) meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or
- 6) strategic initiatives and
- 7) 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.

4. ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

| Particulars | Expenses | Expenses | Expenses (%) |
|--|-------------|-----------------------------|--------------------------|
| | (₹ in Lakh) | (% of total Issue expenses) | of Fresh Issue Proceeds) |
| Book Running Lead Manger Fees including Underwriting Commission | [●] | [●] | [●] |
| Legal Advisor to Issue | [●] | [●] | [●] |
| Fees Payable to Registrar to the Issue | [●] | [●] | [●] |
| Fees Payable Advertising, Marketing Expenses and Printing Expenses | [●] | [●] | [●] |

| Particulars | Expenses | Expenses | Expenses (%) |
|--|-------------|-----------------------------|--------------------------|
| | (₹ in Lakh) | (% of total Issue expenses) | of Fresh Issue Proceeds) |
| Fees Payable to Regulators including Stock Exchanges and other Intermediaries | [●] | [●] | [●] |
| Fees payable to Peer Review Auditor | [●] | [●] | [●] |
| Fees Payable to Market Maker (for Three Years) | [●] | [●] | [●] |
| Escrow Bank Fees | [●] | [●] | [●] |
| Others (Fees payable for marketing & distributing expenses, selling commission, brokerage, processing fees, underwriting fees and miscellaneous expenses.) | [●] | [●] | [●] |
| Total Estimated Issue Expenses | [●] | 100.00% | [●] |

Notes:

- Up to May 29, 2024, Our Company has deployed/incurred expense of ₹ 9.50 Lakhs towards Issue Expenses charges out of internal accruals & existing loan facilities duly certified by Statutory Auditor M/s. S N Shah & Associates, Chartered Accountants vide its certificate dated May 30, 2024, bearing UDIN: 24144892BKAVMN2658.
- Any expenses incurred towards aforesaid issue related expenses during the period from April 01, 2024 to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue:
- Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:
 Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)
 Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)
 ^Percentage of the amounts received against the Equity Shares Allotted (i.e., the product of the number of Equity Shares Allotted and the Issue Price).
- The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
- Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
- SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
- Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.
- Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹ [●]/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ [●]/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/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 02, 2021 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:



| Sr · N o. | Particulars | Total Estimated Cost | Amount to be funded from the Net Issue Proceeds (₹ in Lakhs) | Amount to be funded from Borrowing/ Internal Accruals | Amount already deployed (₹ in Lakhs) | Estimated Utilization of Net Proceeds (₹ in Lakhs) (Upto Financial year 2024- 25) | Estimated Utilization of Net Proceeds (₹ in Lakhs) (Upto Financial year 2025- 26) |
|--------------------|---|----------------------------|---|--|--|---|---|
| 1. | Capital Expenditure | 1,535.00 | 1,535.00 | 0.00 | 11.00 [#] | 1,535.00 | 0.00 |
| 2. | To Meet Working Capital Requirements | 12,773.05 | 1,500.00 | 11,273.05 | 0.00 | 750.00 | 750.00 |
| 3. | General Corporate Purpose | [•] | [•] | [•] | [•] | [•] | [•] |

* To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above, our Company shall deploy the Net issue Proceeds in the subsequent Financial Years towards the Object. Due to Business exigency, Use of issue may be interchangeable.

Due to Business requirement Issue Proceeds to be utilized in Financial Year 2025-26 may be utilized in Financial Year 2024-25 and vice-versa. Due to Business exigencies, use of issue proceeds may be interchangeable.

Based on certificate duly certified by Statutory Auditor M/s. S N Shah & Associates Chartered Accountants vide its certificate dated May 29, 2024, bearing UDIN: 24144892BKAVMN2658. Our Company has paid ₹ 0.11 Lakhs towards purchase of machinery out of internal accrual / existing loan facilities available with the Company. Our Company will reimburse/recouped such advances out of the net proceeds of the issue

APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Issue.

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 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.

MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Audit Committee will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an 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.

OTHER CONFIRMATIONS

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

BASIS FOR OFFER PRICE

The issue price has been determined by the issuer in consultation with the Book Running Lead Manager. The financial data presented in this section are based on our Company's Restated Financial Information. Investors should also refer to the sections/chapters titled "**Risk Factors**" and "**Restated Financial Information**" on page no. 25 and 155 respectively of this Draft Red Herring Prospectus to get a more informed view before making the investment decision.

QUALITATIVE FACTORS

- Qualified and experienced management team
- Skilled and dedicated manpower
- Strategically located Manufacturing Plant
- Existing customer relationship
- Cordial relationship between management and labour
- Flit of Company Owned Vehicle

For details of qualitative factors, please refer to the paragraph "**Our Competitive Strengths**" in the chapter titled "**Our Business**" beginning on page no. 104 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

1. Basic & Diluted Earnings Per Share (EPS):

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$$

| Financial Year/Period | Basic and Diluted EPS (in ₹)* | Weights |
|-------------------------------------|-------------------------------|---------|
| Financial Year ended March 31, 2022 | 2.86 | 1 |
| Financial Year ended March 31, 2023 | 1.63 | 2 |
| Financial Year ended March 31, 2024 | 4.62 | 3 |
| Weighted Average | 3.33 | |

*Face Value of Equity Share is ₹ 10.

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●]:

$$\text{Price to Earnings Ratio(P/E)} = \frac{\text{Issue Price}}{\text{Restated Earnings Per Share}}$$

| Particulars | EPS (in ₹) | P/E at the Issue Price (₹ [●]) |
|---|------------|--------------------------------|
| Based on EPS of Financial year ended March 31, 2024 | 4.62 | [●] |
| Based on Weighted Average EPS | 3.33 | [●] |

Industry PE

i. **Highest** = 22.08

ii. **Lowest**= 16.77

iii. **Average**= 19.43

Source: The industry high and low has been considered from the industry peer set provided later in this section (point no. 5)

3. Average Return on Net Worth:

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Net Worth}} * 100$$

| Financial Year/Period | Return on Net Worth (%) | Weights |
|-------------------------------------|-------------------------|---------|
| Financial Year ended March 31, 2022 | 18.89% | 1 |
| Financial Year ended March 31, 2023 | 9.69% | 2 |
| Financial Year ended March 31, 2024 | 21.08% | 3 |
| Weighted Average | 16.92% | |

4. Net Asset Value per Equity Share:

$$\text{Restated Net Asset Value per equity share (₹)} = \frac{\text{Restated Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$$

| Particular | Amount (in ₹) |
|--------------------------------------|---------------|
| As at March 31, 2022 | 21.56 |
| As at March 31, 2023 | 23.18 |
| As at March 31, 2024 | 28.15 |
| NAV per Equity Share after the Issue | [●] |
| Issue Price per Equity Share | [●] |

5. Comparison of Accounting Ratios with Peer Group Companies:

| Name of the company | Standalone / Consolidated | Face Value (₹) | Current Market Price (₹) | EPS (₹) Diluted | P/E Ratio | RoNW (%) | NAV per Equity Share (₹) | Revenue from operations (₹ in Lakhs) |
|----------------------------|---------------------------|----------------|--------------------------|-----------------|-----------|----------|--------------------------|--------------------------------------|
| Aditya Ultra Steel Limited | Standalone | 10 | [●] | 4.62 | [●] | 16.33% | 28.15 | 58,780.08 |
| Peer Group\$ | | | | | | | | |
| Rathi Bars Limited | Standalone | 10 | 34.88 | 2.19 | 15.93 | 3.80% | 57.52 | 61,403.52 |
| Mangalam Worldwide Limited | Standalone | 10 | 130.50 | 7.78 | 16.77 | 11.68% | 66.21 | 81,810.80 |

\$ The Figures as at March 31, 2024 and are taken from the financial results uploaded on respective Stock Exchange(s). Please refer point # also.

@ Current Market Price is considered same as issue price of Equity share for the issuer company.

Notes:

1. P/E Ratio has been computed based on the closing market price of equity shares on the NSE on March 31, 2024 divided by the diluted EPS.
2. RoNW is computed as net profit after tax divided by the closing net worth. Net worth has been computed as sum of share capital and reserves and surplus.
3. NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.
4. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

The Issue Price of ₹ [●]/- is determined by our Company in consultation with the Book Running Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled “**Risk Factors**” and chapters titled “**Our Business**” and “**Restated Financial Information**” beginning on page no. 25, 104 and 155 respectively.

KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”)

Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be considered in isolation or as substitute to the Restated Financial information. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the Company.



The KPIs disclosed below have been approved by a resolution of our Audit Committee dated May 31, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the Draft Red Herring Prospectus. Further, the KPIs herein have been certified by *M/s S.N. Shah & Associates*, by their certificate dated May 31, 2024.

The KPIs of our Company have been disclosed in the sections **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** starting on pages 104 and 187, respectively. We have described and defined the KPIs, as applicable, in **“Definitions and Abbreviations”** beginning on page 1.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

Set forth below are KPIs which have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals of the Company that have a bearing for arriving at the Basis for the Issue Price

FINANCIAL KPIs OF OUR COMPANY

| Particulars | For the Year ended on March 31 | | |
|---------------------------------------|--------------------------------|-----------|-----------|
| | 2024 | 2023 | 2022 |
| Revenue from Operations (₹ in Lakhs) | 58,780.08 | 53,044.78 | 51,535.53 |
| Growth in Revenue from Operations (%) | 10.81 | 2.93 | NA |
| EBITDA (₹ in Lakhs) | 1801.39 | 986.79 | 1091.53 |
| EBITDA Margin (%) | 3.06 | 1.86 | 2.12 |
| Profit After Tax (₹ in Lakhs) | 792.34 | 277.66 | 488.90 |
| PAT Margin (%) | 1.35 | 0.52 | 0.95 |
| RoE (%) | 23.92 | 10.18 | 21.33 |
| RoCE (%) | 18.75 | 10.76 | 14.33 |
| Net Fixed Asset Turnover (In Times) | 18.35 | 16.90 | 14.52 |
| Net Working Capital Days | 16 | 11 | 12 |
| Operating Cash Flows (₹ in Lakhs) | 912.59 | 841.14 | (618.20) |

Source: The Figure has been certified by our Statutory Auditor’s M/s S.N Shah & Associates Chartered Accountants vide their certificate dated May 31, 2024 bearing UDIN: 24144892BKAVNI3008.

Notes:

1. Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
2. Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
3. EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses reduced by other income.
4. EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
5. EBIT is calculated as profit before tax plus finance cost and less other income.
6. Profit After Tax Means Profit for the period/year as appearing in the Restated Financial Statements.
7. PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
8. RoE (Return on Equity) (%) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.
9. RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Deferred Tax Asset).

10. Net Fixed Asset Turnover is calculated as Net Turnover divided by Average Fixed Assets which consists of property, plant and equipment and capital work-in-progress.
11. Net Working Capital Days is calculated as working capital (current assets minus current liabilities) as at the end of the period / year divided by revenue from operations multiplied by number of days in a period / year.
12. Operating cash flows means net cash generated from operating activities as mentioned in the Restated Financial Statements.

OPERATIONAL KPIs OF THE COMPANY:

| Particulars | Aditya Ultra Steel Limited | | |
|-------------------------------------|--------------------------------|--------|--------|
| | For the Year ended on March 31 | | |
| | 2024 | 2023 | 2022 |
| Installed Capacity (In MT) | 108000 | 108000 | 108000 |
| Actual Capacity Utilization (In MT) | 85,493 | 93,286 | 93,187 |
| Actual Capacity Utilization (In %) | 86.36% | 86.38% | 86.28% |

During FY 2023-24 Plant was operational for 11 months due to upgradation in reheating furnace.

Explanation for KPI metrics

| KPI | Explanations |
|--------------------------------------|--|
| Revenue from Operations (₹ in Lakhs) | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business. |
| EBITDA (₹ in Lakhs) | EBITDA provides information regarding the operational efficiency of the business. |
| EBITDA Margin (%) | EBITDA Margin is an indicator of the operational profitability and financial performance of our business. |
| Profit After Tax (₹ in Lakhs) | Profit after tax provides information regarding the overall profitability of the business. |
| PAT Margin (%) | PAT Margin is an indicator of the overall profitability and financial performance of our business. |
| RoE (%) | RoE provides how efficiently our Company generates profits from average shareholders' funds. |
| RoCE (%) | ROCE provides how efficiently our Company generates earnings from the average capital employed in the business. |
| Net Fixed Asset Turnover (In Times) | Net Fixed Asset turnover ratio is indicator of the efficiency with which our Company is able to leverage its assets to generate revenue from operations. |
| Net Working Capital Days | Net working capital days indicates the working capital requirements of our Company in relation to revenue generated from operations. |
| Operating Cash Flows (₹ in Lakhs) | Operating cash flows provides how efficiently our Company generates cash through its core business activities. |



COMPARISON OF FINANCIAL KPIs OF OUR COMPANY AND OUR LISTED PEERS:

| Particulars | Aditya Ultra Steel Limited | | | Rathi Bars Limited | | | Mangalam Worldwide Limited | | |
|---------------------------------------|--|------------|------------|--------------------------------|------------|------------|--------------------------------|------------|------------|
| | For the Period/ Year ended on March 31 | | | For the Year ended on March 31 | | | For the Year ended on March 31 | | |
| | 31-03-2024 | 31-03-2023 | 31-03-2022 | 31-03-2024 | 31-03-2023 | 31-03-2022 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| Revenue from Operations (₹ in Lakhs) | 58,780.08 | 53,044.78 | 51,535.53 | 61403.52 | 48235.65 | 49384.14 | 81810.80 | 64448.70 | 52302.96 |
| Growth in Revenue from Operations (%) | 10.81 | 2.93 | NA | 27.30 | (2.33) | NA | 26.94 | 23.22 | NA |
| EBITDA (₹ in Lakhs) | 1801.39 | 986.79 | 1091.53 | 3579.75 | 1496.52 | 1325.49 | 3717.19 | 618.72 | 1151.04 |
| EBITDA Margin (%) | 3.06 | 1.86 | 2.12 | 5.83 | 3.10 | 2.68 | 4.54 | 0.96 | 2.20 |
| Profit After Tax (₹ in Lakhs) | 792.34 | 277.66 | 488.90 | 1433.37 | 258.39 | 285.36 | 2010.33 | 1668.53 | 1238.58 |
| PAT Margin (%) | 1.35 | 0.52 | 0.95 | 2.33 | 0.54 | 0.58 | 2.46 | 2.59 | 2.37 |
| RoE (%) | 23.92 | 10.18 | 21.33 | 356.82 | 2.90 | 3.30 | 13.37 | 19.17 | 42.49 |
| RoCE (%) | 18.75 | 10.76 | 14.33 | 0.58 | 5.37 | 3.25 | 12.52 | 0.81 | 10.64 |
| Net Fixed Asset Turnover (In Times) | 18.35 | 16.90 | 14.52 | 3.87 | 9.74 | 6.42 | 33.71 | 13.01 | 6.80 |
| Net Working Capital Days | 16 | 11 | 12 | 5.93 | 47 | 41 | 41 | 34 | (4) |
| Operating Cash Flows (₹ in Lakhs) | 912.59 | 841.14 | (618.20) | 13.12 | 301.83 | (935.87) | (1124.92) | 301.48 | (311.78) |

Comparison of Operational KPIs for the Company with that of Company's listed Peers:

NIL

Data of Operational KPI's of the Company's listed peers is either not available in the public domain or the basis and manner of calculation of the figures mentioned is not ascertainable and therefore, may not be an accurate comparison with the Company's information not available in a comparable manner, and hence not mentioned.

WEIGHTED AVERAGE COST OF ACQUISITION:

a) The Price per share of our Company based on the primary/ new issue of shares (equity / convertible securities).

The details of issuance of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and 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 combined together over a span of 30 days is as follows:

| Name of Allotees | No. of Securities | Face value (₹) | Price Per security (₹) | Nature of consideration | Total Consideration (in ₹ Lakhs) |
|------------------------------|-------------------|----------------|------------------------|---------------------------|----------------------------------|
| Chankya Opportunities Fund-I | 111120 | ₹ 10 | ₹ 90 | Cash Consideration | ₹ 100.01 |
| Kamdhenu Limited | 200000 | ₹ 10 | ₹ 65 | Cash Consideration | ₹ 130.00 |
| Total | 311120 | ₹ 10 | | Cash Consideration | ₹ 230.01 |
| WACA (Per Share) | | | | | ₹ 73.93 |

b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities).

The Details of secondary sale / acquisition of whether equity shares or convertible securities, where the promoter, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale 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) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days are disclosed below:

NIL

c. Price per share based on the last five primary or secondary transactions;

Since there are transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction) not older than 3 years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions is not required to disclosed.

d. Weighted average cost of acquisition, floor price and cap price:

| Types of transactions | Weighted average cost of acquisition (₹ per Equity Share) | Offer Price |
|--|---|-------------|
| Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days. ** | 73.93 | [•] |
| Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoters / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction | N.A. | N.A. |



| Types of transactions | Weighted average cost of acquisition (₹ per Equity Share) | Offer Price |
|--|---|-------------|
| (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days. | | |
| Since there were no secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, which are equal to or more than 5% of the fully diluted paid-up share capital of our Company, the information has been disclosed for price per share of our Company based on the last five secondary transactions where promoters /promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction. | N.A. | N.A. |

Justification for Basis of Issue price: -

1. The following provides a detailed explanation for the Issue Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoter, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company’s KPIs and financial ratios for the Financial Years 2024, 2023 and 2022.

[●]*

(To be included on finalization of Price)

2. The following provides an explanation to the Issue Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoters, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any.

[●]

(To be included on finalization of Price)

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with “Risk Factors”, “Our Business” and “Summary of Restated Financial Information” beginning on pages 25, 104 and 46, respectively of this Draft Red Herring Prospectus, to have a more informed view.



STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors,
Aditya Ultra Steel Limited
R.S. NO.4SP1 TO 4SP5, S-A
N.H Bhalgam, Wankaner, Rajkot,
Wankaner, Gujarat – 363621, India.

Dear Sir,

SUB: - Statement of Special tax benefits (“The Statement”) available to Aditya Ultra Steel Limited (“the company”), its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.

Reference - Proposed Initial Public Offering Of Upto 7500000 Equity Shares Of ₹ 10 Each (The “Equity Shares”) Of Aditya Ultra Steel Limited (The “Company”).

1. We hereby confirm that the enclosed Annexure I, prepared by Aditya Ultra Steel Limited (‘the Company’), which provides the Special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively the “Taxation Laws”), the rules, regulations, circulars and notifications issued thereon, as applicable to assessment year 2025-26 and relevant to the financial year 2024-25, available to the Company and its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Therefore, the ability of the Company and or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (‘SEBI ICDR Regulations’). While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and its Associate Company and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and its Associate Company and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are 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 proposed initial public offering.
4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
5. We do not express any opinion or provide any assurance as to whether
 - i. the Company or its shareholders will continue to obtain these benefits in future;
 - ii. the conditions prescribed for availing the benefits have been met with; and
 - iii. the revenue authorities courts will concur with the views expressed herein.
6. The Content of the enclosed Annexures are based on information, explanations and representations obtained from the company and on the basis of their understanding of the business activities and operations of the company.



7. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
8. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
9. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in connection with the proposed offer of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

S.N Shah & Associates
Chartered Accountants
FRN: 109782W

CA Priyam S Shah
Partner
Membership No. 144892
UDIN: 24144892BKAVMX1814

Date: May 28, 2024
Place: Ahmedabad



ANNEXURE I TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company, the Shareholders and its Associate Company under the Taxation Laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION

A. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is not entitled to any special tax benefits under the Taxation Laws.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Taxation Laws.

C. SPECIAL TAX BENEFITS TO THE SUBSIDIARY COMPANY- NOT APPLICABLE

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. This certificate may be relied on by the company, the Book Running Lead Manager and the Legal Counsel to the offer. We hereby consent to the extracts of this certificate being used in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus of the company in connection with the offer and/or in any other documents in connection with the offer and/or for submission to the Securities Exchange Board of India, relevant Stock Exchanges and any other authority as may be required. We further consent to the extracts of this certificate being used for the records to be maintained by the Book Running Lead Manager in connection with the offer and in accordance with applicable laws.
3. We undertake to inform you promptly, in writing of any changes, to the above information until the equity shares commence trading on the relevant stock exchanges, pursuant to the offer. In the absence of any such communication from us, the above information should be considered as updated information until the equity shares commence trading on the stock exchanges, pursuant to the offer.



SECTION VIII- ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data, and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness, and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “**Risk Factors**” and “**Restated Financial Information**” and related notes beginning on pages 25 and 155 respectively of this Prospectus before deciding to invest in our Equity Shares.

ECONOMIC GROWTH

World Economic Outlook: Global growth appears to be decelerating, with several key advanced economies slowing in the third quarter. Gross domestic product (GDP) contracted in Japan (-2.1% annualised) and the eurozone (-0.2%). Meanwhile, GDP growth slowed in the United Kingdom (UK; 0% vs 0.2% previous quarter). The United States (US) was a notable exception, with its real GDP growth accelerating sharply (4.9% annualised vs 2.1% previous quarter).

Central banks in many advanced economies-maintained interest rates during their latest policy meetings. While inflation remains above targets, it has eased significantly over the past year. Central banks will closely monitor the impact of past rate hikes on economic growth and inflation.

GDP heat map

GDP growth (q-o-q SA annualised %)

| | Q2-22 | Q3-22 | Q4-22 | Q1-23 | Q2-23 | Q3-23 |
|--------------------|-------|-------|-------|-------|-------|-------|
| US | -0.6 | 3.2 | 2.6 | 2.2 | 2.1 | 4.9 |
| UK [#] | 0.1 | -0.1 | 0.1 | 0.3 | 0.2 | 0.0 |
| EA [#] | 0.9 | 0.4 | -0.1 | 0.0 | 0.2 | -0.1 |
| Japan | 4.7 | -1.1 | -0.1 | 3.7 | 4.5 | -2.1 |
| China [*] | 0.4 | 3.9 | 2.9 | 4.5 | 6.3 | 4.5 |

Note: * y-o-y %, [#]q-o-q, not annualised

Source: Statistical bureau, respective countries

| | | |
|-------------|---------|-----------|
| Improvement | Decline | Unchanged |
|-------------|---------|-----------|

US growth accelerates

Real GDP in the US expanded an annualized 4.9% in the third quarter (vs 2.1% previous quarter), the fastest since the fourth quarter of 2021. Higher consumer spending (4% vs 0.8%) drove the growth, supported by exports, government spending, private inventory investment, and residential fixed investment.

The US economy added 150,000 jobs in October (vs an average of 258,000 in the previous 12 months). The unemployment rate edged up to 3.9% (vs 3.8% the previous month), its highest since January 2022.

Inflation eased to 3.2% in October (vs 3.7% the previous month), led by a 4.5% on-year slide in energy prices (vs 0.5% decline). Core inflation moderated marginally to a two-year low of 4% (vs 4.1%).

The Federal Reserve maintained the funds rate at 5.25-5.5% for the second consecutive time at its November meeting. The committee noted it will factor in tightening of monetary policy, the lags with which it affects the economy and further developments for additional policy firming.

The trade deficit widened \$2.9 billion on-month to \$61.5 billion in September, as the rise in imports outpaced the increase in exports.

UK trade deficit narrows

Real GDP growth was flat in the UK in the third quarter (vs 0.2% previous quarter). Output in the services sector contracted 0.1%, which was largely offset by 0.1% growth in output in the construction sector. Manufacturing output remained steady. Inflation fell sharply to 4.6% in October (vs 6.7% previous month), the lowest rate since October 2021, led by the housing and household services category (-3.5% vs 6.9%). The Bank of England held rates steady at 5.25% for the second consecutive time at its November meeting. The committee raised its inflation forecast, as it believes that risks are tilted to the upside. It also cut its GDP forecasts, citing weaker- than-expected activity data. The UK's trade deficit narrowed to £1.57 billion in September (vs £2.7 billion previous month), as the fall in imports (-3.7%) outpaced the decline in exports (-2.2%).

Eurozone inflation declines sharply

Consumer price inflation (y-o-y %)

| | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 |
|-------|--------|--------|--------|--------|--------|--------|
| US | 4.0 | 3.0 | 3.2 | 3.7 | 3.7 | 3.2 |
| UK | 8.7 | 7.9 | 6.8 | 6.7 | 6.7 | 4.8 |
| EA | 6.1 | 5.5 | 5.3 | 5.2 | 4.3 | 2.9 |
| Japan | 3.2 | 3.3 | 3.3 | 3.2 | 3.0 | - |
| China | 0.2 | 0.0 | -0.3 | 0.1 | 0.0 | -0.2 |

Policy interest rate (end of month %)

| | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 |
|-------|----------|----------|----------|----------|----------|----------|
| US | 5.0-5.25 | 5.0-5.25 | 5.25-5.5 | 5.25-5.5 | 5.25-5.5 | 5.25-5.5 |
| UK | 4.50 | 5.0 | 5.0 | 5.25 | 5.25 | 5.25 |
| EA | 3.75 | 4.0 | 4.0 | 4.25 | 4.50 | 4.50 |
| Japan | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 |
| China | 3.65 | 3.55 | 3.55 | 3.45 | 3.45 | 3.45 |

The eurozone economy contracted a seasonally adjusted 0.1% in the third quarter (vs expansion of 0.2% the previous quarter). Inflation declined sharply to 2.9% in October (vs 4.3% the previous month), the lowest rate since 2021. Energy prices fell at a sharper pace (-11.1% vs -4.6%), while food inflation eased (7.5% vs 8.8%). Core inflation, which excludes energy, food, alcohol and tobacco, softened to 4.2% (vs 4.5%). The European Central Bank held interest rates steady in October, following 10 consecutive rate hikes since July 2022. The central bank believes maintaining rates at current levels for a sufficient duration will significantly contribute to achieving its target inflation.

Bank of Japan loosens yield curve control

Japan's GDP contracted 2.1% in the third quarter (vs 4.5% growth the previous quarter) following two straight quarters of growth. The au Jibun Bank Japan Manufacturing PMI (Purchasing Managers' Index) increased to 48.7 (vs 48.5). It remained below the neutral level of 50 for the fifth consecutive month, indicating contracting manufacturing activity. Inflation eased to 3% in September (vs 3.2%), led by a greater fall in prices of fuel, light and water (-14.3% vs -12.3%). However, food inflation accelerated to 9% (vs 8.6%), the highest rate since 1976. The Bank of Japan adjusted its yield curve control policy, allowing the yield on the 10-year Japanese government bond to rise above 1%. It kept the policy rate unchanged at 0.1%. Japan's trade deficit narrowed sharply to JPY 662.6 billion in October (vs JPY 2205.9 billion in the same month last year), as imports contracted sharply (-12.5%) while exports rose (+1.6%).

Manufacturing activity contracts in China

The official National Bureau of Statistics Manufacturing PMI decreased to 49.5 in October (vs 50.2 previous month). It has been below the threshold level of 50 for six of the last seven months, reflecting weakness in the manufacturing sector. The non-manufacturing PMI also fell in October but remained above 50, indicating expansion in the services sector.



Inflation in China turned negative to -0.2% in October (vs 0% the previous month). Food inflation declined to -4% (vs-3.2%), led by pork prices. Core inflation, which excludes food and energy, also slowed to 0.6% (vs 0.8%). Despite low inflation, the People's Bank of China held the key policy rate steady at 3.45% in November. However, the central bank ramped up liquidity injection in the banking system.

China's trade surplus fell to \$56.5 billion in October (vs \$82.4 billion in the same month last year), as exports declined (-6.4%) while imports rose (+3%).

Energy prices decline

Energy prices declined 1.8% month in October. Brent crude fell 3.1% on-month to average \$91.1/barrel (bbl) in October (vs \$94/bbl the previous month). Crude oil prices were volatile in October as conflict in the Middle East led to fears of supply disruption. Prices eased as Saudi Arabia pledged to help stabilize the oil market. Prices of Australian coal fell 12.5% on-month to \$142.1/metric tonne. Prices of European natural gas rose 26.2% on-month but fell 62.7% on-year. Non-energy prices fell a softer 1.6% on-month.

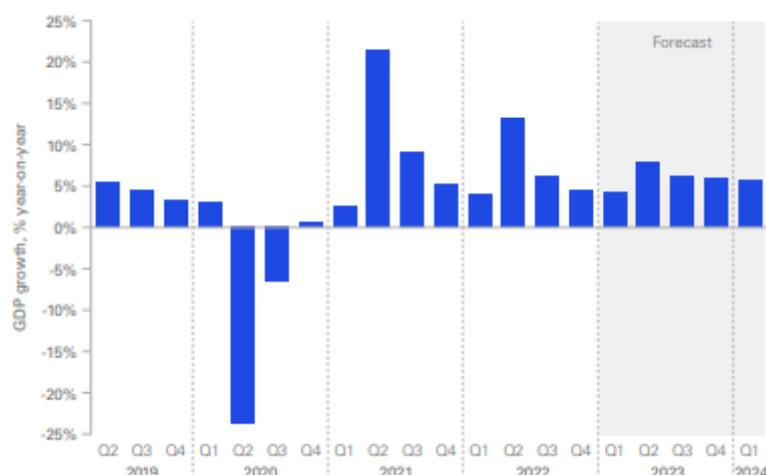
Sources: <https://www.crisil.com/content/dam/crisil/our-analysis/reports/global-research-and-risk-solutions/2023/12/crisil-insights-global-economy-slowng-signs.pdf>

Indian Economy Outlook: The effects of the slowdown in global economic growth resulting from high inflation and the continuing war between Russia and Ukraine are also seen to be affecting India's economic performance. The country recorded muted growth of 4.4% in Q4 2022 compared to 6.3% in Q3 2022, with sluggish private consumption and exports being the major reasons behind that. The country's real GDP growth in the fiscal year 2022-23 is estimated at 7.0% in comparison to 9.1% in the prior year. However, some demand indicators such as record sales of 3.8 million in the passenger vehicles segment in 20221, strong growth in tractor sales, and a rise in domestic air travel, continue to support economic growth.

| | 2022 | 2023 | 2024 |
|-------------------|------|------|------|
| GDP | 7.0 | 6.4 | 6.9 |
| Inflation | 6.5 | 5.3 | 4.4 |
| Unemployment rate | 7.5 | 6.0 | 5.4 |

Source: Ministry of Statistics and Programme Implementation, CMIE, KPMG forecasts. Note: The years represent the April-March period, for instance, 2022 spans from April 2022 to March 2023.

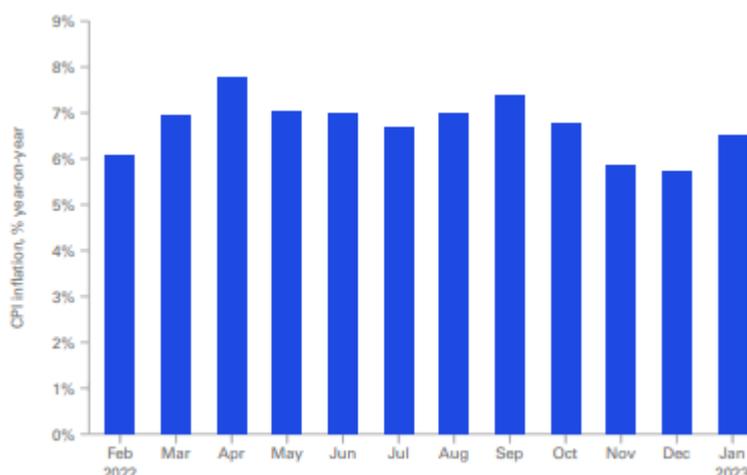
India's quarterly GDP growth



Despite the sluggish growth in the latest quarter, we still expect India to be one of the major beacons of growth in 2023, driven by strong domestic demand and government expenditure. The efforts of the Union Budget 2023-24 to improve the disposable income of taxpayers in the country are expected to boost consumption via an increase in discretionary spending. In addition, the strong capital expenditure push provided by the Union Budget, with an increased outlay of 37.4% in comparison to the fiscal year 2022-23, is expected to drive growth, investments, and job creation. The government’s reduction of over 39,000 compliances and decriminalization of over 3,400 legal provisions will also foster the ease of doing business in the country.² Strong credit growth and resilience in financial markets are further expected to create an environment that supports investments.

A high unemployment rate, however, remains a concern for India, standing at 7.5% in February 2023. Inflation, which was falling since October 2022, spiked again to 6.5% in January 2023 driven by high food prices, breaking the Reserve Bank of India’s (RBI) upper tolerance limit, though still below the elevated levels seen during the first half of 2022-23. The RBI is focused on the withdrawal of accommodation aimed at controlling inflation, with policy repo rates hiked six times since May 2022. The ongoing global geopolitical tensions and higher demand from various countries lifting Covid-19-related mobility restrictions are also expected to affect commodity prices. Core inflation is expected to be affected by the continued transfer of input costs to output prices, particularly in the services sector. However, input costs and output prices are expected to ease in the manufacturing sector. Taken together, the RBI projects inflation at 6.5% for 2022-23 and 5.3% for 2023-24. A robust domestic demand and favorable government initiatives are expected to help India remain as one of the fastest-growing major economies globally. However, external challenges, such as a slowdown in the global economy and monetary tightening in advanced economies, are factors that could affect the country’s growth.

India’s Consumer Price Index





Source: Ministry of Statistics and Programme Implementation. Note: Inflation rate for the month of January 2023 is provisional.

Source - <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2023/03/kpmg-global-economic-outlook-h1-2023-report.pdf>

STEEL SECTOR

Global Scenario

- In CY 2021, the world crude steel production reached 1911.9 million tonnes (mt) and showed a growth of 3.6% over CY 2020.
- China remained world's largest crude steel producer in 2021 (1032.8 mt) followed by India (118.1 mt), Japan (96.3 mt) and the USA (86.0 mt), based on rankings released by the World Steel Association.
- Per capita finished steel consumption in 2020 was 228 kg for world and 691 kg for China. The same for India was 70 kg (Source: JPC) in 2020-21.

Note: World Steel Association report, Data Provisional.

Domestic Scenario

The demand for steel in India is expected to register a 'healthy growth' of 8.6 percent against the overall global rise of 1.8 percent in 2023, worldsteel said. It forecasts that global steel demand will grow 1.8 percent in 2023 and reach 1,814.5 MT after having contracted by 3.3 percent in 2022. In 2024, the demand will see an increase of 1.9 percent to 1,849.1 MT, the World Steel Association (worldsteel) said.

For India, the global body said, "After a growth of 9.3 percent in 2022, steel demand is expected to show healthy growth of 8.6 percent in 2023 and 7.7 percent in 2024." The Indian economy remains stable against the pressure of the high-interest rate environment, and the steel demand is expected to continue its high growth momentum.

Growth in India's construction sector is driven by government spending on infrastructure and recovery in private investment. Infrastructure investment will also support the capital goods sector growth, worldsteel said in its Short-Range Outlook (SRO).

Healthy growth momentum will continue in automotive. The consumer durables sector is the only sector that is underperforming due to higher inflation/interest rates that constrain discretionary spending. However, it will improve in 2024 with festive season spending and progress in the Production Linked Investment (PLI) schemes.

Source: https://www.business-standard.com/industry/news/india-to-see-healthy-growth-in-steel-demand-at-8-6-in-2023-worldsteel-123101700370_1.html

The Indian government's focus on infrastructure development, including the construction of roads, railways, airports, and smart cities, is the primary factor driving the demand for steel pipes. The Indian government's visionary initiatives, including Bharatmala Pariyojana (road development program), Sagarmala Project (port-led development), and Pradhan Mantri Awas Yojana (housing for all), have significantly catalyzed the demand for steel pipes in the ongoing infrastructural projects.

India's increasing energy consumption and exploration activities in the oil and gas sector are also propelling the demand for steel pipes used in pipeline transportation. India is witnessing significant investments in the oil and gas sector. These investments are primarily focused on the construction of pipelines and refineries. As a result of this surge in investment, there has been a substantial increase in the demand for steel pipes.

Key market players are focusing on capacity expansions, technological advancements, and strategic partnerships to capitalize on the growing opportunities. In July 2020, ArcelorMittal completed the acquisition of Essar Steel India Limited. This acquisition solidified ArcelorMittal's position as the leading steel producer in India. The investment was valued at around US\$6 billion. It served as a strategic move for ArcelorMittal to enhance its market presence within India.

| Countries | Value CAGR (2023 to 2033) |
|----------------|---------------------------|
| United Kingdom | 2.8% |
| China | 4.4% |
| India | 5.1% |

<https://www.futuremarketinsights.com/reports/steel-pipe-market>

TMT Bar Market in India

The TMT (Thermo-Mechanically Treated) bar market in India is on a growth trajectory, driven by the expanding construction and infrastructure sector. India ranks seventh globally as a producer of crude steel, with the iron and steel sector contributing significantly to the country's socio-economic development.

The TMT bar market is expected to grow at a CAGR of 4.34% between 2022 and 2027, reaching a market size of USD 84.39 billion. The market is driven by the benefits of TMT steel bars over other steel bars, the expanding global industry, and the rising need for steel. TMT bars are known for their exceptional ductility, strength, weldability, and corrosion resistance, making them suitable for a wide range of construction applications. They are available in various grades such as Fe-415, Fe-500, Fe-550, and Fe 500D, and in diameters ranging from 8 to 40 millimeters.

The Indian market has a variety of TMT bar producers, including Shyam Steel, Essar Steel, TATA Steel, Jindal Steel & Power Ltd., JSW Steel Ltd., Kamdhenu Ltd., Primegold International Ltd., and Rashtriya Ispat Nigam Ltd. In terms of regional analysis, the TMT bar market in India can be segmented into Northern Region, North-Eastern Region, Eastern Region, Central Region, Western Region, and Southern Region.

The market is influenced by factors such as infrastructure development, construction activities, and government policies. For instance, the Indian government's focus on infrastructure development, affordable housing, and smart cities is expected to drive the demand for TMT bars in the coming years. However, the TMT bar market in India also faces challenges such as rising iron ore costs and trade wars between countries, which can impact the supply and demand dynamics of the market. Despite these challenges, the TMT bar market in India is expected to grow due to the increasing demand for steel in contemporary designs and the rising demand for steel in the construction sector. In conclusion, the TMT bar market in India is poised for growth, driven by the expanding construction and infrastructure sector, the benefits of TMT steel bars, and government initiatives. However, the market also faces challenges such as rising iron ore costs and trade wars, which need to be addressed to ensure sustainable growth.

Source: <https://maantmt.com/blog/the-dramatic-rise-in-demand-for-tmt-bars-in-india/https://jumbotmx.com/dynamics-of-tmt-bar-market-in-india/https://www.prnewswire.com/news-releases/2023-insights-on-india-steel-tmt-bars-market-forecasts-cagr-of-9-6-in-revenue-and-7-in-volume-till-2033--market-decipher-301848082.html>

Key TMT Steel Bar Market Challenge

The availability of substitute materials is a major challenge faced by the TMT steel bar market. The growth of the global TMT steel bars market can negatively impact the availability of substitute materials in the construction industry during the forecast period. Reinforced concrete is a common alternative to steel in construction. It involves embedding steel bars (rebar) within the concrete to provide tensile strength.

Moreover, the substitutes offer advantages such as corrosion resistance, lightweight construction, and easier handling. In order to meet this demand, the TMT steel bar manufacturers may have to explore ways in which options for specialization can be provided. Thus, the availability of substitute materials will hamper the growth of the market focus during the forecast period.



Key TMT Steel Bar Market Driver

The increasing use of electric arc furnaces is a key trend in the TMT steel bar market. The steel industry accounts for the major consumption, and high energy usage has caused the cost of production to increase. The processes and sources of energy required for manufacturing crude steel are the deciding factors of the required amount of energy. Traditionally, blast furnaces are used in processing iron ore to pig iron, which is further used to manufacture crude steel.

However, according to the demand for steel on the market, as well as the availability of material, EAF shall be able to accommodate a flexible production volume of steel. Therefore, the added advantage of EAF is attracting steelmakers toward it, which will drive the growth of the market in focus during the forecast period.

Source: <https://www.technavio.com/report/tmt-steel-bar-market-size-industry-analysis>

OUR BUSINESS

Some of the following information contained in the following discussions, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. See the chapter titled “Forward Looking Statements” beginning on page 18 for a discussion of the risks and uncertainties related to those statements and “Risk Factors”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 25, 155 and 187, respectively for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our actual results may differ materially from those expressed in or implied by these Forward Looking Statements. Our Financial Year ends on March 31 of each year, so all references to a particular financial year are to the twelve-month period ended March 31st of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Restated Financial Statements” beginning on pages no. 25 and 155 respectively.

OVERVIEW

Our 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. We have a history of more than 12 (Twelve) years in manufacturing of TMT bars industry. We design and manufacture TMT bars and sell it on B2B Basis. Our customer base is mainly spread across the State of Gujarat. We have our manufacturing plant located in Survey No-48, Wankarner Boudry, Bhargam, National Highway 8-A, Wankaner, Rajkot, Wankaner, Gujarat-363621, India which is equipped with testing laboratories, workers’ accommodation, canteen and well-connected transport facilities.

Within a short span of time, our Company has carved a niche for itself in the steel industry, which is witnessed by growth in operational revenue from ₹ 145 Crore in FY 2017-18 to ₹ 530.45 Crore in FY 2023-24 showing CAGR of approximately 40%. For the year ended on March 31, 2024, March 31, 2023 and March 31, 2022, our Company has earned revenue from operations of ₹ 58,780.08 Lakhs, ₹ 53,044.78 Lakhs, ₹ 51,535.53 Lakhs respectively. Our Earnings Before Interest, Taxes, Depreciation and Amortisation (“EBITDA”) for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 was ₹ 1,801.39 Lakhs, ₹ 986.79 Lakhs, ₹ 1,091.53 Lakhs respectively.

Our Company was originally incorporated as Aditya Ultra Steel Private Limited on July 27, 2011 under the provisions of the Companies Act, 1956 in the State of Gujarat by Mr. Dipen Rameshbhai Faldu, Mr. Pramodkumar Madhavjibhai Makadia, Mr. Yogesh Premjibhai Suvarya and Mr. Chirag Lakhani (*erstwhile promoters*). During the year 2016 -2017, Mr. Varun Manojkumar Jain and Mrs. Varuna Jain acquired all the equity shares of our Company from the erstwhile promoters and other shareholders. Subsequently, our Company was converted into a public limited company and the name was changed to “Aditya Ultra Steel Limited” vide fresh Certificate of Incorporation dated July 26, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. The Corporate Identification Number of our Company is U27100GJ2011PLC066552.

Our Company is promoted by team of young and experienced entrepreneurs viz. Mr. Varun Manojkumar Jain, Mr. Sunny Sunil Singhi and Mrs. Varuna Jain having combined experience of more than 17 years in the Steel Industry with proven track records. At present, we have an integrated production capacity of 1,08,000 MT for TMT Bars.

We have a strong track record of revenue growth and profitability. The following table sets forth certain Key Performance Indicators for the years indicated:

| Particulars | (₹ in Lakhs) | | |
|---|---------------------------------|------------------|------------------|
| | For the year ended on March 31, | | |
| | 2024 | 2023 | 2022 |
| Revenue from Operations | 58,780.08 | 53,044.78 | 51,535.53 |
| Other Income | 76.21 | 4.13 | 62.81 |
| Total Income | 58,856.29 | 53,048.92 | 51,598.33 |
| Finance Cost | 643.94 | 463.03 | 297.50 |
| Depreciation and amortization Expenses | 161.47 | 149.37 | 141.26 |
| Profit Before Interest, Depreciation and | 1,801.39 | 986.79 | 1,091.53 |



| Particulars | For the year ended on March 31, | | |
|--|---------------------------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| amortization expenses and other income | | | |
| Profit After Tax | 792.34 | 277.66 | 488.90 |

OUR COMPETITIVE STRENGTHS

1. Qualified and experienced management team

Our Company is managed by a team of professionals led by our Managing Director i.e. Mr. Sunny Sunil Singhi. We believe that the leadership and vision of our Promoters viz. Mr. Varun Manojkumar Jain and Mr. Sunny Sunil Singhi have been instrumental in driving our growth and implementing our business strategies. Our management team has the requisite experience in managing the current scale of business as well as the expansion plans for the future. We believe that we have achieved a measure of success in attracting an experienced senior management team with operational and technical capabilities, management skills, business development experience and financial management skills.

2. Skilled and dedicated manpower

Our Company is managed by a team of experienced personnel. We believe that our management team's experience and their understanding of the industry enable us to continue to take advantage of both current and future market opportunities. We take pride in relation to the performance of our employees for their consistent efforts and dedication they have shown towards the Company. We require application of high levels of technology at key stages of design and manufacturing processes.

3. Strategically located Manufacturing Plant

Our manufacturing plant is located at Bhalgam, Rajkot within the State of Gujarat. Our manufacturing plant has infrastructure facilities such as power supply, roads, water supply etc. Our manufacturing plant enjoys the good connectivity through roads which makes the movements of the raw-material as well as finished goods easy and hassle free. Thus, it helps in smooth procurement of raw material from the various suppliers spread in the State of Gujarat and dispatch of finished goods to our various distributors and dealers located in the State of Gujarat. Moreover, in order cater to increased demand of TMT bars, we have entered into an MoU with Maheshwar Ispat Private Limited for manufacturing of TMT bars for minimum committed production capacity of 3000 MT/Per month on job work basis. The manufacturing facility of Maheshwar Ispat Private Limited located in the Kheda, Gujarat.

4. Existing customer relationship

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.

5. Cordial relationship between management and labour

Our management has successfully maintained harmonious relations with our workforce. Our management has been able to match the goals and objectives of our Company with the goals and expectations of the workforce. There has been no union of our employees. Further, we have not faced any strikes, lock – outs or any other labour protests in our organization since the inception of our business.

6. Flit of Company Owned Vehicle

Having a fleet of Company-owned vehicles empowers us with greater flexibility and responsiveness in meeting customer demands. Whether it's accommodating urgent orders, adapting to fluctuating production schedules, or navigating unforeseen logistical challenges, owning transportation assets allows companies to exert greater control over delivery timelines and ensure timely fulfillment of customer requirements. This agility in responding to market dynamics can



enhance customer satisfaction and loyalty, ultimately driving business growth and market share expansion. As on March 31, 2024, our Company owns 23 trucks.

OUR STRATEGIES

1. Premium quality TMT Rebar player with focus on Retail Customers

We design and manufacture premium quality TMT bars with focus on retail customers. Due to our track record and manufacturing of quality TMT bars, we have a history of high customer retention and satisfaction which has led to a significant proportion of our customers based on repeat business generated in the preceding Fiscals. We endeavor to ensure timely delivery of our products and also provide credit period and other value-added services such as free delivery at the specified location and customized product cuts to our retail customers. Our Company has consistently made profits and sustained revenue during last three fiscals when the steel sector was witnessing slow demand.

2. Augment our working capital base in order to better utilize our installed capacity

The business of our Company is working capital intensive. We need to maintain sufficient inventory for the production process and also maintain a balance between debtors and creditors cycle. Since, currently we utilizing more than 85% of installed capacity, our growth depends on our ability to increase our utilization over the next few years and also adding new capacity subsequently. This expansion needs access to a larger amount of liquid funds and sufficient working capital.

3. Focus on consistently meeting quality standards

Our Company intends to focus on adhering to the quality standards of the product we manufacture. This is necessary so as to make sure that we get repeat orders from our customers. The quality of the product and services is very important for our Company from both customer point of view and regulatory point of view. As we have been providing the desired and quality products, the same has helped us in enhancing our reputation and maintaining long term relationships with our customers.

4. Optimal Utilization of Resources and Incentives

Our Company constantly strives to enhance our production processes, upgrade worker skills, and modernize machinery to optimize resource utilization. We regularly analyze our raw material procurement and manufacturing processes to address any key concerns. These efforts help improve our efficiency and productivity. Over the years, we have developed strong relationships with our suppliers and clients, which has established our reputation in the TMT Bar industry. We plan to invest in further building and enhancing this reputation through communication and promotional initiatives. This ongoing effort aims to increase our sales and profitability.

SWOT ANALYSIS

| Strengths | Weaknesses |
|---|--|
| <ul style="list-style-type: none"> ▪ Experienced Promoters; ▪ Cordial relations with customers; ▪ Established Brand; ▪ Strategic location of Manufacturing facility; ▪ Quality control is highest priority. ▪ Good Distribution and Dealer Network; | <ul style="list-style-type: none"> ▪ Intense competition from several unorganized players; ▪ Demand of TMT bars depends on infrastructure growth and economic growth; ▪ No Control on price fluctuations of raw material. ▪ High Capital Intensity Business ▪ Compliance with Environmental Regulations ▪ Shortage of Skilled Labour |
| Opportunities | Threats |
| <ul style="list-style-type: none"> ▪ Growing domestic market; ▪ Huge Infrastructure demand; ▪ Technological Innovation; ▪ Sustainable Practices; | <ul style="list-style-type: none"> ▪ No Entry Barrier; ▪ Regulatory Changes; ▪ Economic Uncertainty; |

OUR PRODUCTS

Our Company is engaged in manufacturing of TMT bars. Our Company manufactures high quality TMT bars in different sizes. The various sizes of the TMT bars and their usage are as under:

Classification on the basis of size determines the end use of the product, as briefed in the following table:

| Product Image | Size (MM) | Usage |
|---|-----------|--|
|  | 8 MM | 8 MM TMT bar is mainly used in construction industry. It is used for making rings which are attached or fitted in pillar structure and linter structure. it helps in providing the support to pillar structure or linter structure in the process of construction. |
|  | 10 MM | 10 MM & 12 MM TMT bars which are used for building up of roof top in RCC slab which is recommended for carrying heavy loads in many RCC structure such as columns, beams, slabs, cantilever, etc. |
|  | 12 MM | |
|  | 16 MM | 16 MM TMT bar is mainly used for construction that is ground floor plus one and above. For such type of construction, 16mm TMT bars are recommended in order to bear the load of upper floors. |
|  | 20 MM | 20MM, 25 MM & 32 MM TMT bars are advised for bringing up the foundational work stronger, the thickness of such rods provides more grip that sustains the load of the upper floors. Such bars are taken up for construction of huge projects. |
|  | 25 MM | |

| Product Image | Size (MM) | Usage |
|---|-----------|-------|
|  | 32 MM | |

Grades of TMT bars

The grades of TMT bars are nothing but the various compositions the TMT bars are made of these compositions determine the various characteristics of TMT bars such as malleability, hardness, etc. The following is the chemistry of the steel used for the production of TMT bars:

| Parameter | Fe415 | Fe500 | Fe550 | Fe415D | Fe500D |
|----------------------|-------|-------|-------|--------|--------|
| Carbon | 0.30 | 0.30 | 0.30 | 0.25 | 0.25 |
| Sulphur | 0.060 | 0.055 | 0.055 | 0.045 | 0.040 |
| Phosphorus | 0.060 | 0.055 | 0.055 | 0.045 | 0.040 |
| Sulphur & Phosphorus | 0.110 | 0.105 | 0.100 | 0.085 | 0.075 |
| CE | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 |

REVENUE BIFURCATION

PRODUCT WISE REVENUE BREAKUP

(₹ in Lakhs)

| S. No. | Particulars | For the year ended on March 31, | | | | | |
|--------|-----------------------------|---------------------------------|------------|------------------|------------|------------------|------------|
| | | 2024 | | 2023 | | 2022 | |
| | | Amount | % | Amount | % | Amount | % |
| 1. | TMT Bars | 51,410.01 | 87.46 | 50,695.89 | 95.57 | 49,258.99 | 95.58 |
| 2. | Scrap, By Products & Others | 4,141.21 | 7.05 | 2,348.89 | 4.43 | 2,273.68 | 4.41 |
| 3. | MS Billets / Ingots | 3,228.87 | 5.49 | 0.00 | 0.00 | 2.86 | 0.01 |
| | Total | 58,780.08 | 100 | 53,044.78 | 100 | 51,535.53 | 100 |

Note: Others mainly includes Binding wires.

GEOGRAPHICAL REVENUE BREAKUP

(₹ in Lakhs)

| S. No. | Particulars | For the year ended on March 31, | | | | | |
|--------|--------------|---------------------------------|------------|------------------|---------------|------------------|------------|
| | | 2024 | | 2023 | | 2022 | |
| | | Amount | % | Amount | % | Amount | % |
| 1. | Gujarat | 57,906.28 | 98.51 | 52,229.96 | 98.46 | 50,766.88 | 98.51 |
| 2. | Others | 873.80 | 1.49 | 814.83 | 1.54 | 768.65 | 1.49 |
| | Total | 58,780.08 | 100 | 53,044.79 | 100.00 | 51,535.53 | 100 |

Note: Sales to others mainly includes states such as Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Maharashtra.

MANUFACTURING PROCESS

In the realm of construction, the choice of materials is paramount, dictating the strength, durability, and safety of structures. Among these materials, TMT (Thermo-Mechanically Treated) bars stand out as a crucial component, widely used in reinforced concrete structures globally. TMT bars are predominantly composed of steel, primarily carbon and other alloying elements like manganese, sulfur, phosphorus and silicon. These elements are meticulously combined to achieve desired mechanical properties, ensuring optimal performance under various stress conditions encountered during construction and throughout the lifespan of structures. TMT bars can be described as new generation-high strength steel



having superior properties such as weld ability, strength, ductility and tensile strength, which meet the highest international quality standards. They are fire resistant and can withstand temperature up to 600c and can retain significant strength even at higher temperatures. Basically, the steel bars are passed through a specially designed water-cooling system, after the bars pass, the outer surface of the bar solidifies while the core remains hot. This creates a temperature gradient in the bars, after intensive cooling, the bar is exposed to air and the core re-heats the quenched surface layer by conduction, therefore tempering the external martensitic. When the bars are taken out of the cooling system, the heat flows from the core to the outer surface, further tempering the bars which helps them attain higher yield strength. The resulting heat-treated structure imparts superior strength and toughness to the bars. One of the special features of these bars is the ability to withstand bending without losing strength. Their weldability and bonding strength is very high and thus, being cost effective, they are widely used and preferred.

The Billets are converted into TMT bars as the Billets in hot condition itself goes into TMT mill rolling process as mentioned below:

Selection of Raw Materials:

The process begins with the selection of high-quality raw materials, primarily steel billets. These billets are typically produced through the continuous casting process, where molten steel is poured into molds to form solid billets.

Heating: The billets are heated in a reheat furnace to a uniform temperature suitable for the subsequent rolling process. This heating process is essential for reducing the strain during rolling and improving the formability of the steel.

Rolling: The heated billets are then passed through a series of rolling mills. Initially, rough rolling reduces the billet's cross-sectional area and forms it into a basic shape. Subsequently, the billets are passed through intermediate and finishing rolling mills to achieve the desired dimensions and surface finish.

➤ **Roughing Mill**

Billets travel from continuous casting machine /reheating furnace to roughing mill through the cooling bed. The roughing mill is where most of the elongation is done and the area cross section gradually decreases and the length increases. But the Billet is still in the heated state and it continuously moves on to the next rollers through the guide-ways. To move the hot billet to the next rollers some accelerators are placed at certain intervals. These are called pinch rolls. There are springs on these pinch rolls which puts the pressure on the moving rod. The guide-ways help the tip of the red hot rod to enter into the next roller that is the intermediate mill.

➤ **Intermediate Mill**

After passing through the roughing mill, the rod is led into the Intermediate mill. There is a speed increaser placed for the smooth movement of the rod as the motor is incapable of giving the entire push to the rod. After the intermediate mill, two pinch rolls and a Shearer is placed before the finishing mill to make the movement of rod smooth. There are front and back cutters which remove the front and back tip of the hot rod so as to allow proper entering into the next mill.

➤ **Finishing Mill**

The finishing mill is the main roller where the required dimension is obtained. The rollers are made with precision and in such a way that the exact dimension can be obtained. Quality is of great importance, since the manufactured products are graded and approved by the ISI/ BSI. The final dimensions of the TMT steel bar are achieved by finishing rollers. The rods, after passing through the finishing rollers, are still soft due to high temperature. There is a special guide way present after the finishing rollers which lead the rods to the TMT box. Cantilever stand for the finished mill which improves the quality of the roll with tensile roll.

TMT Box

One of the most important parts of the plant is the TMT box where all finished stand TMT are passed through. When the hot reinforced bar leaves the final rolling mill stand, it is instantaneously quenched – a type of heat treatment where the bars are rapidly cooled by water in a quenching box to obtain certain material properties. Quenching prevents the occurrence of undesired processes such as phase transformations etc. It accomplishes this by reducing the time frame during which these undesired reactions have a higher chance of occurring. Apart from it, the sudden drastic change in temperature toughens the outer layer of the steel bar, thus enhancing its tensile strength and durability. Thus, the quenching converts the outer surface of the reinforced bar to Martensite, a hard form of steel and causes it to shrink, which in turn pressurizes the core, thus helping it to form the correct crystal structures. As a result of this process, the surface of the quenched bar becomes cold and hardened, while the core still remains hot.

Self-Tempering

After leaving the quenching box, a temperature gradient is formed through the cross-section of the quenched bar. As a result, heat flows from the core, as it is at a relatively higher temperature to the outer surface. This causes the correct tempering of the outer martensitic layer into a structure called Tempered Martensite and the formation of an intermediate ring of Martensite and Bainite (a plate-like microstructure). The core still stays in the austenitic (a typical cubical crystalline structure, commonly called as gamma-phase iron) state at this stage.

Cooling Bed

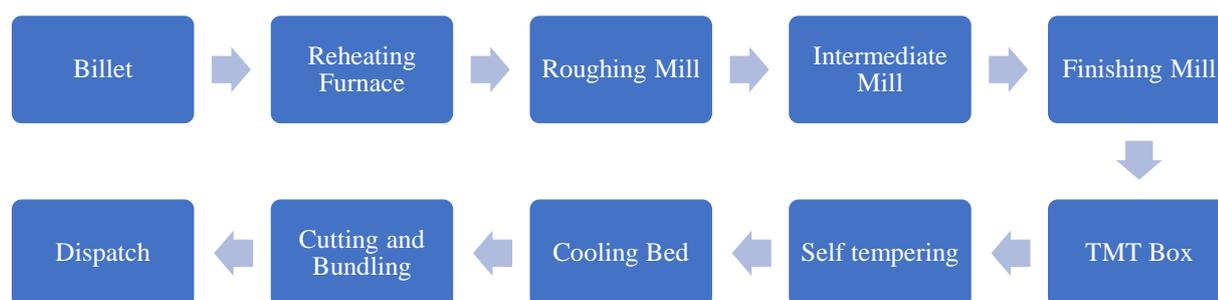
After the self-tempering process, the bars are subjected to atmospheric cooling to equalize the temperature difference between the soft inner core and the hardened exterior. Once the bars are completely cooled down, the austenitic core gets transformed into a ductile ferrite-pearlite structure.

TMT Bar Cutting

TMT bars forming are generally divided into: shearing, bending and threading. The steel bar cutting production line adopts computer control technology, which ensures cutting of steel bar by auto-sizing. After cutting off by flying shear, the steel bar are moved to the designated storage rack and stored according to the specifications after being bundled and sent for dispatch.

Manufacturing Process:

Following is the manufacturing process for TMT bars:



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 |

The above information has been certified by Mr. B.P. Oza & Associates, Chartered Engineer, by their certificate dated May 16, 2024.

* Calculated for 11 Months as plant was operational for 11 months during FY 2023-24.

Notes:

- During Financial year 2023-24, Company has upgraded its furnace by replacing existing bricks with high quality brick which would help maintaining the high temperature. In addition to that the rolling section underwent an upgrade with the installation of more efficient machinery and high speed rolls which will enhance the movement of TMT Bars on rolling line. As a result of these two significant upgrades, the production plant was collectively non-operational for approximately one month.
- Operational capacity of the Company is approx. 85% of installed capacity. Due to increasing in demand for our product and our factory being operated at its maximum operational efficiency, our 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.

INFRASTRUCTURE & UTILITY



POWER

The total power requirement for our current manufacturing facility is 2,900 KVA which is met by power connection sanction from Paschim Gujarat Vij Company Limited. Company is also planning to setup, out of the proceeds of IPO, solar power plant to meet some portion of its electricity requirement thereby saving electricity cost.

WATER

Water is required in the manufacturing process, both in the heating furnace and in the Rolling Mill as detailed below:

The TMT bar is rapidly cooled/ quenched in high pressure water jacket/ spray system as it emerges from the finishing stand of the Rolling Mill.

The production process involves recycling of water. In addition, water is required for washing, cleaning, drinking and sanitation purposes. Company meets water requirement from third party service providers.

ADVANTAGES OF TMT BARS

- **Superior Strength:** TMT bars exhibit higher tensile strength, making them capable of withstanding heavy loads and seismic forces, ensuring structural integrity.
- **Enhanced Ductility:** The dual-phase microstructure confers excellent ductility to TMT bars, enabling them to deform plastically before failure, thereby enhancing the safety of structures.
- **Improved Weldability:** TMT bars possess superior weldability, allowing for easy and secure connections between reinforcement elements during construction, facilitating efficient construction practices.
- **Corrosion Resistance:** The quenching process imparts a tough outer layer, which enhances the corrosion resistance of TMT bars, ensuring long-term durability even in adverse environmental conditions.
- **Cost-Effectiveness:** Despite their superior properties, TMT bars offer cost-effectiveness in construction projects due to their optimized material usage and reduced maintenance requirements over the lifecycle of structures.
- **Resists Fire:** Unlike TOR Steel/ CTD Reinforcement bars, TMT bars have high thermal stability. They are the preferred choice when elevated temperatures of 400-600° C may be encountered (Chimneys, fires).
- **Formability:** Due to very high elongation values and consistent properties throughout the length of the bar, TMT bars have excellent workability and bendability.
- **Earthquake Resistance:** The soft ferrite-pearlite core enables the bar to bear dynamic and seismic loading. TMT bars have high fatigue resistance to dynamic/ seismic loads due to their higher ductility quality. This makes them most suitable for use in earthquake prone areas.

TMT BARS FIND WIDE APPLICATIONS IN DIFFERENT SPHERES

Usage: TMT bars find extensive applications in various construction projects, including residential buildings, bridges, dams, industrial structures, and high-rise buildings, underground structures. Their versatility, coupled with exceptional mechanical properties, makes them indispensable for ensuring the safety, durability, and longevity of structures in diverse environments and under varying load conditions. In essence, TMT bars represent the epitome of modern construction materials, embodying a perfect synergy of superior strength, ductility, and durability. As the backbone of reinforced concrete structures, TMT bars continue to play a pivotal role in shaping the skylines and infrastructure of the world, embodying the relentless pursuit of innovation and excellence in the construction industry.

- In the TMT industry, operational capacity of the plant depends on type, size and strength of the TMT bars manufactured and accordingly operational capacity of the plant varies from installed capacity. Generally operational capacity varies from 85-90% of the total installed capacity of the plant.
- During the Financial year 2023-24, our Company has upgraded its furnace by replacing existing bricks with high quality brick which would help maintaining the high temperature. In addition to that the rolling section underwent an upgrade with the installation of more efficient machinery and highly speed rolls which will enhance the movement of TMT Bars on rolling line. As a result of these two significant upgrades, the production plant was collectively non-operational for approximately one month.
- Due to increasing in demand for our product and our factory being operated at its maximum efficiency, the promoters of our Company have entered into agreement with MIPL for manufacturing of TMT Bars to cater the additional demand of

the market with contracted supply 3000 MT per month commencing from June 2023.

KEY FINANCIAL PERFORMANCE INDICATORS

| Particulars | For the Year ended on March 31 | | |
|---------------------------------------|--------------------------------|-----------|-----------|
| | 2024 | 2023 | 2022 |
| Revenue from Operations | 58,780.08 | 53,044.78 | 51,535.53 |
| Growth in Revenue from Operations (%) | 10.81 | 2.93 | NA |
| Gross Profit | 3852.28 | 3036.89 | 3091.34 |
| Gross Profit Margin (%) | 6.55 | 5.73 | 6.00 |
| EBITDA | 1801.39 | 986.79 | 1091.53 |
| EBITDA Margin | 3.06 | 1.86 | 2.12 |
| Profit After Tax | 792.34 | 277.66 | 488.90 |
| PAT Margin (%) | 1.35 | 0.52 | 0.95 |
| RoE (%) | 23.92 | 10.18 | 21.33 |
| RoCE (%) | 18.75 | 10.76 | 14.33 |
| Net Fixed Asset Turnover (In Times) | 18.35 | 16.90 | 14.52 |
| Net Working Capital Days | 16 | 11 | 12 |
| Operating Cash Flows | 912.59 | 841.14 | (618.20) |

Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Manufacturing Expenses, Purchase of stock in trade goods, Changes in inventories of finished goods, work-in-progress and stock in trade, Depreciation.
- Gross Profit Margin (%) is calculated as Gross Profit divided by Revenue from Operations.
- EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses reduced by other income.
- EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- Profit After Tax Means Profit for the period/year as appearing in the Restated Financial Statements.
- PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
- RoE (Return on Equity) (%) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.
- RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Deferred Tax Asset) as reduced by revaluation reserves.
- Net Fixed Asset Turnover is calculated as Net Turnover divided by Average Fixed Assets which consists of property, plant and equipment and capital work-in-progress.
- Net Working Capital Days is calculated as working capital (current assets minus current liabilities) as at the end of the period / year divided by revenue from operations multiplied by number of days in a period / year.
- Operating cash flows means net cash generated from operating activities as mentioned in the Restated Financial Statements.

COLLABORATIONS

Except as below, our Company has not entered into any technical or other collaboration/ tie-ups/ joint ventures.

- Company has entered into retail license agreement with Kamdhenu Metallic Industries Limited for a period of three years from January 2023 for manufacturing of TMT Bars under KAY2 and KAY2 XENOX brand for royalty payment of ₹ 300 per month per MT. KAY2 and KAY2 XENOX brand is owned by Kamdhenu Dreamz. Previously Kamdhenu Metallic Industries Limited and our Company had entered into retail license agreement on April 01, 2021 and January 01, 2020. Further, our Company had also entered into retail license agreement with Kamdhenu Concast Limited on September 28, 2017 for three years which was not renewed subsequently.



LOGISTICS

Our Company owns flit of 23 trucks to deliver the products to dealers at their doorstep. For the purchase of raw material, we rely on third party service providers.

PACKING

Our Company does not require packing of its products. TMT bars are directly loaded (post bundling) in transport vehicle in order to deliver at customer locations.

EXPORT OBLIGATION

As of the date of this Draft Red Herring Prospectus, our Company do not have any export related obligations.

SALES AND MARKETING STRATEGY

Our success lies in the strength of our relationship with our customers and distribution channel who have been associated with our Company for a long period. We have experienced and skill management team to motivate the sub-ordinates and staff to step towards their achievements and organizational goals. With their efficient management skills and co-ordination with sub-ordinate, they are always working as a catalyst to encourage the entire team for the development and nourishment of the organization. Our team through their vast experience and good rapport with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company.

Our Company entered into a three-year retail license agreement with Kamdhenu Metallic Industries Limited in January 2023 to manufacture KAY2 and KAY2 XENOX TMT bars on a royalty basis. As of March 31, 2024, our Company has established a network of approximately 73 dealers covering the Kutch and Saurashtra region of Gujarat. We have developed a robust marketing network throughout Gujarat, supplying products under the Kamdhenu brand, and have consistently commanded a premium over other industry players.

With well-established distribution network, our Company is able to cater to the demand in remote areas with demand of lower quantity of even less than 5 tons, which is seldom catered by other manufacturers. This enables the group as well as our Company to gain a strong foothold in the market.

Our arrangement with KMIL for usage of the Kamdhenu brand allows our Company in leveraging supply of material at ease since 'Kamdhenu' is well renowned brand in TMT bar market and commands a significant amount of premium as compared to peers. Our Company on a regular basis organizes various campaigns for incentive programs, awards, travel trips for dealers on achieving specific targets.

PLANT & MACHINERY

List of Plant and Machineries Owned by our Company as at March 31, 2024;

| Sr. No. | Name of Machineries | Nos |
|---------|--|-------|
| 1 | Coal Pulverizer Machine - 36" And 32" | 2 Nos |
| 2 | Chimney 110 Feet | 1 Nos |
| 3 | Blower - 100 HP | 2 Nos |
| 4 | Water Tank - 6 (6 Lac Litre. Capacity) | 6 Nos |
| 5 | Connected Load 2900 K.W. (GEB) | |
| | ➤ 1. Main Transformer 3000 KVA (DC) | 1 Nos |
| | ➤ 2. Main Transformer 2500 KVA (AC) | 1 Nos |
| 6 | Blade Shearing Machine 110 X 110 (Approx. 30 Mt.) | 1 Nos |
| 7 | Pusher - With All Accessories | 1 Set |
| | ➤ Hydraulic Pump Set | |
| 8 | Re-Heating Furnace - With All Accessories | 1 Set |
| | ➤ Discharging Ejector, Combustion Air Blower, Chimney, C.I Casting, Main | |
| | ➤ Furnace Structure, Coal Pulveriser, Refractories | |
| 9 | 460MM PCD Roughing Mill - With All Accessories | 1 Set |
| | ➤ Gear Coupling, Fly Wheel, Reduction Gear Box, Pinion Gear Box-3 Hi | |

| Sr. No. | Name of Machineries | Nos |
|-----------|---|-------|
| | ➤ (460mm PCD), Mill Stands-2 Hi (460mm PCD) , Motor Foundation | |
| 10 | 310 MM PCD Intermediate Mill - With All Accessories | 1 Set |
| | ➤ Gear Coupling, Reduction CUM Pinion Gear Box, Motor C.I Foundation Rails, | |
| | ➤ Mill Stands (310mm PCD) 2Hi | |
| 11 | 310 MM PCD Intermediate Mill - With All Accessories | 1 Set |
| | ➤ Gear Coupling, Reduction CUM Pinion Gear Box, Motor C.I Foundation Rails, | |
| | ➤ Mill Stands (310mm PCD) 2Hi | |
| 12 | 260 MM PCD Finishing Mill - With All Accessories | 6 Set |
| | ➤ Gear Coupling, Reduction CUM Pinion Gear Box, Motor C.I Foundation Rails, | |
| | ➤ Mill Stands (260mm PCD) 2Hi | |
| 13 | Workshop Machineries | |
| | ➤ 16 Feet Lathe Machine | 2 Nos |
| | ➤ 12 Feet Lathe Machine | 1 Nos |
| | ➤ 12 Feet Lathe Machine | 2 Nos |
| | ➤ 8 Feet Lathe Machine | 2 Nos |
| | ➤ 24" Shaping Machine | 1 Nos |
| | ➤ 32" Shaping Machine | 1 Nos |
| | ➤ Redial Drill Machine | 1 Nos |
| | ➤ Tool Grinder | 2 Nos |
| | ➤ Electrical Hand Grinder | 2 Nos |
| | ➤ Welding Set | 7 Nos |
| | ➤ Gas Cutting Set | 8 Set |
| | ➤ Air Compressor | 3 Nos |
| 14 | Material Handling Equipments | |
| | ➤ Flying Shearing Machine | 1 Set |
| | ➤ Pinch Rolls Contiliver DC | 4 Set |
| | ➤ Pinch Rolls AC | 5 Set |
| | ➤ Oil Lubrication System | 4 Set |
| 15 | Electric Equipments | |
| | ➤ AC 1500 HP Main Motor For Roughing Mill | 1 Nos |
| | ➤ DC 400 KW Main Motor For CONTINUES Mill | 2 Nos |
| | ➤ DC 250 KW Main Motor For CONTINUES Mill | 5 Nos |
| | ➤ DC 250 KW Main Motor For CONTINUES Mill | 1 Nos |
| 16 | TMT System Complete | 1 Nos |
| 17 | Overhead Crane 10 Ten Capacity | 4 Set |
| 18 | Auxiliary Equipments & Spares | |
| | ➤ Stamping Machine | 1 Nos |
| | ➤ Roll Branding - CNC Machine | 1 Nos |
| 19 | Colling Tower | 1 Set |
| 20 | Laboratory | |
| | Universal Testing Machine | 2 Nos |
| | Spectro Machine | 1 Nos |

Source: Based on Certificate issued by our statutory auditors M/s. S. N. Shah & Associates, Chartered Accountants vide their certificate dated May 28, 2024 having UDIN 24144892BKAVNA8463.

RAW MATERIAL

All our TMT Bars are manufactured using Billets. We source our raw material mainly from Guajrat, Rajasthan, Chhattisgarh, Odisha, and Madhya Pradesh etc.

END USERS

Our Company sells its products on B2B basis. Our TMT Bars are mainly used in construction Industry. Our Company has 73 dealers to which its supplies its TMT bars.

COMPETITION



Our Company operates in highly competitive industry. Our Company faces intense competition in the Indian steel market, from various domestic and multinational companies in India.

HUMAN RESOURCES

Our Company's human resources represent a wealth of experience, having meticulously built their presence within the industry from the ground. The plant's workforce, forms an integral part of our Company's operations. Their collective contributions play a pivotal role in upholding operational efficiency and delivering products and services of the highest caliber. Currently, we have 149 full time employees including Key Managerial Personal as on April 30, 2024.

Department wise employee breakup of permanent employees;-

| DEPARTMENT | Count |
|--|------------|
| Executive Director | 1 |
| Production | 91 |
| Supervisors | 15 |
| Accounts and Finance | 10 |
| Company Secretary and Compliance officer | 1 |
| Quality Assurance & Quality Control | 5 |
| Store, Purchase & Sale | 2 |
| Drivers | 24 |
| Total | 149 |

INTELLECTUAL PROPERTY

| Sr. No. | Trademark | Class of Trademark | Application No. | Date of Application | Current Status |
|---------|---|--------------------|-----------------|---------------------|-----------------------|
| 1. |  | 06 | 6282598 | February 01, 2024 | Accepted & Advertised |

OUR PROPERTIES

Details of our properties are as follows:

| S. No. | Details of Properties | Owned/Leased/License | Consideration / Lease Rental / License Fees (in ₹) | Usage |
|--------|--|----------------------|--|---|
| 1. | Survey No-48, Wankarner Boudry, Bhalgam, National Highway 8-A, Wankaner, Rajkot, Wankaner, Gujarat-363621, India | Owned | Type of Instrument: Sale Deed; Date of Agreement: 02 nd February, 2012; Parties: Shree Pramodkumar Madhvjibhai Makadiya and two others (Sellers) and Aditya Ultra Steel Private Limited (Purchaser); Consideration: Rs. 1,91,00,000/-; Size of the Property: 59,489 Sq. Mtr. | Registered Office and Manufacturing Plant |

INSURANCES

The Insurance Policies covered by the Company are:

| Sr. No. | Name of the Company | Policy No. | Validity Period | Description of the cover under the policy | Premium Amount Paid Annually (in Rs.) | Sum Insured (Rs. In Lakhs) |
|---------|---|-------------------------|---|---|---------------------------------------|-----------------------------|
| 1. | Employees Compensation Insurance Policy | 0000000035985384 | From 31/10/2023 (00:00 Hrs) to Midnight of 30/10/2024 | Policy covers liability under the following Laws – 1. Employee Compensation Act, 1923. 2. Common Law. 3. Fatal Accidents Act, 1855 | ₹ 1,22,413.00 | Based on wages of employees |
| 2. | Aditya Ultra Steel Pvt Ltd | 2111 2061 4354 6400 000 | From 16/02/2024 00:01 hrs To 15/02/2025 Midnight | Property Insurance- Manufacturing Plant | ₹ 70,210 | ₹ 500.00 |

KEY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India. 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 respective local authorities that are available in the public domain. The statements produced below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws.

For details of regulatory approvals obtained by us in compliance with the applicable regulations, see “**Government and Other Approvals**” on page no. 202.

LAWS RELATED TO OUR BUSINESS

Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 (“MSMED Act”)

The MSMED Act *inter-alia* seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act *inter-alia* empowers the Central Government to classify by notification, any class of enterprises including *inter-alia*, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as:

- (i) a micro enterprise, where the investment in plant and machinery does not exceed ₹25,00,000/- (Rupees Twenty- Five Lakhs Only);
- (ii) a small enterprise, where the investment in plant and machinery is more than ₹25,00,000/- (Rupees Twenty -Five Lakh Only) but does not exceed ₹5,00,00,000/- (Rupees Five Crores Only); or
- (iii) a medium enterprise, where the investment in plant and machinery is more than ₹5,00,00,000/- (Rupees Five Crores Only) but does not exceed ₹10,00,00,000/- (Rupees Ten Crores Only).

In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as:

- (i) a micro enterprise, where the investment in equipment does not exceed ₹10,00,000/- (Rupees Ten Lakhs Only);
- (ii) a small enterprise, where the investment in equipment is more than ₹10,00,000/- (Rupees Ten Lakhs Only) but does not exceed ₹2,00,00,000/- (Rupees Two Crores Only); or
- (iii) a medium enterprise, where the investment in equipment is more than ₹2,00,00,000/- (Rupees Two Crores Only) but does not exceed ₹5,00,00,000/- (Rupees Five Crores Only).

The MSMED Act also *inter-alia* stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

The Factories Act, 1948 (“Factories Act”)

This Factories Act came into force on April 01, 1949 and extends to the whole of India, including Jammu and Kashmir. It has been enacted to regulate working conditions in factories and to ensure the provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc. It ensures annual leaves with wages, provides additional protection from hazardous processes, additional protection to women workers and prohibition of employment of children. The Factories Act defines a “factory” to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that 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. It provides such safeguards of workers in the factories as well as offers protection to the exploited workers and improve their working conditions.

The Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016 provides for the establishment of bureau for the standardisation, marking and quality certification of goods. Functions of the bureau include, inter alia, (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) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service conforms to an Indian Standard.

The Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act, along with the relevant rules, establishes and enforces standards of weights and measures, regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers. Any transaction relating to goods or a class of goods shall be as per the weight, measurements or numbers prescribed by the Legal Metrology Act. The Central Government is empowered to appoint a director to exercise the powers and to discharge duties. The Legal Metrology Act prohibits the manufacture, packing, selling, importing, distributing, delivering, offer for sale of any pre-packaged commodity if such does not adhere to the standard regulations set out. The Legal Metrology (Packaged Commodities) Rules, 2011 are ancillary to the Legal Metrology Act, and set out to define various manufacturing and packing terminology. It lays out specific prohibitions where manufacturing, packing, selling, importing, distributing, delivering, offering for sale would be illegal and requires that any form of advertisement where the retail sale price is given must contain a net quantity declaration. Circumstances which are punishable are also laid out.

Electricity Act, 2003 (“Electricity Act”)

The 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.

ENVIRONMENTAL LAWS

We are subject to various environmental laws and regulations as the operation of our establishments might have an impact on the environment. The basic purpose of such statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards, have been set up in each state and at a central level. Relevant environmental consents must be obtained under the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981. These consent orders are required to be renewed periodically.

The Environment Protection Act, 1986 (the “Environment Protection Act”) and the Environment (Protection) Rules, 1986 (the “Environment Protection Rules”)

The Environment Protection Act was enacted to act as an “umbrella” legislation designed to provide a framework for coordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorises the Central Government to protect and improve environment quality, control, and reduce pollution.



The Environment Protection Rules framed under the Environment Protection Act lay down specific provisions regarding standards for emission or discharge of environmental pollutants, prohibition of carrying out industrial activities in certain geographical locations, procedures for function of environmental laboratories and submission of samples.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”) and Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each State of India. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power to carry out search, seizure and investigation if the authorities are aware of or suspect pollution that is not in accordance with such regulations. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be renewed annually. In exercise of the powers conferred by Section 63 of the Water Act, the Central Government, after consultation with the Central Pollution Control Board for the Prevention and Control of Water Pollution has formulated the Water (Prevention and Control of Pollution) Rules, 1975. Further, the State Governments in consultation with respective State Pollution Control Boards have formulated rules to prevent and control air and water pollution in terms of the power granted to them under the applicable provisions of the Water Act and the Air Act.

Environmental Impact Assessment Notification, 2006 (along with the Environment Protection Act, 1986)

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.

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.

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.

LABOUR AND EMPLOYMENT RELATED LAWS

Industrial Disputes Act, 1947 (“Industrial Disputes Act”)

The Industrial Disputes Act provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled, technical, operational or supervisory work, is covered by the Industrial Disputes Act. The Industrial Disputes Act also

provides for (a) the provision for payment of compensation to the workman on account of closure or layoff or retrenchment; (b) the procedure for prior permission of appropriate government for laying off or retrenching the workers or closing down industrial establishments; and (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

Industrial Dispute (Central) Rules, 1957

The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”)

Under the EPF Act, compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act framed the Employees Provident Scheme, 1952.

The Employees’ State Insurance Act, 1948 (“ESI Act”)

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. It shall apply to all factories (including factories belonging to the government) other than seasonal factories. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961, as amended, regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than 6 weeks shall precede the date of her expected delivery. Entitlement of 6 weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy.

Minimum Wages Act, 1948 (“MWA”)

MWA came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of buildings, roads, and runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

The Employees Compensation Act, 1923 (“EC Act”)

EC Act provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee



within seven days of receiving notice.

The Contract Labour (Regulation and Abolition) Act, 1970 (“CRLAA”)

The CRLAA regulates the employment of contract labour in establishments in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. It governs their conditions and terms of service and provides for abolition of contract labour in certain circumstances.

The CLRAA requires every contractor to whom the CLRAA applies to obtain a license and not to undertake or execute any work through contract labour, except under and in accordance with such license. Further, the CLRAA imposes certain obligations on the contractor in relation to establishment of canteens, restrooms, drinking water, washing facilities, first aid, other facilities and payment of wages to ensure the health and welfare of the contract labourers. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRAA.

The Workmen Compensation Act, 1923 (“WCA”)

The WCA has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/ disablement/ loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within 1 month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of ‘five years’ continuous service’ is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 days’ wages for every completed year of service with the employer.

The Equal Remuneration Act, 1976 and Equal Remuneration Rules, 1976

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Equal Remuneration Act, 1976 provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against male employees in the matters of transfers, training and promotion etc. The Equal Remuneration Rules, 1976 has been formulated under the Equal Remuneration Act, 1976.

The Payment of Bonus Act, 1965 (“POB Act”)

The POB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)

SHWW Act provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, verbal or non-verbal physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or nonverbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 months from the date of the last incident. If the establishment has less than 10 employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee.

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's 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.

TAX RELATED LEGISLATIONS

Income Tax Act, 1961 read with the Income Tax Rules, 1962

The Income Tax Act, 1961 is applicable to every domestic and foreign company whose income is taxable under the provisions of the Income Tax Act, 1961 read with the Income Tax Rules, 1962 made under it depending upon its residential status and type of income involved. Under section 139(1) of the Income Tax Act, 1961, every company is required to file its income tax return for every previous financial year by 30th September of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax like are also required to be complied by every company.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Indian Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

Goods and Service Tax ("GST")

GST is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as the Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by central on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the central and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017, State Goods and



Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. Tax payers with an aggregate turnover of ₹ 20,00,000 would be exempted from tax. The exemption threshold for special category of states like north-east shall be ₹ 10,00,000. Small taxpayers with an aggregate turnover in preceding financial year up to ₹ 75,00,000 (₹ 50,00,000 in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration numbers known as Goods and Service Tax Identification Number (GSTIN).

In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon. GST has replaced following indirect taxes and duties at the central and state levels.

REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP offers an updated circular. The reporting requirements for any investment in India by a person resident in India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>. Under the current FDI Policy 2020, FDI in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates.

Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the DIPP. As laid down by the FEMA no prior consents and approvals are required from the RBI, for FDI under the ‘automatic route’ within the specified sectoral caps.

In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

Laws related to Overseas Investment by Indian Entities

Overseas investment by Indian entities are governed under Foreign Exchange Management Act, 1999 under which the Central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI have vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

STATE RELATED LEGISLATIONS

The Gujarat Shops and Establishments Act, 1948

The establishments are required to be registered under the provisions of local shops and establishment's legislation applicable in the relevant states. The objective of the act, irrespective of the state, is to regulate the working and employment conditions of worker employed in shops and establishments including commercial establishments. The act provides for fixation of working hours, rest interval, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. The Gujarat Shops and Establishments Act, 1948 govern the Company's shops and establishment in Gujarat.

Gujarat Goods and Services Tax Act, 2017 and the Gujarat Goods and Services Tax Rules, 2017

Gujarat Goods and Services Tax Act, 2017 came into force w.e.f. June 09, 2017 which provides for the levy of GST on intra-state and interstate supply of goods or services or both. It was introduced as The Constitution (One Hundred and First Amendment) Act 2016, following the passage of Constitution 101st Amendment Bill. GST-registered businesses are allowed to claim tax credit to the value of GST they paid on purchase of goods or services as part of their normal commercial activity. Administrative responsibility rests with a single authority to levy tax on goods and services. The Gujarat Goods and Services Tax Rules, 2017 came into force w.e.f. June 22, 2017 which provides for the procedures relating to composite Levy and Registration for various categories of taxable person and the formats of the various forms to be submitted with the GST authority in prescribed time limit.

GENERAL LEGISLATIONS

Companies Act, 2013 ("Companies Act")

The Companies Act has replaced the Companies Act, 1956 in a phased manner. The Companies Act received the assent of President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act. The procedure related to appointment of directors, the procedure relating to winding up and voluntary winding up, appointment of liquidator also forms part of the Companies Act. Further, Schedule V (read with sections 196 and 197), Part I of the Companies Act lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of laws under which if a person is prosecuted, he cannot be appointed as the director or managing director or manager of a company. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

Competition Act, 2002 ("Competition Act")

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates combinations in India. The Competition Act also established the Competition Commission of India (CCI) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as individuals and group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a



proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

Indian Contract Act, 1872 (“Contract Act”)

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

Specific Relief Act, 1963

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, 1882 as the Specific Relief Act, 1963 applies both to movable property and immovable property. The Specific Relief Act, 1963 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.

Sale of Goods Act, 1930

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

Consumer Protection Act, 2019 (“Consumer Protection Act”)

The Consumer Protection Act was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, amongst other things, to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to 2 years and fine which may extend to ₹ 10,00,000.

In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India (“Ministry of Consumer Affairs”) has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) on July 23, 2020, which provides a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity. The Ministry of Consumer Affairs has also released draft amendments to the E-Commerce Rules for public comments. The aforesaid draft amendments require e-commerce entities to, amongst other things, register themselves with the Department for Promotion of Industry and Internal Trade, and appoint a chief compliance officer, a nodal contact person and a resident grievance officer. Additionally, the draft amendments prohibit e-commerce entities from misleading users by manipulating search results, prohibit flash sales and abuse of dominant position, and mandate e-commerce entities to identify sponsored listings of products and services with clear and prominent disclosures.

Code of Civil Procedure, 1908 (“Civil Procedure Code”)

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of 2 parts, i.e., 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object of the Civil Procedure Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Civil Procedure Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Civil Procedure Code is the general law so that in case of conflict between the Civil Procedure Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

Code of Criminal Procedure, 1973

Code of Criminal Procedure, 1973 is the main legislation on procedure for administration of substantive criminal law in India. It was enacted in 1973 and came into force on April 1, 1974. It provides the machinery for the investigation of crime, apprehension of suspected criminals, collection of evidence, determination of guilt or innocence of the accused person and the determination of punishment of the guilty.

Criminal law occupies a pre-dominant place among the agencies of social control and is regarded as a formidable weapon that society has forged to protect itself against anti-social behaviour. The law of criminal procedure is meant to be complimentary to criminal law. It is intended to provide a mechanism for the enforcement of criminal law. The Code of Criminal Procedure, 1973 creates the necessary machinery for apprehending the criminals, investigating the criminal cases, their trials before the criminal courts and imposition of proper punishment on the guilty person. The Code of Criminal Procedure, 1973- enumerates the hierarchy of criminal courts in which different offences can be tried and then it spells out the limits of sentences which such Courts are authorized to pass.

The Code of Criminal Procedure, 1973 is intended to provide a mechanism for the enforcement of criminal law. Without the proper procedural law, the substantive criminal law which defines offences and provides punishment for them would be almost worthless.

Arbitration and Conciliation Act, 1996

The Arbitration and Conciliation Act, 1996 is an act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. It aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Arbitration and Conciliation Act, 1996 is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

Negotiable Instruments Act, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Negotiable Instruments Act, 1881 provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Negotiable Instruments Act, 1881, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to 2 years, or with fine which may extend to twice the amount of the cheque, or with both.

Indian Stamp Act, 1899 (“Stamp Act”)

Under the Stamp Act, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. 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 and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

Information Technology Act, 2002 (“Information Technology Act”)



The Information Technology Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The Information Technology Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third party information liability and creates liability for failure to protect sensitive personal data. The Information Technology Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India (“DoIT”), on April 11, 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law. The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Intermediaries Rules”) on February 25, 2021, requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

The Digital Personal Data Protection Act, 2023 (“DPDP ACT”)

The DPDP Act was notified on August 11, 2023 and is yet to come into effect. It replaces the existing data protection provision, as contained in Section 43A of the Information Technology Act. The DPDP Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of the DPDP Act. The DPDP Act seeks to balance the rights of individuals to protect their digital personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent, except in case of legitimate uses as provided under the DPDP Act. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data; (ii) build reasonable security safeguards to prevent a data breach; (iii) inform the Data Protection Board of India (the “DPB”) and affected persons in the event of a breach; and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply. The DPDP Act imposes certain additional obligations on a significant data fiduciary, such as appointment of a data protection officer, appointment of an independent data auditor and undertaking of other measures namely, periodic data protection impact assessment, periodic audit and such other measures as may be prescribed under the DPDP Act. The Central Government will establish the DPB. Key functions of the DPB include: (i) monitoring compliance and imposing penalties; (ii) directing data fiduciaries to take necessary measures in the event of a data breach; and (iii) hearing grievances made by affected persons. The DPB members will be appointed for 2 years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

Limitation Act, 1963

The Limitation Act, 1963 which was enacted on October 05, 1963 and which came into force from January 01, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, ‘period of limitation’ means the period of limitation prescribed for any suit, appeal or application by the Schedule, and ‘prescribed period’ means the period of limitation computed in accordance with the provisions of this Limitation Act, 1963.

INTELLECTUAL PROPERTY LEGISLATIONS

The Trade Marks Act, 1999 (“Trade Marks Act”)

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. It provides for the application and registration of trademarks in India. It also provides for exclusive rights to marks

such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trade mark registration may be made with the Controller General of Patents, Designs and Trademarks by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trade mark in the future. Once granted, a trade mark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying for trademarks. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trade mark in India and other countries has been made available to owners of Indian and foreign trade marks. It also seeks to simplify the law relating to the transfer of ownership of trade marks by assignment or transmission and to bring the law in line with international practices.

OTHER APPLICABLE LAWS

Municipality Laws

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Police Laws

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same along with prescribing penalties for non-compliance.

Approvals from Local Authorities

Setting up of a factory or manufacturing/housing unit/establishments entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the State Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.



HISTORY AND CERTAIN CORPORATE MATTERS

Brief History and Background

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 at 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 dated July 26, 2018 was issued by the Registrar of Companies, Gujarat at Ahmedabad. The Corporate Identification Number of our Company is U27100GJ2011PLC066552.

Our Company was originally promoted by Mr. Dipen Rameshbhai Faldu, Mr. Pramodkumar Madhavjibhai Makadia, Mr. Chirag Lakhani and Mr. Yogesh Premjibhai Suvariya who were the initial subscribers to the Company's Memorandum and Articles of Association of our Company. Pursuant to the memorandum of understanding dated May 1, 2016, our Company was acquired by Mr. Varun Manojkumar Jain and Mr. Varuna Jain as a running concern. Presently, Mr. Varun Manojkumar Jain, Mr. Sunny Sunil Singhi and Mr. Varuna Jain are the Promoters of our Company.

As on date of this Draft Red Herring Prospectus, our Company has 8 (eight) shareholders.

Change in registered office of our Company

The Registered Office of our Company at the time of incorporation was situated at King's Plaza Office No. 1004, 10th Floor, Astron Circle, Rajkot-360 001, Gujarat.

The details of changes made to our Registered Office post incorporation of our Company are provided below:

| Date of Change | From | To | Reason |
|---------------------------------|--|--|----------------------------|
| As on the date of Incorporation | - | King's Plaza Office No. 1004, 10 th Floor, Astron Circle, Rajkot-360 001, Gujarat | - |
| September 12, 2016 | King's Plaza Office No. 1004, 10 th Floor Astron Circle, Rajkot-360001 (Gujarat) | 808-B, Pinnacle Business Park, Survey No.888/807/810, FB-25, T.P. 28, Opp. Royal Arcade, AUDA Garden, Prahlad Nagar Ahmedabad - 380 015, Gujarat | Administrative Convenience |
| June 1, 2017 | 808-B, Pinnacle Business Park, Survey No.888/807/810, FB-25, T.P. 28, Opp. Royal Arcade, AUDA Garden, Prahlad Nagar Ahmedabad - 380 015, Gujarat | Survey No.888/807/810, FP-25, 28, T 808-C, Pinnacle, Prahladnagar Area Opp. Royal Archade, Auda Garden, Ahmedabad, Gujarat-380015 | Administrative Convenience |
| March 31, 2023 | Survey No.888/807/810, FP-25, 28, T 808-C, Pinnacle, Prahladnagar Area Opp. Royal Archade, Auda Garden, Ahmedabad, Gujarat-380015 | R.S. No.48P1 to 48P5, 8-A N. H. Bhalgam, Wankaner, Rajkot, Wankaner, Gujarat, India, 363621 | Administrative Convenience |
| May 17, 2024 | R.S. No.48 P1 to 48 P5, 8-A N. H. Bhalgam, Wankaner, Rajkot, Wankaner, Gujarat, India, 363621. | Survey No-48, Wankarner Boudry, Bhalgam, National Highway 8-A, Wankaner, Rajkot, Wankaner, Gujarat-363621, India | Administrative Convenience |

Main Objects of our Company

The main objects of our Company are as follows:

- Manufacturing of all types of TMT Bar, Angles, Channels, Circles, Round Bar, Square Bar, Guddars, MS Plates, Rods, Bars, Flats in all kind and forms of Steel including alloys steel and all other special steels, iron ferrous and Nonferrous metal and all types of Steel related products and power/energy related products.*
- To carry on in India or elsewhere the business of Exporter, Importer, Traders, Distributors, Resellers, Processors, Converters, Dealers, Franchisers, C & F Agents, Marketers of TMT Bar, Angles Bars and all types of Steel products.*

3. *To carry on all or any of the Business of Engineering/Melting/Foundry/Casting/Forgings/iron and steel converters, smiths, metal moulders/ Job work.*
4. *To carry on the business as manufacturers, builder, operators, recyclers, breakers, extruders, fabricators, assemblers, processors, converters, dismantler, repairers, traders, importers, exporters, agents of all kind of ship vessels, tankers, trawlers, industrial units, industrial properties, industrial structures, industrial scrap and in all kind of ferrous and non-ferrous metals, pipes, tubes, coils, plates and other items resulting from above operations.*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of this Issue.

Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company in the last ten (10) years:

| Date of shareholder's resolution | Nature of amendments |
|---|---|
| July 10, 2014 | Change in Authorized Equity Share Capital from ₹ 8,00,00,000 (80,00,000 Equity Shares of ₹ 10/- each) to ₹ 12,25,00,000 (1,22,50,000 Equity Shares of ₹ 10/- each) |
| June 25, 2018 | Change in Authorized Equity Share Capital from ₹ 12,25,00,000 (1,22,50,000 Equity Shares of ₹ 10/- each) to ₹ 20,00,00,000 (2,00,00,000 Equity Shares of ₹ 10/- each) |
| June 25, 2018 | Conversion of our Company from Private limited to Public limited |
| June 18, 2019 | The Main Objects clause of the MOA of the Company was altered by adding the below clause after the existing Clause III (A)(3): <i>“4. To carry on the business as manufacturers, builder, operators, recyclers, breakers, extruders, fabricators, assemblers, processors, converters, dismantler, repairers, traders, importers, exporters, agents of all kind of ship vessels, tankers, trawlers, industrial units, industrial properties, industrial structures, industrial scrap and in all kind of ferrous and non-ferrous metals, pipes, tubes, coils, plates and other items resulting from above operations.”</i> |
| February 19, 2024 | Change in Authorized Equity Share Capital from ₹ 20,00,00,000 (2,00,00,000 Equity Shares of ₹ 10/- each) to ₹ 25,00,00,000 (2,50,00,000 Equity Shares of ₹ 10/- each). |
| March 29, 2024 | Adoption of new set of Memorandum of Association as per Companies Act, 2013. |

Corporate profile of our Company

For details regarding the description of our Company's activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key services, entry in new geographies or exit from existing markets, major distributors and customers, segment, marketing and competition, please refer to the chapters titled *“Our Business”*, *“Our Management”* and *“Management's Discussion and Analysis of Financial Position and Results of Operations”* on pages 104, 133 and 187 respectively, of this Draft Red Herring Prospectus.

Major Key Events, Milestone and Achievements of our Company:

The Table below sets forth some of the major events in the history of our Company:

| Year | Key Events / Milestone / Achievements/ Awards/ Recognitions/ Accreditations |
|-------------|--|
| 2011-12 | Incorporation of the Company on July 27, 2011 by Dipen Rameshbhai Faldu, Pramodkumar Madhavjibhai Makadia, Chirag Lakhani and Yogesh Premjibhai Suvariya. |
| 2016-17 | Change in Management- Mr. Varun Manojkumar Jain and Mrs. Varuna Jain purchased all the equity shares from erstwhile promoters and were appointed as Directors of the Company |
| 2018-19 | Company was converted into Public Company. |
| 2018-19 | Achieved revenue from operations of more than ₹ 300 Crores. |
| 2021-22 | Achieved revenue from operations of more than ₹ 500 Crores. |

Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun in setting up projects.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks



As of date of this Draft Red Herring Prospectus, there are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation

Except as stated in the Draft Red Herring Prospectus, our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years.

Revaluation of assets

Except for revaluation of land, from ₹ 2,14,80,902 to ₹ 13,08,75,800 by creating a revaluation reserves of ₹ 10,93,94,898, our Company has not revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

Changes in activities of our Company during the last five (5) Years:

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Draft Red Herring Prospectus.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company.

Our Subsidiary, Associate or Joint Venture

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary, associate or joint venture.

Strategic and Financial Partners

As on date of this Draft Red Herring Prospectus, our Company does not have any strategic and financial partners.

Shareholders and Other Agreements

Except as disclosed below, there are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

- Our Company has entered into Share Subscription and Shareholders Agreement dated February 13, 2024 with Chankya Opportunities Fund I for subscription of 1,11,120 Equity Shares for cash price of ₹ 90 per equity shares on preferential basis.
- Our Company has entered into Share Subscription and Shareholders Agreement dated June 10, 2024 with Kamdhenu Limited for subscription of 2,00,000 Equity Shares for cash price of ₹ 65 per equity shares on preferential basis.
- Our Company has entered into retail license agreement with Kamdhenu Metallic Industries Limited for a period of three years from January 2023 for manufacturing of TMT Bars under KAY2 and KAY2 XENOX brand for royalty payment of ₹ 300 per month per MT. KAY2 and KAY2 XENOX brand is owned by Kamdhenu Dreamz.
- **Non-Compete Agreement:** Our Company has entered into Memorandum of Understanding dated May 16, 2024 with VMS TMT Limited to divide among them selected regions of state of Gujarat for supply of TMT Bars manufactured by them. Our Company will focus on Kutch and Saurashtra region and VMS TMT Limited will cater to other than Kutch and Saurashtra region of Gujarat State.

Agreements with key managerial personnel or a Director or Promoter or any other employee of the Company

Except for as mentioned in Chapter titled “**Our Management**” beginning on page no. 133 of this Draft Red Herring Prospectus, there are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.



Guarantees given by Promoters offering its shares in the Offer for Sale

Except as stated in “*Financial Indebtedness*” on page no. 196, our Promoters have not given any guarantees on behalf of our Company.

Material Agreements

Except as disclosed in this Draft Red Herring Prospectus, Our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.



OUR MANAGEMENT

BOARD OF DIRECTORS

As on the date of this Draft Red Herring Prospectus, our Board comprises four (4) Directors, including one (1) Executive Director, one (1) Non-Executive Director, and two (2) Non-Executive Independent Directors out of whom one is a woman Independent Director.

The following table sets forth the details regarding the Board of Directors of our Company as on the date:

| Name, Designation, Age, Date of Birth, Address, Occupation, Current term, Period of Directorship and DIN | Directorships in Other Companies |
|---|-----------------------------------|
| <p>Mr. Sunny Sunil Singhi</p> <p>Designation: Chairman and Managing Director</p> <p>Age: 34 years</p> <p>Date of Birth: October 13, 1989</p> <p>Address: 201, Safal Floora, Near Jay Kishan Building, Shahibag, Ahmedabad City, Ahmedabad, Gujarat-380004</p> <p>Occupation: Business</p> <p>Current Term: For a period of three years with effect from February 19, 2024 liable to retire by rotation.</p> <p>Period of Directorship: Director since October 9, 2021</p> <p>DIN: 07210706</p> | <p>Premier Synthetics Limited</p> |
| <p>Mr. Varun Manojkumar Jain</p> <p>Designation: Non-Executive Director</p> <p>Age: 35 years</p> <p>Date of Birth: May 08, 1989*</p> <p>Address: 404-B Ashwari Tower, B/h. Wide Angle, Satellite, Manekbag, Ahmedabad – 380015, Gujarat.</p> <p>Occupation: Business</p> <p>Current Term: From February 19, 2024 till the conclusion of Annual General Meeting liable to retire by rotation.</p> <p>Period of Directorship: Director since May 30, 2016</p> <p>DIN: 03502561</p> | <p>VMS TMT Limited</p> |
| <p>Mrs. Sapna Jain</p> <p>Designation: Non-Executive Independent Director</p> <p>Age: 38 years</p> <p>Date of Birth: March 14, 1986</p> | <p>MFL India Limited</p> |

| Name, Designation, Age, Date of Birth, Address, Occupation, Current term, Period of Directorship and DIN | Directorships in Other Companies |
|---|---------------------------------------|
| <p>Address: A-119A, Kamla Nehru Nagar, Jodhpur, Rajasthan-342001</p> <p>Occupation: Professional</p> <p>Current Term: For a period of 5 years with effect from December 20, 2023.</p> <p>Period of Directorship: Director since December 20, 2023</p> <p>DIN: 09298942</p> | |
| <p>Mr. Piyush Ravishanker Bhatt</p> <p>Designation: Non-Executive Independent Director</p> <p>Age: 62 years</p> <p>Date of Birth: January 26, 1962</p> <p>Address: B. No. 30, Madhur Co. Op. HSL, Nirman Twins Bunglows, Ghatlodiya, Ahmedabad City, Gujarat - 380 061, India</p> <p>Occupation: Retired RBI Officer</p> <p>Current Term: For a period of 5 years with effect from December 20, 2023.</p> <p>Period of Directorship: Director since December 20, 2023</p> <p>DIN: 10143807</p> | <p>Bulkcorp International Limited</p> |

**The date of birth of Varun Manojkumar Jain mentioned in his passport is June 8, 1989, however in PAN and Aadhar it is mentioned as May 8, 1989.*

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Mr. Sunny Sunil Singhi

Mr. Sunny Sunil Singhi, aged about 34 (Thirty-Four) years, is the Promoter, Chairman and Managing Director of our Company. He holds the directorship in our Company since October 9, 2021. He holds a degree in Bachelor of Commerce from Gujarat University. He is also an associate member of ICAI. He has 8 (Eight) years of experience in Debt Syndication and Fund raising and more 2.5 (than two and half) years in steel industry. Prior to joining our Company, he was associated with Nirbhay Capital Services Private Limited. Presently, he is also a Director in Premier Synthetics Limited and is also a designated partner in Nebula Civiltech LLP, partner in Nischay Consultancy and karta of Sunny Singhi HUF.

Mr. Varun Manojkumar Jain

Mr. Varun Manojkumar Jain, aged about 35 (Thirty-Five) years, is the Promoter and Non-Executive Director of our Company. He holds the directorship in our Company since May 30, 2016. He holds degrees in Bachelor of Commerce from Gujarat University and has done Management Programme for family business from Indian School of Business (ISB), Hyderabad. He has also passed the Professional Competence Course from ICAI. He has more than 8 (Eight) years of experience in the steel sector. Presently, he is a Managing Director in VMS TMT Limited, our Group Company and is also a partner in Yohaan Enterprises.

Mrs. Sapna Jain

Mrs. Sapna Jain, aged about 38 (Thirty-Eight) years, is the Non-Executive Independent Director of our Company since December 20, 2023. She has cleared bachelor's in commerce final examination, master's in commerce and have cleared the post graduate diploma in Cost & Management Accounting examination from Jai Narain Vyas University, Jodhpur. She is also a fellow member of ICSI and also holds the certificate of practice from ICSI. She has 10 (Ten) Years of experience



in Corporate Laws. Presently she is a practicing company secretary and is also associated as Treasurer of Jodhpur Chapter of Institute of Company Secretaries of India and also holds directorship in MFL India Limited.

Mr. Piyush Ravishanker Bhatt

Mr. Piyush Ravishanker Bhatt, aged about 62 (Sixty-Two) years, is the Non-Executive Independent Director of our Company since December 20, 2023. He holds a degree in master's in commerce from Gujarat University. He is also an associate member of ICSI. He has 38 (Thirty-Eight) years of experience in Banking sector. Prior to joining our Company, he was associated with Reserve Bank of India. Presently, he is also a director in Bulkcorp International Limited and chief executive officer in Saanvi Advisors Limited.

ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

None of our Directors have been appointed to our Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

DETAILS REGARDING DIRECTORSHIPS OF OUR DIRECTORS IN LISTED COMPANIES

None of our Directors is or was, during the last five (5) years preceding the date of this Draft Red Herring Prospectus, a director of any listed company whose shares have been or were suspended from being traded on the stock exchanges during their tenure as a director in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during their tenure as a director in such company.

CONFIRMATIONS

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower as defined under the SEBI ICDR Regulations.

Neither our Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors are prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

RELATIONSHIPS BETWEEN OUR DIRECTORS

None of our directors are related to each other.

TERMS OF APPOINTMENT OF MANAGING DIRECTOR

The compensation payable to our Managing Director will be governed as per the terms of his appointment and shall be subject to the provisions of Sections 2(54), 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof.

Compensation and benefits to the managing director are as follows: -

| | |
|-------------|------------------------|
| Name | Mr. Sunny Sunil Singhi |
|-------------|------------------------|

| | |
|--|---|
| Designation | Chairman and Managing Director |
| Date of Appointment/ Change in Designation | He is appointed as Chairman and Managing Director pursuant to approval of members in Extra Ordinary General Meeting held on February 19, 2024 for a period of three (3) years with effect from February 19, 2024. |
| Period | He holds office for three (3) years with effect from February 19, 2024 and liable to retire by rotation |
| Salary, perquisite and allowances | Salary, perquisites and allowances upto Rs. 10,00,000 (Rupees Ten Lakhs Only) per Month for a period of three (3) years with effect from his appointment. Salary, perquisites and allowances may be revised periodically based on the recommendation of the Board of Directors or subject to the provisions of the Companies Act. Perquisites and allowances shall include the perquisites as per Section IV of Schedule V of the Companies Act. |
| Compensation/ remuneration paid during the F.Y. 2023-24 | ₹ 43.20 Lakhs |

SITTING FEES OF INDEPENDENT DIRECTORS:

Pursuant to the Board resolution dated March 01, 2024, each Independent Directors of the Company, is entitled to receive sitting fees of ₹ 5,000 per meeting for attending meetings of the Board, committees of the board of the Company each.

REMUNERATION TO NON-EXECUTIVE DIRECTOR

The compensation payable to Mr. Varun Manojkumar Jain, Non-Executive Director of our Company, will be governed as per the terms of his appointment and shall be subject to the provisions of Sections 197 and 198 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof. In the Extra Ordinary General Meeting held on February 19, 2024, the remuneration was approved to be paid to Mr. Varun Manojkumar Jain of upto 10,00,000 per month including the perquisites and allowances.

DETAILS OF THE REMUNERATION PAID TO THE NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS OF OUR COMPANY FOR THE FISCAL 2024 ARE AS FOLLOWS:

| Names of the Director | Remuneration paid for the financial year ending on March 31, 2024 (₹ in Lakhs) |
|------------------------------|---|
| Mr. Varun Manojkumar Jain | 63.60 |
| Mrs. Sapna Jain | Nil |
| Mr. Piyush Ravishanker Bhatt | Nil |

SHAREHOLDING OF 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:

| Names | No. of Equity Shares Held |
|------------------------------|----------------------------------|
| Mr. Varun Manojkumar Jain | 41,24,260 |
| Mr. Sunny Sunil Singhi | 61,48,800 |
| Mrs. Sapna Jain | Nil |
| Mr. Piyush Ravishanker Bhatt | Nil |

INTEREST OF DIRECTORS

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in “*Our Management – Terms of appointment of Managing Director – Compensation/Remuneration paid during FY 23-24 and Remuneration to Non-Executive Director*” on page 135.



Except for Mr. Sunny Sunil Singhi and Mr. Varun Manojkumar Jain who are acting as the Promoters of our Company, none of our Directors have any interest in the promotion or formation of our Company.

None of our Directors have any direct or indirect interest in the properties that our Company owns.

For further details please see “*Our Properties*” in the chapter titled “*Our Business*” at page no. 115.

The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Except as disclosed in “*Restated Financial Information*” and “*Our Promoters and Promoter Group*” on page no. 155 and 145 respectively, our Directors are not interested in any other company, entity or firm.

Some of our Directors and their relatives have provided personal guarantees for the loan facilities availed by our Company. For further details, please see section titled as “*Financial Indebtedness*” on page no. 196.

Other than the transactions disclosed in the Note AC- *Related Party Transactions* on page no. 182 under section “*Restated Financial Information*” on page no. 155, our Directors do not have any other interest in the business of our Company.

BONUS OR PROFIT-SHARING PLAN OF THE DIRECTORS

None of our Directors are party to any bonus or profit-sharing plan of our Company.

CHANGES IN THE BOARD IN THE LAST THREE YEARS

Except as stated below, there has been no change in the Board in the three preceding years of the date of filing of this Draft Red Herring Prospectus:

| Name of Director | Date of Change | Reason for Change |
|------------------------------|-----------------------|---|
| Mr. Sunny Sunil Singhi | February 19, 2024 | Re-designated as a Chairman and Managing Director |
| Mr. Varun Manojkumar Jain | February 19, 2024 | Re-designated as a Non-Executive Director |
| Mr. Murari Agarwal | February 12, 2024 | Resignation as a Non-Executive Independent Director |
| Mr. Manoj Kumar Jain | January 20, 2024 | Resignation as a Director |
| Mr. Manoj Kumar Jain | December 20, 2023 | Regularization as Director |
| Mr. Sunny Sunil Singh | December 20, 2023 | Re- appointed as a Whole Time Director |
| Mr. Manas Rajivbhai Shah | December 20, 2023 | Resignation as a Non-Executive Independent Director |
| Mr. Murari Agarwal | December 20, 2023 | Appointment as a Non-Executive Independent Director |
| Mrs. Sapna Jain | December 20, 2023 | Appointment as a Non-Executive Independent Director |
| Mr. Piyush Ravishanker Bhatt | December 20, 2023 | Appointment as a Non-Executive Independent Director |
| Mrs. Varuna Jain | December 11, 2023 | Resignation as a Director |
| Mr. Manoj Kumar Jain | November 30, 2023 | Appointment as an Additional Director |
| Mrs. Varuna Jain | August 1, 2023 | Re-appointed as a Whole Time Director |
| Mr. Varun Manojkumar Jain | August 1, 2023 | Re-appointed as a Managing Director |
| Mr. Sunny Sunil Singhi | October 9, 2021 | Appointment as a Whole Time Director |

BORROWING POWERS OF BOARD

In accordance with the Articles of Association and applicable provisions of the Companies Act, 2013, and pursuant to the special resolution dated February 19, 2024 passed by the Shareholders of the Company, the Board may borrow any sum or sums of money from time to time at this discretion for the purpose of the business of the Company, which together with the monies already borrowed by the Company apart from temporary loans obtained from the company’s bankers in the ordinary course of business may exceed at any time, the aggregate of the paid up share capital of the Company and securities premium account and its free reserves that is to say, reserves not set apart for any specific purposes provided, however that the total amount so borrowed and remaining outstanding at any particular time shall not exceed Rs 1,000 Crores.

REMUNERATION FROM SUBSIDIARY

As on date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI LODR Regulations as amended and SEBI ICDR Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on Stock Exchanges. As on date of this Draft Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI ICDR Regulations, the requirements specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI LODR Regulations are not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI LODR Regulations is not applicable to our Company, our Company endeavours to comply with the good Corporate Governance and accordingly certain exempted regulations have been compiled by our Company.

Our Board has been constituted in compliance with the Companies Act, the SEBI LODR Regulations. The Board of Directors function either as a full board or through various committees constituted to oversee specific operational areas.

Committees of the Board:

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Details of the Committees as on the date of this Draft Red Herring Prospectus are set forth below:

Audit Committee

Our Company has formed an Audit Committee, vide Board Resolution dated September 1, 2018 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 18 of SEBI LODR Regulations. The Audit Committee was reconstituted vide Board Resolution dated February 17, 2024. The Audit Committee comprises following members:

| Name of the Director | Status in Committee | Nature of Directorship |
|------------------------------|---------------------|------------------------|
| Mr. Piyush Ravishanker Bhatt | Chairman | Independent Director |
| Mrs. Sapna Jain | Member | Independent Director |
| Mr. Varun Manojkumar Jain | Member | Non-Executive Director |

The Company Secretary of the Company shall act as a Secretary to the Audit Committee. The scope and function of the Audit Committee and its terms of reference 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. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. 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;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the half yearly 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, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer



document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. 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.
14. Discussion with internal auditors any significant findings and follow up there on.
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. 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.
17. 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.
18. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
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 whistle blower mechanism;
21. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
22. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
23. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
24. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
25. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
26. To investigate any other matters referred to by the Board of Directors;
27. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or containing into SEBI Listing Regulations 2015.

Further the Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- f. Statement of deviations:
 - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Nomination and Remuneration Committee

Our Company has formed Nomination and Remuneration Committee vide Board Resolution dated September 1, 2018 as per the applicable provisions of the Section 178, Schedule V and all other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and Regulation 19 of SEBI LODR Regulations. The Nomination and Remuneration Committee was reconstituted vide Board Resolution dated February 17, 2024. The Nomination and Remuneration Committee comprises following members:

| Name of the Director | Status in Committee | Nature of Directorship |
|------------------------------|---------------------|------------------------|
| Mr. Piyush Ravishanker Bhatt | Chairman | Independent Director |
| Mrs. Sapna Jain | Member | Independent Director |
| Mr. Varun Manojkumar Jain | Member | Non-Executive Director |

The terms of reference of the Nomination and Remuneration Committee as per Regulation 19 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
For the purpose of identifying suitable candidates, the Committee may:
 - uses the services of an external agencies, if required;
 - considers candidates from a wide range of backgrounds, having due regard to diversity; and
 - considers the time commitments of the candidates.
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity; and
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- 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.
- Decide the amount of Commission payable to the Whole Time Directors;
 - Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
 - To formulate and administer the Employee Stock Option Scheme.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

Stakeholders Relationship Committee

Our Company has formed Stakeholders Relationship Committee vide Board Resolution dated September 1, 2018 as per the applicable provisions of the Section 178(5) and all other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 20 of SEBI LODR Regulations. The Stakeholders Relationship Committee was reconstituted vide Board Resolution dated February 17, 2024. The Stakeholders Relationship Committee comprises the following:

| Name of the Director | Status in Committee | Nature of Directorship |
|--------------------------|---------------------|------------------------|
| Piyush Ravishanker Bhatt | Chairman | Independent Director |
| Sapna Jain | Member | Independent Director |
| Sunny Sunil Singhi | Member | Managing Director |

The terms of reference of the Nomination and Remuneration Committee as per Regulation 20 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under:

- Redressal of shareholders' and investors' complaints, including and in respect of:



- a) Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
- b) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- c) Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
2. Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
3. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
4. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
5. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
6. Allotment and listing of shares;
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
12. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

Corporate Social Responsibility Committee

Our Company has formed Corporate Social Responsibility Committee vide Board Resolution dated September 01, 2018 as per the applicable provisions of the Section 135 and all other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder. The Corporate Social Responsibility Committee was reconstituted vide Board Resolution dated December 20, 2023. The Corporate Social Responsibility Committee comprises the following:

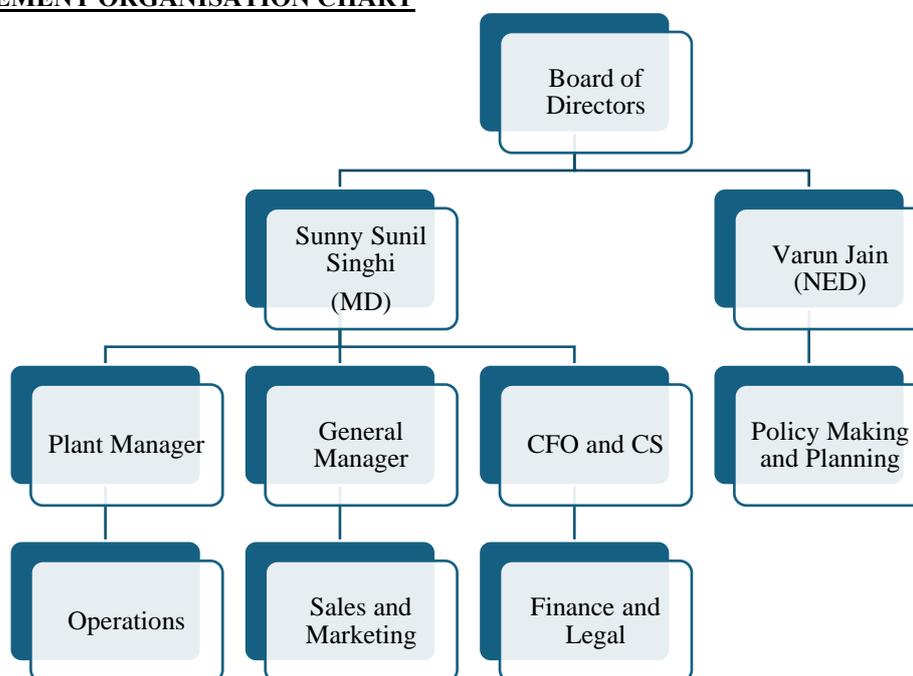
| Name of the Director | Status in Committee | Nature of Directorship |
|-----------------------------|----------------------------|-------------------------------|
| Mr. Varun Manojkumar Jain | Chairman | Non Executive Director |
| Mr. Sunny Sunil Singhi | Member | Managing Director |
| Mrs. Sapna Jain | Member | Independent Director |

The terms of reference of the Corporate Social Responsibility Committee as per Companies Act, 2013 shall be as under:

- (a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (b) To review and recommend the amount of expenditure to be incurred on the activities referred to in (a) and amount to be incurred for such expenditure shall be as per the applicable law;
- (c) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (d) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (f) To review and monitor the Corporate Social Responsibility Policy of the company and its implementation from time to time, and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (g) To do such other acts, deeds and things as may be required to comply with the applicable laws; and;

- (h) To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company.
- (i) The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
 - i. the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
 - ii. the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - iv. monitoring and reporting mechanism for the projects or programmes; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the Company;
- (j) To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.”

MANAGEMENT ORGANISATION CHART



KEY MANAGERIAL PERSONNEL

In addition to the Managing Director, whose details are provided in “*Our Management*” on page no 133, the details of the Key Managerial Personnel of our Company are as follows:

Mr. Amitkumar Harsukhbhai Sarena

Mr. Amitkumar Harsukhbhai Sarena aged about 32 (Thirty-Two) Years, is the Chief Financial Officer of our Company with effect from June 01, 2024. He holds the degree of Bachelor of Arts (Special) (without english) from Saurashtra University. He handles the accounting and financial related matters of our Company. He is having total of 11 years of experience of accounts and finances in our Company. He has been associated with our Company since November 2012. He has received a remuneration of ₹ 4.80 Lakhs for the Fiscal 2024.

Mr. Vikas Babusingh Panwar

Mr. Vikas Babusingh Panwar aged about 32 (Thirty-Two) Years, is the Company Secretary and Compliance Officer of our Company with effect from June 01, 2024. He holds the degree of Bachelor of Commerce from Guru Nanak Dev University.



He is also a member of ICSI. He handles the secretarial and compliance related matters of our Company. He is having more than 4 years of experience in secretarial and compliance. Prior to joining our Company, he was associated with Skyline Vision Private Limited. He has not received any remuneration for FY 2023-24 as he was appointed as Company Secretary and Compliance Officer of our Company w.e.f. June 01, 2024.

OUR SENIOR MANAGEMENT PERSONNEL

The details of the Senior Management Personnel of our Company are as follows:

Mr. Prabhu Dayal Dhard

Mr. Prabhu Dayal Dhard, aged about 47 (Forty-Seven) years, General Manager in our Company has been appointed as Senior Management with effect from March 25, 2024. He has been associated with our Company since May 03, 2017. He holds a degree in Bachelor of Law from B.J.S.R. Jain College Bikaner. He has 6 years of experience in Steel Manufacturing and prior to joining our Company he has been associated with Shivam Meltech - Durgapur.

Mr. Kapil Dev Panchal

Mr. Kapil Dev Panchal aged about 42 (Forty-Two) Years, is the Plant Manager in our Company has been appointed as Senior Management with effect from March 25, 2024. He has been associated with our Company since May 23, 2020. He has more than 4 (four) years of experience in Steel Manufacturing. .

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

RELATIONSHIP OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT WITH OUR DIRECTORS, PROMOTERS AND / OR OTHER KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Except as disclosed under the heading “*Relationship between our Directors*” herein above, none of the key managerial personnel and senior management are related to each other or to our Promoters or to any of our directors.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Except as disclosed in “*Shareholding of our Directors*” none of our KMPs holds any Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus.

BONUS OR PROFIT SHARING PLAN FOR OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

None of our Key Managerial Personnel and Senior Management is a party to any bonus or profit-sharing plan.

PAYMENT OR BENEFIT TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT OF OUR COMPANY

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within two preceding years or is intended to be paid or given to any of the Key Managerial Personnel and Senior Management except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management.

INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Except as disclosed in this Draft Red Herring Prospectus, none of our Key Managerial Personnel’s and Senior Managements have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and Senior Management have been appointed.

CHANGES IN KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS

Except the details mentioned under “*Changes in the Board in the last three years*” on page no. 137, the details of the changes in the Key Managerial Personnel and Senior Management of our Company in the last three years are as follows:

| Name of Key Managerial Personnel | Designation | Date of Change | Reason for Change |
|----------------------------------|--|-------------------|-------------------|
| Ms. Divya Dharmendrabhai Joshi | Company Secretary | January 25, 2022 | Appointment |
| Mr. Maheshbhai Thakordas Gulwani | Chief Financial Officer | February 01, 2022 | Appointment |
| Ms. Divya Dharmendrabhai Joshi | Company Secretary | August 31, 2022 | Resignation |
| Ms. Tina Mulani | Company Secretary | November 30, 2023 | Appointment |
| Mr. Kapil Dev Panchal | Senior Management Personnel- Plant Manager | March 25, 2024 | Appointment |
| Mr. Prabhu Dayal Dhard | Senior Management Personnel- General Manager | March 25, 2024 | Appointment |
| Mr. Maheshbhai Thakordas Gulwani | Chief Financial Officer | May 31, 2024 | Resignation |
| Ms. Tina Mulani | Company Secretary | May 31, 2024 | Resignation |
| Mr. Amitkumar Harsukhbhai Sarena | Chief Financial Officer | June 01, 2024 | Appointment |
| Mr. Vikas Babusingh Panwar | Company Secretary | June 01, 2024 | Appointment |

The attrition of the key management personnel and Senior Management is as per the industry standards.

EMPLOYEES’ STOCK OPTION PLAN

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

LOANS TAKEN BY DIRECTORS / KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT

Our Company has not granted any loans to the Directors and/or Key Management Personnel and Senior Management as on the date of this Draft Red Herring Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are Mr. Sunny Sunil Singhi, Mr. Varun Manojkumar Jain and Mrs. Varuna Jain. As on the date of this Draft Red Herring Prospectus, our Promoters holds an aggregate of 17,077,060 Equity Shares, representing 97.94% of the Pre-Issue Issued, Subscribed and Paid-up Equity Share Capital of our Company.

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – Details of the Built up of our Promoter's shareholding*", on page no. 65.

BRIEF PROFILE OF OUR INDIVIDUAL PROMOTERS

Mr. Sunny Sunil Singhi



Mr. Sunny Sunil Singhi, aged about 34 (thirty-four) years, is the Promoter, Chairman and Managing Director of our Company. He holds the directorship in our Company since October 9, 2021. He holds a degree in Bachelor of Commerce from Gujarat University. He is also an associate member of ICAI. He has 8 (Eight) years of experience in Debt Syndication and Fund raising and more than 2.5 (Two and Half) years in steel industry. Prior to joining our Company, he was associated with Nirbhay Capital Services Private Limited. Presently, he is also a Director in Premier Synthetics Limited and is also a designated partner in Nebula Civiltech LLP, partner in Nischay Consultancy and karta of Sunny Singhi HUF.

Date of Birth: October 13, 1989

Age: 34 years

Residential Address: 201, Safal Floora, Near Jay Kishan Building, Shahibag, Ahmedabad City, Ahmedabad, Gujarat-380004

Nationality: Indian

PAN: BTQPS7451H

Directorships Held:

Premier Synthetics Limited

Other Ventures::

- Nebula Civiltech LLP
- Nischay Consultancy
- Sunny Singhi HUF

Mr. Varun Manojkumar Jain

| | |
|--|--|
|  | <p>Mr. Varun Manojkumar Jain, aged about 35 (thirty-five) years, is the Promoter and Non-Executive Director of our Company. He holds the directorship in our Company since May 30, 2016. He holds degree in Bachelor of Commerce from Gujarat University and has done Management Programme for family business from Indian School of Business (ISB), Hyderabad. He has also passed the Professional Competence Course from ICAI. He has more than eight (8) years of experience in the steel sector. Presently, he is also a Managing Director in VMS TMT Limited, our Group Company and is also a partner in Yohaan Enterprises.</p> <p>Date of Birth: May 08, 1989*</p> <p><i>*The date of birth of Varun Manojkumar Jain mentioned in his passport is June 8, 1989, however in PAN and Aadhar it is mentioned as May 8, 1989.</i></p> <p>Age: 35 years</p> <p>Residential Address: 404-B Ashwari Tower, B/h. Wide Angle, Satellite, Manekbag, Ahmedabad – 380015, Gujarat.</p> <p>Nationality: Indian</p> <p>PAN: AIFPJ2196R</p> <p>Directorships Held:</p> <ul style="list-style-type: none"> • VMS TMT Limited <p>Other Ventures:</p> <ul style="list-style-type: none"> • Yohaan Enterprises • Enterpot B Developers |
|--|--|

Mrs. Varuna Jain

| | |
|---|--|
|  | <p>Mrs. Varuna Jain aged 35 (Thirty-Five) years is the Promoter of our Company. She has passed the bachelors of commerce (three year degree course) examination from University of Mumbai. She has seven (7) years of experience in Steel Industry. Presently, she is also a partner in Yohaan Enterprises.</p> <p>Date of Birth: July 11, 1988</p> <p>Age: 35 years</p> <p>Residential Address: B-404, Ashavari Tower, B/H, Fun Republic Satellite, Ahmadabad City, Ahmedabad, Manekbag, Gujarat-380015</p> <p>Nationality: Indian</p> <p>PAN: AFXPD9468F</p> <p>Directorships Held:</p> <p>Nil</p> <p>Other Ventures of Promoter Yohaan Enterprises</p> |
|---|--|

DECLARATION

We declare and confirm that the details of the Permanent Account Number, Aadhaar Card Number, Driving License



Number, Passport Number and Bank Account Number of our Promoters will be submitted to the Stock Exchange i.e., NSE, where the Equity Shares are proposed to be listed at the time of filing this Draft Red Herring Prospectus.

UNDERTAKING / CONFIRMATIONS

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- except as disclosed in this Draft Red Herring Prospectus, no material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and company promoted by the promoters of our Company.
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- Our Company or any of our Promoters or Group Company or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group Company and company promoted by the Promoters are disclosed in chapter titled "*Outstanding Litigations and Material Developments*" on page no. 198.
- None of our Promoters or person in control of our Company are or have ever been a promoters, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

CHANGE IN CONTROL OF OUR COMPANY

Except for the change in the Promoters as disclosed below, there has not been any change in the control of our Company in the five (5) years immediately preceding the date of this Draft Red Herring Prospectus:

Pursuant to the resolution passed by the Board on February 17, 2024 and the special resolution passed by the members of the Company on February 19, 2024, Mr. Manoj Kumar Jain and Mrs. Sangeeta Jain were re-classified as Promoter Group and Mr. Sunny Sunil Singhi, Mr. Varun Manojkumar Jain and Mrs. Varuna Jain were classified as a Promoters.

EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

Our Promoters, Varun Manojkumar Jain has eight (8) years of experience while Varuna Jain has seven (7) years of experience and Sunny Sunil Singhi brings approximately two and half (2.5) years of experience in the steel industry. For details in relation to experience of our Promoters in the business of our Company, please see "*Our Management*" on page 133 and "*Our Promoters and Promoter Group*" on page 145.

INTEREST IN PROMOTION OF OUR COMPANY

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, see - "*Note AC - Related Party Transactions*" on page 182 under chapter titled as "*Restated Financial Information*" on page no. 155.

For details regarding the shareholding of our Promoters in our Company, please see "*Capital Structure*" on page no 61.

INTEREST IN THE PROPERTY, ACQUISITION OF LAND, CONSTRUCTION OF BUILDING, SUPPLY OF MACHINERY, ETC.



Our Promoters does not have any other interest in any property acquired or proposed to be acquired by our Company in a period of 2 (two) years before filing of this Draft Red Herring Prospectus or in any transaction by our Company for 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.

PAYMENT OR BENEFIT TO THE PROMOTERS OR PROMOTER GROUP IN THE LAST 2 (TWO) YEARS

For details of payments or benefits paid to our Promoters and Promoter group, see “*Remuneration to our Directors*” in the chapter titled “*Our Management*” on page no 135 also refer **Note AC - “*Related Party Transactions*”** on page no 182 under chapter titled as “*Restated Financial Information*” on page no 155.

COMMON PURSUITS OF OUR PROMOTERS

Except for VMS TMT Limited, which operates in the same business as our Company, none of our group companies share similar business activities. On May 16, 2024, our Company entered into a Memorandum of Understanding with VMS TMT Limited to allocate specific regions within the state of Gujarat for the supply of TMT Bars they manufacture. Our Company will concentrate on the Kutch and Saurashtra regions, while VMS TMT Limited will serve the rest of Gujarat.

LITIGATION INVOLVING OUR PROMOTERS

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” on page no 198.

RELATED PARTY TRANSACTIONS

Except as stated in “*Note AC- Related Party Transactions*” on page 182 under section titled as “*Restated Financial Information*” on page no 155, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE PRECEDING THREE YEARS

None of our Promoters have disassociated themselves from any of the Company, firms or other entities during the last 3 (three) years preceding the date of this Draft Red Herring Prospectus.

MATERIAL GUARANTEES

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

Our Promoter Group as defined under Regulations 2(1)(pp) of the SEBI ICDR Regulations includes the following individuals and body corporates:

1. Individuals forming part of the Promoter Group

The following natural persons form part of the Promoter Group as relatives of Mr. Varun Manojkumar Jain:

| S. No. | Relationship | Name |
|---------------|--------------------------|-------------------------------|
| 1. | Spouse of the promoter | Mr. Varuna Jain |
| 2. | Father of the promoter | Mr. Manojkumar Jain |
| 3. | Mother of the promoter | Mrs. Sangeeta Manojkumar Jain |
| 4. | Brother of the promoter | Mr. Vaibhav Jain |
| 5. | Sister of the promoter | - |
| 6. | Son of the promoter | Master Yohaam Jain |
| 7. | Daughter of the promoter | Ms. Rysa Jain |



| S. No. | Relationship | Name |
|--------|---------------------------------------|------------------------|
| 8. | Father of the spouse of the promoter | Mr. Bimal Dugar |
| 9. | Mother of the spouse of the promoter | Mrs. Nirmal Devi Dugar |
| 10. | Brother of the spouse of the promoter | Mr. Rishabh Dugar |
| 11. | Sister of the spouse of the promoter | - |

The following natural persons form part of the Promoter Group as relatives of Mrs. Varuna Jain:

| S. No. | Relationship | Name |
|--------|---------------------------------------|-------------------------------|
| 1. | Spouse of the promoter | Mr. Varun Manojkumar Jain |
| 2. | Father of the promoter | Mr. Bimal Dugar |
| 3. | Mother of the promoter | Mrs. Nirmal Devi Dugar |
| 4. | Brother of the promoter | Mr. Rishabh Dugar |
| 5. | Sister of the promoter | - |
| 6. | Son of the promoter | Master Yohaana Jain |
| 7. | Daughter of the promoter | Ms. Rysa Jain |
| 8. | Father of the spouse of the promoter | Mr. Manojkumar Jain |
| 9. | Mother of the spouse of the promoter | Mrs. Sangeeta Manojkumar Jain |
| 10. | Brother of the spouse of the promoter | Mr. Vaibhav Jain |
| 11. | Sister of the spouse of the promoter | - |

The following natural persons form part of the Promoter Group as relatives of Mr. Sunny Sunil Singhi:

| S. No. | Relationship | Name |
|--------|---------------------------------------|-----------------------------------|
| 1. | Spouse of the promoter | Mrs. Ravina Singhi |
| 2. | Father of the promoter | Mr. Sunil Jivraj Singhi |
| 3. | Mother of the promoter | Mrs. Purnima Sunil Singhi |
| 4. | Brother of the promoter | Mr. Rishabh Singhi |
| 5. | Sister of the promoter | - |
| 6. | Son of the promoter | Master Shiven Singhi [#] |
| 7. | Daughter of the promoter | - |
| 8. | Father of the spouse of the promoter | Mr. Navin Khimesra |
| 9. | Mother of the spouse of the promoter | Mrs. Rajshri Khimesra |
| 10. | Brother of the spouse of the promoter | - |
| 11. | Sister of the spouse of the promoter | Mrs. Ranu Mehta |

[#] As on the date of this Draft Red Herring Prospectus, Shiven Singhi is a minor and is not holding PAN card.

2. Body Corporate forming part of the Promoter Group

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, the following entities would form part of our Promoter Group where our Promoters have interest:

| S. No | Title | Name of the Entity |
|-------|--|---|
| 1. | Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member. | a. VMS TMT Limited b. VMS Industries Limited c. VMS Autolink Private Limited d. Luxierge Media Private Limited e. Nebula Civitect LLP f. Hubilo Technologies Inc. g. Dugar Consumer Products Pvt Ltd h. Bohagi Projects Private Limited i. NBR Mines and Minerals Private Limited |
| 2. | Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital. | a. Hubilo Softech Private Limited |
| 3. | Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 20%. | a. Yohaana Enterprises b. Entrepot Developers c. Entrepot A Developers |

| S. No | Title | Name of the Entity |
|-------|-------|---|
| | | d. Entrepot B Developers e. Eternal Automobiles f. Sunny Singhi HUF g. Nischay Consultancy |

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, the following entities would form part of our Promoter Group where the Promoter which is a Body Corporate have interest:

| Sr. No. | Nature of Relationship | Name of the Promoter Entities / company |
|---------|--|---|
| 1. | Subsidiary(ies) or holding company of Promoter Company | Not Applicable |
| 2. | Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate). | Not Applicable |

Other persons included in Promoter Group

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp)(v) of SEBI ICDR Regulations.



OUR GROUP COMPANIES

In accordance with the provisions of the SEBI ICDR Regulations, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period (if any) and other Company as considered material by our Board. Our Board in its meeting held on March 1, 2024, has considered and adopted the Materiality Policy, *inter alia* for identification of companies that shall be considered material and shall be disclosed as a Group Company. Further, in terms of the Materiality Policy for identification of Group Companies, the Board has identified VMS Industries Limited and VMS TMT Limited as our Group Companies.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of the Group Company and other information provided on the websites given below does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision.

Details of our Group Company

The details of our Group Companies are as provided below:

VMS Industries Limited:

VMS Industries Limited (“**VMS Industries**”) was originally incorporated as ‘Varun Management Services Private Limited’ on December 2, 1991 under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli (“RoC”). The name of VMS Industries was changed to ‘VMS Industries Private Limited’ pursuant to a special resolution passed by the shareholders at the EGM held on March 12, 2007 and a fresh Certificate of Incorporation issued by RoC dated May 22, 2007. Subsequently VMS Industries was converted into a public limited company and its name was changed to ‘VMS Industries Limited’ pursuant to a special resolution passed by the shareholders at the EGM held on December 31, 2009 and a fresh Certificate of Incorporation was issued by RoC dated January 29, 2010. Equity Shares of VMS Industries are listed Main Board of BSE Limited with effect from June 14, 2011.

Company is engaged in the business of Ship Recycling Activities, Trading of Various Metals and Assets Dismantling & Demolition.

| | |
|--------------------------|---|
| CIN | L74140GJ1991PLC016714 |
| PAN | AABCV7307H |
| Registered Office | 808/C Pinnacle Business Park Corporate Road, Prahladnagar, Ahmedabad, Gujarat, India, 380015* |

**The address of Registered Office of VMS Industries is 808/C Pinnacle Business Park Corporate Road, Prahladnagar, Ahmedabad, Gujarat, India, 380015, however on the website of the Ministry of Corporate Affairs, the registered office address is appearing as 808/ Pinnacle Business Park Corporate Road, Prahladnagar, Ahmedabad, Gujarat, India, 380015. VMS Industries has intimated to the ROC for the change in the master data of VMS Industries and the same is under process.*

Financial information of VMS Industries, In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, basis/diluted earnings per share and net asset value, derived from the latest audited financial statements of our Group Company is available on the website, is uploaded on the website of VMS Industries at below link:

https://www.vmsil.in/uploads/2/8/8/8/28880383/finacial_performance.pdf

VMS TMT Limited:

VMS TMT Limited (“**VMS TMT**”) was incorporated on April 9, 2013 under the name of ‘VMS TMT Private Limited’ as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The name of VMS TMT was changed from ‘VMS TMT Private Limited’ to ‘VMS TMT Limited’ pursuant to a certificate of incorporation dated December 1, 2023 issued by the Registrar of Companies, Ahmedabad.



VMS TMT Limited is engaged in the business of Manufacturing of TMT bars.

| | |
|--------------------------|---|
| CIN | U27204GJ2013PLC074403 |
| PAN | AAECV3903E |
| Registered Office | Survey No. 214, Village Bhaylatal Bavla, Bhayla, Ahmedabad – 382220, Gujarat, India |

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, basis/diluted earnings per share and net asset value, derived from the latest audited financial statements of VMS TMT Limited is available (as VMS TMT does not have website) on the website of our Company at www.aditya-ultra-steel.com.

It is clarified that such details available on our Group Company’s websites do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Group Company’s website, as mentioned above, would be doing so at their own risk.

Other Confirmations:

- a) Our Group Companies has not made any public and/or rights issue of securities in the preceding three (3) years except as disclosed below:

VMS Industries Limited (“VMS”), one of our Group Company, which is listed on main Board of BSE Limited, has allotted 80 Lakhs Equity Shares on Rights basis on May 22, 2024 for cash price of ₹ 35 per equity shares. The issue was opened for subscription on May 02, 2024 and closed on May 16, 2024. Equity Shares of the Company under Rights issue was admitted for trading on w.e.f. May 30, 2024.

| Sr. No. | Particulars | |
|---------|---|-------------------------|
| 1. | Name of the Company | VMS Industries Limited |
| 2. | Year of Issue. | 2024 |
| 3. | Type of Issue (public/rights/composite) | Rights Issue |
| 4. | Amount of issue (₹ in Lakhs) | 2800.00 |
| 5. | Date of closure of issue. | Thursday, May 16, 2024 |
| 6. | Date of allotment | Wednesday, May 22, 2024 |
| 7. | Date of credit of securities to the demat account | Monday, May 28, 2024 |
| 8. | Date of completion of the project, where object of the issue was financing the project. | NA |
| 9. | Rate of dividend paid. | NIL |

- b) Our Group Company is not in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against our Group Company.
- c) Our Group Company is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/insolvency proceedings.
- d) Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

Common pursuits among Group Companies

Except as mentioned below, our Group Company is not engaged in the similar line of business as of our Company:

VMS TMT Limited which operates in the similar business as of our Company, none of our group companies share similar business activities. On May 16, 2024, our Company entered into a Memorandum of Understanding with VMS TMT Limited to allocate specific regions within the state of Gujarat for the supply of TMT Bars they manufacture. Our Company will concentrate on the Kutch and Saurashtra regions, while VMS TMT Limited will serve the rest of Gujarat.

In addition, some of our directors are also directors on the boards of our group company. These overlapping directorships could create conflicts of interest between us and the Promoters.



Interest in the promotion of our Companies

Our Group Company does not have any interest in the promotion of our Company.

Interest in the property acquired or proposed to be acquired by the Company

Our Group Company is not interested, directly or indirectly, in the properties acquired by our Company in the preceding three (3) years or proposed to be acquired by our Company.

Interest in transactions for acquisition of land, construction of building, or supply of machinery

Our Group Company is not interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

Related business transactions and their significance on the financial performance of our Company

Other than the transactions disclosed in the *Note AC - Related Party Transactions* on page 182 under chapter titled as “*Restated Financial Information*” on page no. 155, there are no related business transactions between the Group Companies and our Company.

Business interest of our Group Companies in our Company

Except as disclosed in the *Note AC - Related Party Transactions* on page no. 182 under chapter titled as “*Restated Financial Information*” on page no. 155 our Group Companies have no business interests in our Company.

Litigations

Except as disclosed in the section “*Outstanding litigations and material developments*” on page no. 198, our Group Companies are not party to any litigation which may have material impact on our Company.

Undertaking / Confirmations by our Group Companies

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company or have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Except as disclosed in the section “*Outstanding litigations and material developments*” on page 198, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Company/Promoter Group entities have been declared as a willful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entity they are connected with in the past and no proceedings for violation of securities laws are pending against them.



DIVIDEND POLICY

Our Board of Directors, pursuant to a resolution dated March 01, 2024, have adopted a dividend distribution policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder).

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013.

Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations, and restrictions, the terms of the credit facilities, and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

For details of risks in relation to our capability to pay dividend, see “*Risk Factor*” no. 42 on page no. 38. Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not paid/declared any dividend in the last three years from the date of this Draft Red Herring Prospectus.



SECTION IX – RESTATED FINANCIAL INFORMATION I

RESTATED FINANCIAL INFORMATION

| Sr. No | Particulars | Page Nos. |
|---------------|------------------------------|-------------------|
| 1 | Restated Financial Statement | 156 to 184 |



INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL INFORMATION

To,
**The Board of Directors,
Aditya Ultra Steel Limited
Survey No-48, Wankarner Boudry,
Bhalgam, National Highway 8-A,
Wankaner, Rajkot, Wankaner,
Gujarat-363621, India**

Dear Sirs,

1. We have examined the attached Restated Financial Statements of Aditya Ultra Steel Limited (hereinafter referred to as "the Company"), comprising, the Restated Statement of Assets and Liabilities as at March 31, 2024, 2023 and 2022, the Restated Statements of Profit and Loss and the Restated Cash Flow Statement for the years ended at March 31, 2024, 2023 and 2022, the Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on May 27, 2024 for the purpose of inclusion in the DRHP, RHP and Prospectus prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Ahmedabad in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
3. We, S. N. Shah & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and holds the peer review certificate dated 29.10.2021 valid till 31.10.2024.
4. We have examined such Restated 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 23rd February, 2024 in connection with the proposed IPO of the Company;
 - b) The 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 Financial Information; and
 - d) The requirements of Section 26 of the Act and the 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.



5. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Group for the year ended, 31st March 2024, 31st March 2023 and 31st March 2022 which has been approved by the Board of Directors.
6. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
 - a) The “Statement of Assets & Liabilities, As Restated” as set out in Annexure I to this report, of the Company as at March 31, 2024, March 31, 2023 and March 31, 2022, are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate.
 - b) The “Statement of Profit & Loss, As Restated” as set out in Annexure II to this report, of the Company for the year ended March 31, 2024, March 31, 2023 and March 31, 2022, are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate.
 - c) The “Statement of Cash Flow, As Restated” as set out in Annexure III to this report, of the Company for the year March 31, 2024, March 31, 2023 and March 31, 2022, are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate.
7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the audit report submitted by the Previous Auditors for the respective year, we report that the Restated Financial Information have been made after incorporating:
 - a) Adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the period ended March 31, 2024;
 - b) Adjustments for prior period and other material amounts in the respective financial years to which they relate.
 - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments;
 - d) There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the financial year ended on March 31, 2024, 2023 and 2022 which would require adjustments in this Restated Financial Statements of the Company.
 - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Restated Summary Statements as set out in Annexure IV to this report.
 - f) There are no revaluation reserves, which needed to be disclosed separately in the Restated Financial Statements in the respective financial years.
8. We have also examined the following Notes to the Restated financial information of the Company set out in the Annexure V, prepared by the management and approved by the Board of Directors for the year ended on March 31, 2024, 2023, and 2022.

Annexure V - Notes to the Restated Financial Information:

- a) Restated Statement of Share Capital, as appearing in Note A to this report;
- b) Restated Statement of Reserves & Surplus, as appearing in Note B to this report;
- c) Restated Statement of Long Term Borrowings as appearing in Note C to this report;
- d) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note D to this report;
- e) Restated Statement of Other Long Term Provisions as appearing in Note E to this Report;
- f) Restated Statement of Short term borrowings as appearing in Note F to this report;
- g) Restated Statement of Trade Payables as appearing in Note G to this report;
- h) Restated Statement of Other Current Liabilities as appearing in Note H to this report;
- i) Restated Statement of Short Term Provisions as appearing in Note I to this report;

- j) Restated Statement of Property, Plant & Equipment and Intangible Assets as appearing in Note J to this report;
 - k) Restated Statement of Non-Current Assets as appearing in Note K to this report;
 - l) Restated Statement of Inventories as appearing in Note L to this report;
 - m) Restated Statement of Trade Receivables as appearing in Note M to this report;
 - n) Restated Statement of Cash and Cash Equivalents as appearing in Note N to this report;
 - o) Restated Statement of Short term Loans and Advances as restated as appearing in Note O to this report;
 - p) Restated Statement of Other Current Assets as appearing in Note P to this report;
 - q) Restated Statement of Revenue from Operations as appearing in Note Q to this report;
 - r) Restated Statement of Cost of Material Consumed as appearing in Note R to this report;
 - s) Restated Statement of purchase of stock in trade as appearing in Note S to this report;
 - t) Restated Statement of Change in Inventories as appearing in Note T to this report;
 - u) Restated Statement of Manufacturing Expenses as appearing in Note U to this report;
 - v) Restated Statement of Employee Benefit Expenses as appearing in Note V to this report;
 - w) Restated Statement of Finance Cost as appearing in Note W to this report;
 - x) Restated Statement of Depreciation and amortisation expense as appearing in Note X to this report;
 - y) Restated Statement of Administrative, Selling and Other Expenses as appearing in Note Y to this report;
 - z) Restated Statement of Tax Shelter as appearing in Note Z to this report ;
 - aa) Restated Statement of Deferred Tax Expenses as appearing in Note AA to this report ;
 - bb) Restated Statement of Mandatory Accounting Ratios as appearing in Note AB to this report;
 - cc) Ratio Analysis as appearing in note AB (1) to this report.
 - dd) Restated Statement of Related Party Transactions as appearing in Note AC to this report ;
 - ee) Capitalization Statement as appearing in Note AD to this report;
9. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. In our opinion, the above financial information contained in Annexure I to V of this report read with the respective Significant Accounting Policies and Notes to Restated Financial Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations and Guidance Note.
12. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For S. N. Shah & Associates
Chartered Accountants
Firm Registration No.:109782W

CA Priyam Shah
Partner
Membership No. 144892
Place: Ahmedabad
Date: May 27th, 2024
UDIN: 24144892BKAVNH6711



ANNEXURE – I
RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lacs)

| Sr. No. | Particulars | Notes | As at March 31, | | |
|---------|---|-------|------------------|-----------------|-----------------|
| | | | 2024 | 2023 | 2022 |
| | EQUITY AND LIABILITIES | | | | |
| 1) | <u>Shareholders' Funds</u> | | | | |
| | a. Share Capital | A | 1,723.56 | 1,220.00 | 1,220.00 |
| | b. Reserves & Surplus | B | 3,128.60 | 2,739.81 | 2,462.15 |
| | | | 4,852.16 | 3,959.81 | 3,682.15 |
| 2) | <u>Non-Current Liabilities</u> | | | | |
| | a. Long Term Borrowings | C | 651.46 | 536.61 | 799.20 |
| | b. Deferred Tax Liability | D | 236.39 | 217.81 | 215.82 |
| | c. Long Term Provisions | E | 27.99 | 25.61 | 22.91 |
| | | | 915.84 | 780.03 | 1,037.93 |
| 3) | <u>Current Liabilities</u> | | | | |
| | a. Short Term Borrowings | F | 4,775.61 | 4,447.53 | 3,895.92 |
| | b. Trade Payables | G | | | |
| | - (A) total outstanding dues of micro enterprises and small enterprises; and | | 202.44 | - | - |
| | - total outstanding dues of creditors other than micro enterprises and small enterprises. | | 2,565.39 | 239.21 | 218.07 |
| | c. Other Current Liabilities | H | 1,199.88 | 186.11 | 61.94 |
| | d. Short Term Provisions | I | 241.01 | 121.96 | 260.61 |
| | | | 8,984.32 | 4,994.81 | 4,436.54 |
| | T O T A L | | 14,752.33 | 9,734.65 | 9,156.62 |
| | ASSETS | | | | |
| 1) | <u>Non-Current Assets</u> | | | | |
| | a. Property, Plant & Equipment and Intangible Assets | | | | |
| | i. Property, Plant and Equipment | J | 4,425.09 | 4,143.11 | 4,014.28 |
| | ii. Less: Accumulated Depreciation | | 1,146.16 | 1,014.69 | 865.31 |
| | Net Block | | 3,278.93 | 3,128.42 | 3,148.97 |
| | b. Non-current Investments | K | 8.55 | 13.21 | 9.64 |
| | | | 3,287.48 | 3,141.63 | 3,158.61 |
| 2) | <u>Current Assets</u> | | | | |
| | a. Inventories | L | 5,751.16 | 5,292.91 | 4,133.08 |
| | b. Trade Receivables | M | 4,724.57 | 1,055.27 | 770.63 |
| | c. Cash and Cash Equivalents | N | 374.78 | 18.08 | 21.09 |
| | d. Short Term Loans & Advances | O | 610.86 | 226.60 | 1,070.45 |
| | e. Other Current Assets | P | 3.48 | 0.16 | 2.76 |
| | | | 11,464.85 | 6,593.02 | 5,998.01 |
| | T O T A L | | 14,752.33 | 9,734.65 | 9,156.62 |

For S. N. Shah & Associates
Chartered Accountants
Firm Registration No.:109782W

For and on behalf of the Board
Aditya Ultra Steel Limited

CA Priyam Shah
Partner
Membership No. 144892
Place: Ahmedabad
Date: May 27, 2024
UDIN: 24144892BKAVNH6711

Sunny Singhi
(DIN: 07210706)
Managing Director

Company Secretary

Varun Jain
(DIN: 03502561)
Non-Executive Director

Chief Financial Officer



ANNEXURE – II
RESTATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lacs)

| Sr. No. | Particulars | NOTES | For the year ended March 31, | | |
|----------|---|-------|------------------------------|------------------|------------------|
| | | | 2024 | 2023 | 2022 |
| A | INCOME | | | | |
| | Revenue from Operations | Q | 58,780.08 | 53,044.78 | 51,535.53 |
| | Other Income | | 76.21 | 4.13 | 62.81 |
| | Total Income (A) | | 58,856.29 | 53,048.91 | 51,598.34 |
| B | EXPENDITURE | | | | |
| | Cost of Material Consumed | R | 38,099.45 | 49,284.74 | 45,570.43 |
| | Purchase of Stock in trade | S | 15,424.26 | 599.47 | 800.06 |
| | Change in Inventories | T | (337.18) | (2,175.51) | (300.17) |
| | Manufacturing Expenses | U | 1,579.80 | 2,149.82 | 2,232.61 |
| | Employee benefit expenses | V | 819.95 | 838.35 | 820.24 |
| | Finance costs | W | 643.94 | 463.03 | 297.50 |
| | Depreciation and amortisation Expense | X | 161.47 | 149.37 | 141.26 |
| | Administrative Selling & Other Expenses | Y | 1,392.42 | 1,361.12 | 1,320.83 |
| | Total Expenses (B) | | 57,784.11 | 52,670.39 | 50,882.75 |
| C | Profit before exceptional, extraordinary items and tax | | 1,072.18 | 378.52 | 715.58 |
| | Exceptional items | | | | |
| D | Profit before extraordinary items and tax | | 1,072.18 | 378.52 | 715.58 |
| | Extraordinary Expenses | | 0.00 | 0.00 | 0.00 |
| E | Profit before tax | | 1,072.18 | 378.52 | 715.58 |
| | <i>Tax expense :</i> | | | | |
| | (i) Current tax | Z | 261.26 | 98.87 | 171.74 |
| | (ii) Deferred tax | AA | 18.58 | 1.99 | 54.94 |
| F | Total Tax Expense | | 279.84 | 100.86 | 226.68 |
| G | Profit after tax (E-F) | | 792.34 | 277.66 | 488.90 |
| H | Earnings per share (face value of ₹ 10/- each): | | | | |
| | (a) Basic (in ₹) | | 4.62 | 1.63 | 2.86 |
| | (b) Diluted (in ₹) | | 4.62 | 1.63 | 2.86 |

For S. N. Shah & Associates
Chartered Accountants
Firm Registration No.:109782W

For and on behalf of the Board
Aditya Ultra Steel Limited

CA Priyam Shah
Partner
Membership No. 144892
Place: Ahmedabad
Date: May 27, 2024
UDIN: 24144892BKAVNH6711

Sunny Singhi
(DIN: 07210706)
Managing Director

Company Secretary

Varun Jain
(DIN: 03502561)
Non-Executive Director

Chief Financial Officer

**ANNEXURE III
RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lacs)

| Particulars | 31 st March, 2024 | 31 st March, 2023 | 31 st March, 2022 |
|---|------------------------------------|---------------------------------|---------------------------------|
| Cash flow from operating activities: | | | |
| Net Profit before tax as per Profit And Loss A/c | 1,072.18 | 378.53 | 715.58 |
| Adjusted for: | | | |
| Depreciation & Amortisation | 157.62 | 149.37 | 141.26 |
| Interest & Finance Cost | 532.51 | 449.97 | 278.04 |
| Interest Income | (8.88) | (0.82) | (31.61) |
| Earlier years Gratuity | - | - | 18.41 |
| Sundry Balance W/off of Earlier Years | - | - | 89.71 |
| Profit on Capital Asset | (61.00) | - | (30.76) |
| | | | |
| Operating Profit Before Working Capital Changes | 1,692.43 | 977.05 | 1,180.64 |
| Adjusted for (Increase)/ Decrease: | | | |
| Long Term Provision | 2.38 | 2.70 | 17.81 |
| Short term Borrowings | 328.08 | 551.62 | 1,124.08 |
| Short Term Provision | 119.04 | (138.66) | (2.62) |
| Trade Receivables | (3,669.30) | (284.64) | (391.54) |
| Trade Payables | 2,528.63 | 21.14 | 10.34 |
| Other Current Liabilities | 1,013.77 | 124.18 | (294.40) |
| Inventories | (458.25) | (1,159.83) | (1,240.53) |
| Short term loan and Advances | (384.26) | 843.85 | (872.68) |
| Other Non Current Assets | 4.66 | - | 17.51 |
| Change in Other Current Assets | (3.32) | 2.60 | 4.95 |
| Cash Generated From Operations | 1,173.85 | 940.01 | (446.46) |
| Direct Tax Paid | (261.26) | (98.87) | (171.74) |
| Net Cash Flow from/(used in) Operating Activities: (A) | 912.59 | 841.14 | (618.20) |
| | | | |
| Cash Flow From Investing Activities: | | | |
| Purchase of Fixed Assets | (327.90) | (128.83) | (98.30) |
| Sale of Fixed Assets | 80.78 | - | 44.41 |
| Interest Income | 8.88 | 0.82 | 31.61 |
| Increase in Non-Current Assets | - | (3.57) | - |
| Net Cash Flow from/(used in) Investing Activities: (B) | (238.24) | (131.58) | (22.28) |
| | | | |
| Cash Flow from Financing Activities: | | | |
| Proceeds From Share Capital & Share Premium | 100.01 | - | - |
| Proceeds / (Repayment) from Long Term Borrowing (Net) | 114.85 | (262.59) | (38.25) |
| Interest & Finance Cost | (532.51) | (449.97) | (278.04) |
| Net Cash Flow from/(used in) Financing Activities (C) | (317.66) | (712.56) | (316.29) |
| | | | |
| Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | 356.69 | (3.00) | (956.77) |
| Cash & Cash Equivalents As At Beginning of the Year | 18.08 | 21.09 | 977.86 |
| Cash & Cash Equivalents As At End of the Year | 374.78 | 18.08 | 21.09 |

1. Statement of cash flow has been prepared under the indirect method as set out in AS-3 on statement of cash flows specified under Sec-133 of Companies Act, 2013 read with Companies (Accounts) Rules, 2014.



2. Reconciliation of Cash & Cash Equivalents as per the statement of cash flow.

| | | | |
|---|---------------|--------------|--------------|
| Balances with Banks | | | |
| - Current Account | | | |
| - Fixed Deposits in Bank | 369.87 | 16.28 | 13.29 |
| Cash on hand | 4.91 | 1.80 | 7.80 |
| FD With Banks | | | |
| Cash and Cash Equivalents at the End of the Period | 374.78 | 18.08 | 21.09 |

For S. N. Shah & Associates
Chartered Accountants
Firm Registration No.:109782W

CA Priyam Shah
Partner
Membership No. 144892
Place: Ahmedabad
Date: May 27, 2024
UDIN: 24144892BKAVNH6711

Sunny Singhi
(DIN: 07210706)
Managing Director

Company Secretary

For and on behalf of the Board
Aditya Ultra Steel Limited

Varun Jain
(DIN: 03502561)
Non-Executive Director

Chief Financial Officer



ANNEXURE – IV

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO RESTATED FINANCIAL INFORMATION:

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Corporate information:

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. The Company is involved in the business of manufacturing and sales of TMT products.

2. Basis of preparation of Financial Statements:

The restated Financial information of the Company comprises the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023, and March 31, 2022, the Restated Statement of Profits and Loss and cash flows for the period ended on March 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2020 and the statement of significantly accounting policies and explanatory notes (herein collectively referred to as ('Restated Financial Information')).

These Restated Financial Information have been compiled by the management from the audited financial statements of the Company for the year ended on March 31, 2024, 2023, and 2022, approved by the Board of Directors of the Company. Restated Statements have been prepared to comply in all material respects with the provisions of Section 26 of Part I of Chapter III of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised) issued by ICAI. The Restated Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the relevant stock exchange in connection with its proposed Initial Public Offering of equity shares.

These Restated Financial Information are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act.

3. Accounting Conventions:

The Financial Statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and generally accepted accounting principles in India. The accounting policies not referred to otherwise have been consistently applied by the Company during the year.

4. Use of estimates:

The preparation of financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management's best knowledge of current events and

procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates

5. Property, Plant and Equipments:

Tangible Assets are stated at cost of acquisition/construction (less Accumulated Depreciation, if any). The cost of Property, Plant, and Equipment comprises of their purchase price, including freight, duties, taxes or levies and directly attributable cost of bringing the assets to their working conditions for their intended use. Subsequent expenditures on Fixed Assets have been capitalized only if such expenditures increase the future benefits from the existing assets beyond their previously assessed standard of performance.

There is No Intangible asset as defined under AS 26 “Intangible Assets”.

6. Depreciation:

Depreciation of Plant, Plant and Equipments is provided on original cost of the asset on written down value method and in the manner prescribed in Schedule II of the Companies Act, 2013. Accordingly the unamortized carrying value is being depreciated over remaining useful life by Written down value method.

7. Inventories:

Raw materials, Stores & Spares, Loose Tools are valued at Cost or Net Realizable Value, whichever is lower. Finished goods are valued at Cost or Net Realizable Value, whichever is lower. Work-in-progress is valued at lower of estimated cost and Net Realizable Value. Cost is determined as per FIFO method of accounting.

8. Revenue Recognition:

All income and expenses are accounted on accrual basis. The revenue in respect of service contract is recognized based on order/contract with the parties.

9. Foreign Currency Transactions:

The transactions in foreign currency have been recorded using the rate of exchange prevailing on the date of transactions. The difference arising on the settlement/restatement of the foreign currency denominated Current Assets/Current Liabilities into Indian rupees has been recognized as expenses/income (net) of the year and carried to the statement of profit and loss.

10. Borrowing Costs:

Borrowing cost attributable to acquisition of qualifying assets for the period such asset is put to its commercial use, is capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit and loss account.

11. Employee Benefits:

There have been no changes in accounting policy of the company for the period disclosed in the restated standalone financial statement except for accounting for long term employee benefits (Gratuity). The company has changed the accounting policy for Gratuity from cash basis to be based on Actuarial Valuation report. Opening Gratuity Provision (as at 01/04/2021) is adjusted in reserves & Surplus account to the extent of Rs.26.29Lacs. Actuarial Valuation report is issued by Mr. Umesh Shah (Trueval Consulting) dated January 25th, 2024.

| Particulars | 2023-24 | 2022-23 | 2021-22 |
|---|---------|---------|---------|
| Reduction in Profit to the extent of | 3.06 | 2.78 | 5.10 |

a) Short Term Employee Benefits



Short-term employee benefits are recognized as expense in the Statement of Profit & Loss of the year in which the related service is rendered at the undiscounted amount as and when it accrues.

b) Defined Contribution Plan:

The Company is covered under employee’s provident fund and miscellaneous provision Act, 1952 which are defined contribution schemes, liability in respect thereof is determined on the basis of the basis of contribution required to be made under the statues/Rules. Company’s contribution to provident fund is charged to Profit & loss Account.

c) Defined Benefit Plan:

Aditya Ultra Steel Limited Provides for gratuity, a defined benefit retirement plan (the “Gratuity Plan”) covering eligible employees. In accordance with the payment of gratuity Act, 1972 the gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s Salary and the tenure of employment. Liabilities with regard to the gratuity plan are determined by Management Certification as of the balance sheet date, based upon which, the Company contributes all the ascertained liabilities to fund. Trustees administer contributions made to the trust and contributions are invested in specific investment as permitted by Law.

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

(Rs. In Lakhs)

| Particulars | 2023-24 | 2022-23 | 2021-22 |
|---|---------|---------|---------|
| Provision for Gratuity (Current & Non-Current) | 29.35 | 26.29 | 23.51 |

(Rs. in lakhs)

| Details of Gratuity Expenses | 2023-24 | 2022-23 | 2021-22 |
|--|--|--|--|
| Reconciliation of net defined benefit liability | | | |
| Net opening provision in books of accounts | 26.29 | 23.51 | 18.41 |
| Employee Benefit Expense Current Year | 3.06 | 2.78 | 5.10 |
| Contributions to plan assets | 0.00 | 0.00 | 0.00 |
| Closing net defined benefit liability | 29.35 | 26.29 | 23.51 |
| Principle actuarial assumptions | | | |
| Discount Rate | 6.80% | 6.80% | 6.80% |
| Salary Escalation Rate | 7.00% | 7.00% | 7.00% |
| Mortality | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |
| Expected Return on Plan Assets | Not Available | Not Available | Not Available |

12. Taxes on Income:

Taxes on income comprises of current tax and deferred tax. Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income taxes are determined for future consequences attributable to timing differences between financial determination of income and income chargeable to tax as per the provisions of Income Tax Act, 1961. Deferred tax liability has been worked out using the tax rate and tax laws that were in force as on the date of balance sheet and has not been discounted to its present value after giving effects of carried forward balances of unabsorbed depreciation, unabsorbed business losses as per the Income Tax Act, 1961 and other timing differences as at the Balance Sheet date.

13. Impairment of Assets:

As at each balance sheet date, the carrying values of assets are reviewed for impairment if any indication of impairment exists.

14. Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognized.

15. Cash and Cash Equivalents-For the Purpose of Cash Flow Statements:

For the purpose of Cash Flow Statements, cash and cash equivalents include Cash on Hand and Balances with Banks in the Current Account as well as Fixed Deposits account.

16. Operating Cycle:

Based on the activities of the Company and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the Company has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non-current.

17. Earnings Per Share:

The earnings per share as per AS-20 "Earning Per Share" has been computed on the basis of net profit after tax divided by the weighted average number of shares outstanding during the year.

B. NOTES TO ACCOUNTS ON RESTATED FINANCIAL STATEMENTS:

1. Reconciliation of Restated Profits:

The summary of the material adjustments made to audited financial statements of the respective years and their impact on the restated statement of profit and loss have been given as under:

(Rs. In

lakhs)

| Particulars | For the Year ended March, 31 2024 | For the Year ended March, 31 2023 | For the Year ended March, 31 2022 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| I. Net profit/(Loss) after Tax as per Audited Profit & Loss Account | 768.94 | 370.00 | 464.12 |
| II. Adjustments for: | | | |
| Tax Provision | 0.19 | 22.97 | (14.08) |
| Sundry Balance W/off related to current year | - | 3.31 | - |
| Preliminary Expense related to previous year | 5.65 | 5.65 | 5.65 |
| Preliminary Expense related to current year | (3.08) | | |
| Bad debt / discount w/off related previous year | (3.31) | (110.71) | (1.56) |
| Interest on Income Tax related to current year | - | (8.79) | - |
| Interest on Income Tax related to previous year | - | - | 14.35 |
| Deferred tax | 23.96 | (1.99) | 25.53 |
| Provision for Gratuity | - | (2.78) | (5.10) |
| III. Net Profit/ (Loss) After Tax as Restated | 792.34 | 277.66 | 488.90 |

Notes:



1. The Company had policy not to consider section 43B payments as per Income tax Act, 1961 as being not material for computing the deferred taxes. The deferred tax liabilities/(assets) were hitherto rounded to the nearest thousand rupees. The adjustments to the deferred tax liabilities/(assets) represent effect of change in the depreciation as per Restated Financial Statements, change in unabsorbed losses, consideration of section 43B payments for computing deferred tax and non-rounding of deferred tax liabilities/(assets) to the nearest thousand rupees.
2. **Provision for Taxation**-We have reworked Income Tax Liability for all the periods considering effects of the above restatements and the same has been provided in the Restated Financial Statements.

(See Annexure – Statement of Tax Shelters for reference of Income Tax Liability)
3. **Adjustment for Deferred Tax**-We have reworked Income Tax Liability for all the periods considering effects of the prior period expenses and the same has been provided in the Restated Financial Statements.
4. Provision for Gratuity has been worked out for all the periods on the basis of Actuarial Certification and effects of the same has been provided in the Restated Financial Statements.

RECONCILIATION OF EQUITY AND RESERVES:

(Rs. In lakhs)

| Particulars | For the Year ended March, 31 2024 | For the Year ended March, 31 2023 | For the Year ended March, 31 2022 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| I. Reserve & Surplus as per audited Balance Sheet | 3,041.05 | 2,710.74 | 2,366.08 |
| II. Adjustments for: | | | |
| Opening adjustment as per restated reserves | 29.08 | 96.07 | - |
| Income/Expense prior to FY 2021-22 | - | - | 89.71 |
| Tax Provision | 8.97 | 48.30 | (14.08) |
| Sundry Balance W/off related to current year | - | 3.31 | - |
| Preliminary Expense related to previous year | 5.65 | 5.65 | 5.65 |
| Preliminary Expense related to current year | (3.08) | - | - |
| Gratuity of years prior to 2021-22 | - | - | (18.41) |
| Bad debt / discount w/off related previous year | (3.31) | (110.71) | (1.56) |
| Interest on Income Tax related to current year | - | (8.79) | - |
| Interest on Income Tax related to previous year | - | - | 14.35 |
| Deferred tax | 23.96 | (1.99) | 25.53 |
| Provision for Gratuity | 26.29 | (2.78) | (5.10) |
| III. Reserve & Surplus as per Restated Balance Sheet | 3,128.60 | 2,739.81 | 2,462.15 |

2. Material regroupings:

Appropriate adjustments have been made in the restated summary Statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the period ended March 31, 2024, prepared in accordance with Revised schedule III to the Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

3. Managerial Remuneration:

(Rs. In lakhs)

| Particulars | For the Year ended March, 31 2024 | For the Year ended March, 31 2023 | For the Year ended March, 31 2022 |
|------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Mr. Varun Jain | 63.60 | 60.30 | 22.30 |
| Mrs. Varuna Jain | 9.90 | 13.26 | 54.50 |
| Mr. Sunny Singh | 43.20 | 40.70 | 14.10 |
| T O T A L | 116.70 | 114.26 | 90.90 |

4. Auditors Remuneration as reported by the auditor include:

(Rs. In Lakhs)

| Particulars | For the Year ended March, 31 2024 | For the Year ended March, 31 2023 | For the Year ended March, 31 2022 |
|---------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| For Statutory Audit | 1.10 | 1.00 | 1.00 |
| T O T A L | 1.10 | 1.00 | 1.00 |



5. Contingent Liabilities and Commitments

(Rs. In Lakhs)

| Particulars | For the Year ended March, 31 2024 | For the Year ended March, 31 2023 | For the Year ended March, 31 2022 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| a) Contingent Liabilities | | | |
| 1) Bank guarantees given to PGVCL from HDFC Bank | 137.68 | 137.68 | 137.68 |
| 2) Corporate guarantee given on behalf of VMS TMT Private Limited | | | |
| - HDFC Bank | - | 1801.98 | 5058.86 |
| - SVC Bank | 4167.56 | 3628.43 | 2981.75 |
| - ICICI Bank | 2793.20 | - | - |
| TOTAL | 7,098.44 | 5568.10 | 8178.30 |

(A) Contingent Liabilities not provided:

(i) The Company has not recognized and acknowledged the GST demand as liability in its books of accounts aggregating to Rs. 261.93 lacs in respect of earlier years since the Company has disputed the demand and has filed reply before appropriate authorities. The same are pending for final adjudication.

ii) The Company has not recognized and acknowledged the Income Tax demand as liability in its books of accounts aggregating to Rs. 322.11 lacs in respect of earlier years since the Company has disputed the demand and has filed reply before appropriate authorities. The same are pending for final adjudication.

6. Disclosure related to CSR expenditure on Corporate Social Responsibility Activities being Company covered under section 135 of Companies Act, 2013

(Rs. In Lakhs)

| Particulars | For the Year ended March, 31 2024 | For the Year ended March, 31 2023 | For the Year ended March, 31 2022 |
|---|---|---|---|
| Amount Required to be Spent during the year | 12.20 | 10.92 | 10.82 |
| Amount of Expenditure Incurred | 12.20 | 10.92 | 10.82 |
| Shortfall at the end of the year | - | - | - |
| Nature of CSR activities | For Education of underprivileged children | Sports & Adventure Activities for Youth | Sports & Adventure Activities for Youth |

7. In absence of the identification by the Company of Micro, Small and Medium Enterprise (MSME) parties from whom the Company has procured the goods and services. We are unable to categorize the over dues above 45 days in FY 2022-23 & FY 2021-22 and interest payments outstanding to MSME as on the date of balance sheet.

8. OTHERS

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note AB of the enclosed restated financial statements.

Figures have been rearranged and regrouped wherever practicable and considered necessary.



The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good.

Dividends -The Company has not declared dividends during the periods reported.

Realizations – In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

Contractual liabilities – All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

Impact of Audit Qualifications/Observations in Statutory Auditor’s Report on Financial Statements

There have been no audit qualifications/observations in Statutory Auditor’s Report for F.Y.2023-24, 2022-23 and 2021-2022 which requires adjustments in restated financial statements.

Amounts in the financial statements – Amounts in the financial statements are rounded off to nearest Indian Rupees in lakhs. Figures in brackets indicate negative values.

For S. N. Shah & Associates
Chartered Accountants
Firm Registration No.:109782W

CA Priyam Shah
Partner
Membership No. 144892
Place: Ahmedabad
Date: May 27, 2024
UDIN: 24144892BKAVNH6711

Sunny Singhi
(DIN: 07210706)
Managing Director

Company Secretary

For and on behalf of the Board
Aditya Ultra Steel Limited

Varun Jain
(DIN: 03502561)
Non-Executive Director

Chief Financial Officer



ANNEXURE V – NOTES TO THE RESTATED FINANCIAL INFORMATION

NOTE A – DETAILS OF SHARE CAPITAL AS RESTATED

(Rs. In Lakhs)

| Particulars | As at March 31, | | |
|---|-----------------|-----------------|-----------------|
| | 2024 | 2023 | 2022 |
| EQUITY SHARE CAPITAL : | | | |
| AUTHORISED: | | | |
| 2,50,00,000 Equity Shares of Rs.10/- each | 2500.00 | 2000.00 | 2000.00 |
| 2,00,00,000 Equity Shares of Rs.10/- each (During Financial Year 2022-23 & 2021-22) | | | |
| | 2500.00 | 2000.00 | 2000.00 |
| ISSUED, SUBSCRIBED AND PAID UP* | | | |
| 1,72,35,568 Equity Shares of Rs. 10/= each fully paid up | 1,723.56 | 1,220.00 | 1,220.00 |
| 1,22,00,000 Equity Shares of Rs. 10/- each (During Financial Year 2022-23 & 2021-22) | | | |
| | 1,723.56 | 1,220.00 | 1,220.00 |

*(a) Company has allotted 200000 Equity Shares on May 16, 2024 on preferential basis for cash price of Rs. 65 per equity share including premium of Rs. 55 per equity shares amounting to cash consideration of Rs. 1,30,00,000.

Reconciliation of number of shares outstanding at the end of the year:

| Particulars | As at March 31, 2024 | As at March 31,2023 | As at March 31,2022 |
|---|----------------------|---------------------|---------------------|
| Equity Shares at the beginning of the year | 1,22,00,000 | 1,22,00,000 | 1,22,00,000 |
| Add: New Shares Issued during the year ¹ | 1,11,120 | - | - |
| Add: Bonus Shares issued during the year ² | 49,24,448 | - | - |
| TOTAL | 1,72,35,568 | 1,22,00,000 | 1,22,00,000 |

1 Company had allotted 1,11,120 equity shares on preferential basis for cash price of ₹90 per equity shares amounting to ₹ 1,00,00,080.

2 Company had allotted 49,24,448 equity shares as bonus shares in the ratio of 2:5 i.e. for every 5 equity shares held 2 equity shares were allotted as bonus shares.

Details of Shareholders holding more than 5% of the aggregate shares of the Company:

| Name of Shareholders | As at March 31,2024 | | | As at March 31,2023 | | | As at March 31,2022 | | |
|----------------------|---------------------|--------------|----------|---------------------|--------------|----------|---------------------|--------------|----------|
| | No. of Shares Held | % of Holding | % Change | No. of Shares Held | % of Holding | % Change | No. of Shares Held | % of Holding | % Change |
| Varun Jain | 41,22,720 | 23.92% | -0.20% | 29,43,000 | 24.12% | - | 29,43,000 | 24.12% | - |
| Varuna Jain | 68,04,000 | 39.48% | -0.37% | 48,61,000 | 39.84% | - | 48,61,000 | 39.84% | - |
| Sunny Singhi | 61,48,800 | 35.68% | -0.32% | 43,92,000 | 36.00% | - | 43,92,000 | 36.00% | - |

NOTE B – DETAILS OF RESERVES AND SURPLUS AS RESTATED

(Rs. In lakhs)

| Particulars | As at March 31, | | |
|---------------------------------------|-----------------|----------|----------|
| | 2024 | 2023 | 2022 |
| Revaluation Reserve | | | |
| Opening Balance | 1,093.95 | 1,093.95 | 1,093.95 |
| Add: Proceed Received during the year | - | - | - |

| Particulars | As at March 31, | | |
|--|-----------------|-----------------|-----------------|
| | 2024 | 2023 | 2022 |
| Less: Bonus Shares issued during the year | - | - | - |
| Closing Balance | 1,093.95 | 1,093.95 | 1,093.95 |
| Securities Premium Reserve | | | |
| Opening Balance | - | - | - |
| Add: Proceed Received during the year | 88.90 | - | - |
| Less: Bonus Shares issued during the year | - | - | - |
| Closing Balance | 88.90 | - | - |
| Profit & Loss a/c | | | |
| Opening Balance | 1,645.86 | 1,368.20 | 776.38 |
| Add: Profit for the year | 792.34 | 277.66 | 488.90 |
| (Less): Provision for Gratuity for earlier years | - | - | -18.41 |
| (Less): Bonus Shares issued during the year | -492.44 | - | - |
| Add/(Less): Earlier Year Sundry Balances written off | - | - | 112.29 |
| (Less): Expenses prior to FY 2021-22 | - | - | -22.58 |
| (Less): Earlier Year Income Tax Adjustment | - | - | 31.62 |
| Closing Balance | 1,945.76 | 1,645.86 | 1,368.20 |
| Total | 3,128.60 | 2,739.81 | 2,462.15 |

NOTE C – DETAILS OF LONG TERM BORROWINGS AS RESTATED

(Rs. In lakhs)

| Particulars | As at March 31, | | |
|----------------------------|-----------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| Secured Loans | | | |
| -Term Loans | | | |
| -From Banks | | | |
| Secured | 448.70 | 536.61 | 799.20 |
| -From Other Parties | | | |
| Unsecured Loans | 202.76 | - | - |
| Total | 651.46 | 536.61 | 799.20 |

SECURITIES

* Hypothecation of all Plant & Machinery

** Hypothecation of all Trucks

Collateral Securities

| |
|--|
| 1. HDFC Bank |
| a. Secured by Equitable Mortgage of Land & Building situated at R/S No 48 Paiki 1,2,3,4,5, NH 8A, Bhalgam, Ta: Wankaner, Rajkot Owned by Aditya Ultrasteel Limited.. |
| 2. Entire Term Loan from HDFC Bank is Secured by Personal Guarantees of the following persons. |
| a. From Directors and Others |

TERMS OF REPAYMENT FOR LONG TERM BORROWINGS:

- Term Loan to be repaid in 48 monthly EMI of Rs.2,76,881/- each.
- GECL from HDFC Bank to be repaid in 36 monthly EMI.
- New Truck Loans from Bank to be repaid in 60 Monthly Instalments
- Truck Loans Refinanced from Bank to be repaid in 36 Monthly Instalments.
- Car loan to be repaid in 60 monthly instalments of Rs.2,81,488/- each.
- Oxyzo Financial Services Private Limited loan to be repaid in 24 instalments of Rs.16,66,667/- each



NOTE D – DETAILS OF DEFERRED TAX ASSET/ (LIABILITY) AS RESTATED

(Rs. In lakhs)

| Particulars | As at March 31, | | |
|---|-----------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| Deferred Tax (Liability)/Asset | | | |
| Opening Balance | 217.81 | 215.82 | 160.88 |
| Addition | 18.58 | 1.99 | 54.94 |
| Deferred Tax Asset/(Liability) (net) after adjustments | 236.39 | 217.81 | 215.82 |

NOTE E- DETAILS OF LONG TERM PROVISIONS AS RESTATED

(Rs. In lakhs)

| Particulars | As at March 31, | | |
|------------------------|-----------------|--------------|--------------|
| | 2024 | 2023 | 2022 |
| Provision for Gratuity | 27.99 | 25.61 | 22.91 |
| TOTAL | 27.99 | 25.61 | 22.91 |

NOTE F – DETAILS OF SHORT TERM BORROWING AS RESTATED

(Rs. In lakhs)

| Particulars | As at March 31, | | |
|---|-----------------|-----------------|-----------------|
| | 2024 | 2023 | 2022 |
| Secured | | | |
| (a)From Banks | | | |
| Cash Credit Account** | 4,353.88 | 4,166.10 | 3,632.42 |
| Current maturity of long term debt | | | |
| -From Banks | | | |
| Secured | 221.74 | 281.44 | 263.50 |
| From other parties | | | |
| Unsecured | 200.00 | - | - |
| TOTAL | 4,775.61 | 4,447.53 | 3,895.92 |

** Cash Credit from banks are repayable on demand.

NOTE G – DETAILS OF TRADE PAYABLES AS RESTATED

(Rs. In lakhs)

| Particulars | As at March 31, | | |
|--|-----------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| Sundry Creditors for Goods (Unsecured, Considered as Good) | 2,579.98 | 28.06 | 178.37 |
| Sundry Creditors for Expenses | 187.86 | 211.15 | 39.70 |
| TOTAL | 2,767.84 | 239.21 | 218.07 |

Trade Payable Ageing schedule

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|---------------------------------------|-----------------|--------|--------|
| | 2024 | 2023 | 2022 |
| Undisputed dues | | | |
| a) Micro, small and medium Enterprise | | | |
| Less than 1 year | 202.44 | - | - |
| 1 To 2 Year | | | |
| 2 to 3 Year | | | |
| More than 3 Year | | | |
| b) Others | | | |
| Not Due | - | - | - |
| Less than 1 Year | 2,565.39 | 239.21 | 218.07 |
| 1 to 2 year | | | |

| Particulars | As at March 31, | | |
|------------------|-----------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| 2 to 3 year | | | |
| More than 3 year | | | |
| TOTAL | 2767.84 | 239.21 | 218.07 |

Note - The Company has not received any information from its suppliers regarding their status as MSME for FY 2022-23 & FY 2021-22, thus all the creditors has been classified as others.

NOTE H - DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|--------------------------------------|-----------------|---------------|--------------|
| | 2024 | 2023 | 2022 |
| Statutory Dues Payable | 176.96 | 86.32 | 17.25 |
| Payables on purchase of fixed assets | 17.42 | 13.55 | 11.09 |
| Others (Unpaid Expenses) | 1,005.50 | 86.25 | 33.59 |
| TOTAL | 1,199.88 | 186.11 | 61.94 |

NOTE I - DETAILS OF SHORT TERM PROVISIONS AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|--------------------------------|-----------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| Employee Benefits Payable | 25.67 | 33.09 | 46.42 |
| Provision for Audit fees | 1.10 | 1.00 | 1.00 |
| Provision for Income Tax | 212.69 | 82.06 | 157.39 |
| Provision for Gratuity Payable | 1.36 | 0.68 | 0.60 |
| Other Provisions | 0.19 | 5.13 | 55.20 |
| TOTAL | 241.01 | 121.96 | 260.61 |

NOTE J - DETAILS OF PROPERTY, PLANT & EQUIPMENT AS RESTATED

(Rs. in lakhs)

| Property, Plant & Equipment | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-------------------------------|-------------------|-------------|---------------|-------------------|-------------------|---------------|---------------------|-------------------|-------------------|-------------------|
| | AS AT 01.04. 2021 | ADDIT ION S | DED UCT ION S | AS AT 31.03. 2022 | UPT O 01.04. 2021 | FOR THE YEA R | DEDU CTIO NS / ADJ. | UPT O 31.03. 2022 | AS AT 31.03. 2022 | AS AT 31.03. 2021 |
| <u>Tangible Assets</u> | | | | | | | | | | |
| Land | 1,308.76 | - | - | 1,308.76 | - | - | - | - | 1,308.76 | 1,308.76 |
| Building | 335.92 | - | - | 335.92 | 79.22 | 9.37 | - | 88.59 | 247.33 | 256.70 |
| Factory Godown | 72.23 | 7.02 | - | 79.25 | 10.96 | 2.47 | - | 13.42 | 65.83 | 61.27 |
| Plant & Machinery | 1,906.19 | 48.04 | -31.93 | 1,922.30 | 534.90 | 90.72 | -18.27 | 607.35 | 1,314.96 | 1,371.29 |
| Computer and Printer | 10.13 | 0.22 | - | 10.35 | 6.99 | 1.77 | - | 8.77 | 1.58 | 3.14 |
| Furniture and Fixtures | 15.58 | - | - | 15.58 | 8.75 | 1.34 | - | 10.09 | 5.49 | 6.83 |
| Office Equipments | 6.58 | 0.25 | - | 6.83 | 3.06 | 1.28 | - | 4.34 | 2.49 | 3.52 |
| Vehicles | 292.51 | 42.76 | - | 335.28 | 98.45 | 34.31 | - | 132.75 | 202.53 | 194.07 |

| Property, Plant & Equipment | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------------------|----------------------------|-------------------|------------------------|----------------------------|----------------------------|------------------------|------------------------------|----------------------------|----------------------------|----------------------------|
| | AS AT 01.04. 2021 | ADDI TION S | DED UCT ION S | AS AT 31.03. 2022 | UPT O 01.04. 2021 | FOR THE YEA R | DEDU CTIO NS / ADJ. | UPT O 31.03. 2022 | AS AT 31.03. 2022 | AS AT 31.03. 2021 |
| Grand Total | 3,947.90 | 98.30 | -31.93 | 4,014.28 | 742.33 | 141.26 | -18.27 | 865.31 | 3,148.97 | 3,205.58 |
| Previous Year | 3,830.16 | 121.50 | -3.75 | 3,947.90 | 603.02 | 139.31 | - | 742.33 | 3,205.58 | 3,227.14 |

(Rs. in lakhs)

| Property, Plant & Equipment | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------------------|-------------------------|-------------------|------------------------|----------------------------|----------------------------|------------------------|------------------------------|----------------------------|----------------------------|----------------------------|
| | AS AT 01.04. 2022 | ADDI TION S | DED UCT ION S | AS AT 31.03. 2023 | UPT O 01.04. 2022 | FOR THE YEA R | DEDU CTIO NS / ADJ. | UPT O 31.03. 2023 | AS AT 31.03. 2023 | AS AT 31.03. 2022 |
| <u>Tangible Assets</u> | | | | | | | | | | |
| Land | 1,308.76 | - | - | 1,308.76 | - | - | - | - | 1,308.76 | 1,308.76 |
| Building | 335.92 | - | - | 335.92 | 88.59 | 9.59 | - | 98.18 | 237.74 | 247.33 |
| Factory Godown | 79.25 | 20.12 | - | 99.38 | 13.42 | 2.82 | - | 16.24 | 83.14 | 65.83 |
| Plant & Machinery | 1,922.30 | 107.58 | - | 2,029.88 | 607.35 | 93.40 | - | 700.74 | 1,329.14 | 1,314.96 |
| Computer and Printer | 10.35 | 0.87 | - | 11.22 | 8.77 | 1.87 | - | 10.64 | 0.58 | 1.58 |
| Furniture and Fixtures | 15.58 | 0.25 | - | 15.84 | 10.09 | 1.36 | - | 11.46 | 4.38 | 5.49 |
| Office Equipments | 6.83 | - | - | 6.83 | 4.34 | 1.38 | - | 5.73 | 1.10 | 2.49 |
| Vehicles | 335.28 | - | - | 335.28 | 132.75 | 38.95 | - | 171.70 | 163.58 | 202.53 |
| Grand Total | 4,014.28 | 128.83 | - | 4,143.11 | 865.31 | 149.37 | - | 1,014.69 | 3,128.42 | 3,148.97 |
| Previous Year | 3,947.90 | 98.30 | (31.93) | 4,014.28 | 742.33 | 141.26 | (18.27) | 865.31 | 3,148.97 | 3,205.58 |

(Rs. in lakhs)

| Property, Plant & Equipment | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------------------|-------------------------|-------------------|------------------------|----------------------------|----------------------------|--------------------|------------------------------|----------------------------|----------------------------|----------------------------|
| | AS AT 01.04. 2023 | ADDI TION S | DED UCT ION S | AS AT 31.03. 2024 | UPT O 01.04. 2023 | FOR THE YEAR | DED UCTI ONS / ADJ. | UPT O 31.03. 2024 | AS AT 31.03. 2024 | AS AT 31.03. 2023 |
| <u>Tangible Assets</u> | | | | | | | | | | |
| Land | 1,308.76 | - | - | 1,308.76 | - | - | - | - | 1,308.76 | 1,308.76 |
| Building | 335.92 | 0.48 | - | 336.40 | 98.18 | 10.24 | - | 108.42 | 227.98 | 237.73 |
| Factory Godown | 99.38 | - | - | 99.38 | 16.24 | 2.29 | - | 18.53 | 80.85 | 83.13 |
| Plant & Machinery | 2,029.88 | 179.62 | (45.92) | 2,163.58 | 700.74 | 101.39 | (26.14) | 775.99 | 1,387.59 | 1,329.13 |
| Computer and Printer | 11.22 | 1.11 | - | 12.34 | 10.64 | 0.49 | - | 11.13 | 1.20 | 0.59 |

| | | | | | | | | | | |
|------------------------|-----------------|---------------|----------------|-----------------|-----------------|---------------|----------------|-----------------|-----------------|-----------------|
| Furniture and Fixtures | 15.84 | - | - | 15.84 | 11.45 | 0.34 | - | 11.79 | 4.04 | 4.39 |
| Office Equipments | 6.83 | 1.44 | - | 8.27 | 5.72 | 0.71 | - | 6.44 | 1.84 | 1.11 |
| Vehicles | 335.28 | 145.25 | - | 480.53 | 171.70 | 42.16 | - | 213.87 | 266.67 | 163.57 |
| Grand Total | 4,143.11 | 327.90 | (45.92) | 4,425.09 | 1,014.68 | 157.62 | (26.14) | 1,146.16 | 3,278.93 | 3,128.42 |
| Previous Year | 4,014.28 | 128.83 | - | 4,143.11 | 865.31 | 149.37 | - | 1,014.68 | 3,128.42 | 3,148.97 |

NOTE K- DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|-------------------|-----------------|--------------|-------------|
| | 2024 | 2023 | 2022 |
| Security Deposit | 6.05 | 10.01 | 9.64 |
| Advance for Staff | 2.50 | 3.20 | - |
| TOTAL | 8.55 | 13.21 | 9.64 |

NOTE L - DETAILS OF INVENTORIES AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|----------------|-----------------|-----------------|-----------------|
| | 2024 | 2023 | 2022 |
| Raw Material | 103.20 | 119.68 | 1,404.33 |
| Coal | 42.51 | 110.03 | 12.93 |
| Finished Goods | 5,024.27 | 4,716.57 | 2,462.78 |
| Melting Scrap | 54.54 | 37.80 | 122.59 |
| Store & Spare | 503.34 | 298.26 | 126.41 |
| Binding Wires | 23.31 | 10.57 | 4.06 |
| TOTAL | 5,751.16 | 5,292.91 | 4,133.08 |

NOTE M - DETAILS OF TRADE RECEIVABLES AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|--|-----------------|-----------------|---------------|
| | 2024 | 2023 | 2022 |
| <u>Unsecured, Considered Good, unless otherwise stated</u> | | | |
| - Over Six Months | - | 2.13 | - |
| From Directors/ Promoter/ Promoter Group/ Relatives of Directors and Group Companies | - | - | - |
| Others | 4,724.57 | 1,053.14 | 770.63 |
| TOTAL | 4,724.57 | 1,055.27 | 770.63 |

Trade Receivable Ageing Schedule

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|---------------------------------------|-----------------|----------|--------|
| | 2024 | 2023 | 2022 |
| Unsecured, Considered Good | | | |
| < 6 month | 4,724.55 | 1,053.11 | 770.80 |
| 6-12 Month | - | 2.13 | - |
| 1-2 year | - | - | - |
| 2-3 Year | - | - | - |
| > 3 year | - | - | - |
| Unsecured, Considered Doubtful | | | |



| | | | |
|--------------|-----------------|-----------------|---------------|
| < 6 month | - | - | - |
| 6-12 Month | - | - | - |
| 1-2 year | - | - | - |
| 2-3 Year | - | - | - |
| > 3 year | - | - | - |
| TOTAL | 4,724.55 | 1,055.25 | 770.80 |

NOTE N - DETAILS OF CASH & CASH EQUIVALENTS AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|--------------------|-----------------|--------------|--------------|
| | 2024 | 2023 | 2022 |
| Balance with Banks | - | - | - |
| FD With Bank | 369.87 | 16.28 | 13.29 |
| Cash on Hand | 4.91 | 1.80 | 7.80 |
| TOTAL | 374.78 | 18.08 | 21.09 |

NOTE O - DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|---------------------------------|-----------------|---------------|-----------------|
| | 2024 | 2023 | 2022 |
| GST Receivable | 73.96 | 70.00 | 132.74 |
| TCS Receivable | - | - | 11.48 |
| TDS Receivable | 62.44 | 50.98 | 39.97 |
| Income Tax Paid | - | 30.00 | - |
| Other Loans and Advances | | | |
| Prepaid Expenses | 44.68 | 15.31 | 6.54 |
| Prepaid Insurance | 10.01 | - | - |
| Unsecured, Considered Good | 419.77 | 60.31 | 879.72 |
| TOTAL | 610.86 | 226.60 | 1,070.45 |

NOTE P - DETAILS OF OTHER CURRENT ASSETS AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|-----------------------------|-----------------|-------------|-------------|
| | 2024 | 2023 | 2022 |
| Interest Accrual on Deposit | 2.63 | 0.16 | 2.76 |
| Income Due but not Received | 0.85 | - | - |
| TOTAL | 3.48 | 0.16 | 2.76 |

NOTE Q - DETAILS OF REVENUE FROM OPERATIONS AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|-----------------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2022 |
| Sale of Manufactured Goods | 42,467.24 | 53,044.78 | 51,535.53 |
| Stock in Trade | 16,312.84 | - | - |
| Total | 58,780.08 | 53,044.78 | 51,535.53 |
| Other Income | | | |
| Interest Income | 8.88 | 0.82 | 31.61 |
| Profit on Sale of Asset | 61.00 | - | 30.76 |
| Sundry Balances Written off | 5.76 | 3.31 | - |
| Other Income | 0.56 | - | 0.44 |

| | | | |
|------------------------------|--------------|-------------|--------------|
| Total Of Other Income | 76.21 | 4.13 | 62.81 |
|------------------------------|--------------|-------------|--------------|

NOTE R - DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|----------------------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2022 |
| Opening Stock | 119.68 | 1,404.33 | 567.53 |
| Add : Purchases | 38,057.91 | 47,951.80 | 46,356.41 |
| Add : Commission and Brokerage | 25.05 | 48.30 | 50.82 |
| Less: Closing Stock | 103.20 | 119.68 | 1,404.33 |
| TOTAL | 38,099.45 | 49,284.74 | 45,570.43 |
| Details of Raw Material Consumed | | | |
| Imported | - | - | - |
| Indigenous | 38,099.45 | 49,284.74 | 45,570.43 |
| Total | 38,099.45 | 49,284.74 | 45,570.43 |

NOTE S - DETAILS OF PURCHASE OF STOCK IN TRADE AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|-------------------------|------------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| Trading Goods Purchased | 15,424.26 | 599.47 | 800.06 |
| TOTAL | 15,424.26 | 599.47 | 800.06 |

NOTE T - DETAILS OF CHANGES IN INVENTORY AS RESTATED

(Rs. in lakhs)

| Particulars | As at March 31, | | |
|----------------------------------|-----------------|------------------|-----------------|
| | 2024 | 2023 | 2022 |
| Closing Stock | | | |
| Finished Goods | 5,024.27 | 4,716.57 | 2,462.78 |
| Binding Wires | 23.31 | 10.57 | 4.06 |
| | 5,047.58 | 4,727.13 | 2,466.83 |
| Opening Stock | | | |
| Finished Goods | 4,716.57 | 2,462.78 | 2,174.46 |
| Binding Wires | 10.57 | 4.06 | 8.63 |
| | 4,727.13 | 2,466.83 | 2,183.10 |
| Net Increase / (Decrease) | -320.45 | -2,260.30 | -283.74 |

NOTE U - DETAILS OF MANUFACTURING EXPENSES AS RESTATED

(Rs. in lakhs)

| Particulars | For the year ended March 31, | | |
|--------------------------------|------------------------------|-----------------|-----------------|
| | 2024 | 2023 | 2022 |
| Power, Fuel & Utilities | 935.81 | 1,022.54 | 958.39 |
| Coal & Gas Consumption | 479.73 | 900.91 | 1,001.26 |
| Stores & Spares Consumed | 99.54 | 157.31 | 223.67 |
| <u>Repairs and maintenance</u> | - | - | - |
| - Buildings | - | - | - |
| - Machinery | 16.95 | 19.48 | 11.93 |
| - Other | - | - | 6.11 |
| Hydra Crane Service | 2.28 | 5.56 | - |
| Factory Expense | 8.90 | - | - |
| Water Charges | 36.59 | 44.02 | 31.26 |
| Total | 1,579.80 | 2,149.82 | 2,232.61 |



NOTE V - DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED

(Rs. in lakhs)

| Particulars | For the year ended March 31, | | |
|---|------------------------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| EMPLOYEE BENEFITS EXPENSE: | | | |
| Salary & Wages | 697.51 | 719.24 | 722.39 |
| Contribution to Provident & Pension/Other Funds | 2.67 | 2.07 | 1.85 |
| Gratuity Expense | 3.06 | 2.78 | 5.10 |
| Director's Salary | 116.70 | 114.26 | 90.90 |
| Total | 819.95 | 838.35 | 820.24 |

NOTE W - DETAILS OF FINANCE COST AS RESTATED

(Rs. in lakhs)

| Particulars | For the year ended March 31, | | |
|-------------------------|------------------------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| Bank Charges | 514.77 | 440.27 | 278.03 |
| Bank Processing Charge | 17.74 | 9.70 | 0.01 |
| NBFC Processing Charges | 111.43 | 13.05 | 19.46 |
| Total | 643.94 | 463.03 | 297.50 |

NOTE X - DETAILS OF DEPRECIATION & AMORTIZATION EXPENSE AS RESTATED

(Rs. in lakhs)

| Particulars | For the year ended March 31, | | |
|----------------------------------|------------------------------|---------------|---------------|
| | 2024 | 2023 | 2022 |
| Depreciation | 157.62 | 149.37 | 141.26 |
| Preliminary Expenses Written Off | 3.85 | - | - |
| Total | 161.47 | 149.37 | 141.26 |

NOTE Y - DETAILS OF ADMINISTRATIVE SELLING & OTHER EXPENSES AS RESTATED

(Rs. in lakhs)

| Particulars | For the year ended March 31, | | |
|--|------------------------------|-----------------|-----------------|
| | 2024 | 2023 | 2022 |
| Rent, Rates & Taxes | 2.43 | 2.21 | 1.15 |
| Audit Fees | 1.10 | 1.00 | 1.00 |
| Legal & professional fees | 21.98 | 26.50 | 42.38 |
| Fuel and Conveyance Expenses | - | - | - |
| -Travelling Expenses | 4.48 | 3.40 | 0.91 |
| Stationery & Printing Expenses | 1.01 | 1.32 | 2.05 |
| Telephone, Mobile & Internet Expenses | 0.33 | 0.86 | 0.88 |
| Post, Telegram & Courier Expenses | 0.82 | 0.69 | 1.24 |
| Insurance Expenses | 2.49 | 3.10 | 3.90 |
| Corporate Social responsibility Expenses | 12.20 | 10.92 | 10.82 |
| Sales Promotion Expenses | 8.08 | 8.05 | - |
| Royalty Expense (License fees) | 486.93 | 422.93 | 389.84 |
| Outward Freight Charges (Including Diesel of Trucks) | 805.30 | 813.11 | 783.13 |
| Discount/Rebate / Commission | 1.88 | 35.65 | 55.20 |
| Other Expenses | 43.39 | 31.37 | 28.33 |
| Total | 1,392.42 | 1,361.12 | 1,320.83 |

NOTE Z - STATEMENT OF TAX SHELTER AS RESTATED

(Rs. in lakhs)

| Particulars | For the year ended March 31, | | |
|---|------------------------------|---------------|----------------|
| | 2024 | 2023 | 2022 |
| Restated Profit before tax as per books (A) | 1,072.18 | 378.53 | 715.58 |
| Tax Rates | | | |
| Income Tax Rate (%) | 25.17% | 25.17% | 25.17% |
| Permanent Timing Difference | | | |
| Effects of Other Allowance/Disallowance | 5.17 | 11.39 | 9.79 |
| Deduction - Donation(CSR) | 12.20 | 10.92 | 10.82 |
| Temporary Timing Differences | | | |
| Book Depreciation | 157.62 | 149.37 | 141.26 |
| Profit on sale of Fixed Asset | (61.00) | - | (30.76) |
| Unpaid Gratuity | 3.06 | 2.78 | 5.10 |
| Income Tax Depreciation Allowance | (151.16) | (160.14) | (169.41) |
| Total Timing Differences (C) | (34.11) | 14.33 | (33.21) |
| Net Adjustments D = (B+C) | (34.11) | 14.33 | (33.21) |
| Tax expense / (saving) thereon | (8.58) | 3.61 | (8.36) |
| Taxable Income/(Loss) (A+D+E+F) | 1,038.07 | 392.86 | 682.37 |
| Income Tax on above | 261.26 | 98.87 | 171.74 |
| Tax Expense | | | |
| a. Current Tax Rounded | 261.26 | 98.87 | 171.74 |
| TOTAL | 261.26 | 98.87 | 171.74 |

NOTE AA: STATEMENT OF DEFERRED TAX EXPENSES

(Rs. in lakhs)

| Particulars | 2023-24 | 2022-23 | 2021-22 |
|----------------------------------|-----------------|-----------------|-----------------|
| WDV as per book | 3,278.93 | 3,128.42 | 3,148.97 |
| WDV as per IT | (871.53) | (791.79) | (817.46) |
| Non-Depreciable Assets | (1,308.76) | (1,308.76) | (1,308.76) |
| Gratuity | 29.35 | 26.29 | 23.51 |
| Time Difference | 1,127.99 | 1,054.16 | 1,046.27 |
| Disallowance u/s 43B | - | - | - |
| Total | 1,127.99 | 1,054.16 | 1,046.27 |
| As per B/s (DTA)/DTL | 283.89 | 265.31 | 263.32 |
| Opening Balance | 265.31 | 263.32 | 208.38 |
| Transfer to P & L A/c | -18.58 | -1.99 | -54.94 |

NOTE AB - MANDATORY ACCOUNTING RATIOS AS RESTATED

(Rs. in lakhs, except per share data)

| Ratios | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 | For the Year Ended March 31, 2022 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Restated PAT as per P& L Account | 792.34 | 277.66 | 488.90 |
| Weighted Average Number of Equity Shares at the end of the Year | 171.39 | 122.00 | 122.00 |
| Weighted Average Number of Equity Shares at the end of the Year (Post Bonus) | 1,71,39,021 | 1,70,80,000 | 1,70,80,000 |
| No. of Shares outstanding at the year end | 172.36 | 122.00 | 122.00 |
| Net Worth as per Restated | 3,758.21 | 2,865.86 | 2,588.20 |
| Current Assets | 11,464.85 | 6,593.02 | 5,998.01 |
| Current Liabilities | 8,984.32 | 4,994.81 | 4,436.54 |

| Ratios | For the Year Ended March 31, 2024 | For the Year Ended March 31, 2023 | For the Year Ended March 31, 2022 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Earnings Per Share (Basic & Diluted) Pre Bonus | 4.62 | 2.28 | 4.01 |
| Earnings Per Share (Basic & Diluted) Post Bonus | 4.62 | 1.63 | 2.86 |
| EBITDA | 1,801.39 | 986.79 | 1,091.53 |
| Return on Net Worth (%) | 21.08% | 9.69% | 18.89% |
| Bonus Shares Issued in FY 2023-24 | 49,24,448 | 48,80,000 | 48,80,000 |
| Net Asset Value Per Share (Rs)- Pre Bonus Issue | 21.93 | 23.49 | 21.21 |
| Net Asset Value Per Share (Rs)- Post Bonus Issue | 21.93 | 16.78 | 15.15 |
| Current Ratio (C/D) | 1.28 | 1.32 | 1.35 |
| Nominal Value per Equity Share (₹) | 10.00 | 10.00 | 10.00 |

Note AB(1) - RATIO ANALYSIS

| Sr. No. | Ratios | As At 31 st March | | | Variance | Variance | Explanation for any change in ratio by more than 25% as compared to P.Y. | Explanation for any change in ratio by more than 25% as compared to P.Y. |
|---------|----------------------------------|------------------------------|---------|---------|----------|----------|--|---|
| | | 2024 | 2023 | 2022 | | | | |
| | | A | B | C | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 1 | Current Ratio | 1.28 | 1.32 | 1.35 | -3% | -2% | Not Applicable | Not Applicable |
| 2 | Debt-Equity Ratio | 1.44 | 1.74 | 1.81 | -17% | -4% | Not Applicable | Not Applicable |
| 3 | Debt Service Coverage Ratio | 2.25 | 1.44 | 2.72 | 56% | -47% | Company has made repayment of GECL limits during the year due to which DSCR has reduced. | The Company's profitability has improved due to which the DSCR has improved. |
| 4 | Return on Equity Ratio | 23.92 % | 10.18 % | 21.33 % | 135% | -52% | The Company's profitability has improved along with same level of operating costs therefore there is an increase in ROE. | There was high fluctuation in raw material as well as finished goods prices. Also, the Company's profitability was affected because of increase in fuel prices. |
| 5 | Inventory Turnover Ratio | 9.72 | 10.32 | 13.43 | -6% | -23% | Not Applicable | Not Applicable |
| 6 | Trade Receivables turnover ratio | 20.34 | 58.10 | 89.65 | 65% | 35% | It indicates that the Company is recovering dues faster from its customers as compared to previous year. | It indicates that the Company is making prompt payment towards purchase made by them. |
| 7 | Trade Payables turnover ratio | 36.01 | 217.82 | 227.37 | 83% | -4% | It indicates that the Company is making prompt payment towards purchase made by them. | Not Applicable |

| Sr. No. | Ratios | As At 31 st March | | | Variance | Variance | Explanation for any change in ratio by more than 25% as compared to P.Y. | Explanation for any change in ratio by more than 25% as compared to P.Y. |
|---------|----------------------------|------------------------------|---------|---------|----------|----------|---|---|
| | | | | | | | | |
| 8 | Net Capital turnover ratio | 28.82 | 33.58 | 42.64 | -14% | -21% | Not Applicable | Not Applicable |
| 9 | Net Profit Ratio | 1.35% | 0.52% | 0.95% | 158% | -45% | The Company's profitability has improved along with same level of operating costs therefore there is an increase in NPR. | There was high fluctuation in raw material as well as finished goods prices. Also, the Company's profitability was affected because of increase in fuel prices. |
| 10 | Return on Capital Employed | 19.62 % | 10.81 % | 15.27 % | 82% | -29% | The Company's profitability has improved along with same level of operating costs therefore there is an increase in ROCE. | There was high fluctuation in raw material as well as finished goods prices. Also, the Company's profitability was affected because of increase in fuel prices. |
| 11 | Gross Profit Ratio | 6.55% | 5.73% | 6.00% | 14% | -5% | Not Applicable | Not Applicable |

- (a) Current Ratio = Current Assets / Current Liabilities.
 (b) Debt- equity ratio = Total debt / Shareholders' equity.
 (c) Debt service coverage ratio = EBITDA/ (Principal + Interest).
 (d) Return on equity ratio= Net profit after taxes / Avg. Shareholder's Equity.
 (e) Inventory turnover ratio=Cost of goods sold or sales/Average inventory.
 (f) Trade receivables turnover ratio= Revenue from Operations /Average trade receivables.
 (g) Trade payables turnover ratio=Direct Expenses/Average trade payables.
 (h) Net Capital turnover ratio=Net sales/Average working capital.
 (i) Net profit ratio=Net profit after taxes/Total Revenue.
 (j) Return on capital employed=Earnings before interest and taxes/Capital employed.
 (k) Gross Profit Ratio= Gross Profit / Net Sales.
 (l) RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Deferred Tax Asset).
 (m) Gross Profit is calculated as Revenue from Operations less Cost of Materials consumed, Manufacturing Expenses, Purchase of stock in trade goods, Changes in inventories of finished goods, work-in-progress and stock in trade and Depreciation and amortisation expense.

NOTE AC: RELATED PARTY TRANSACTIONS

List of related parties



| Particulars | Relation |
|-----------------------|--|
| Varun Manojkumar Jain | Promoter and Key Managerial Personal |
| Varuna Jain | Promoter and relative of Key Managerial Personal |
| Sunny Sunil Singhi | Promoter and Key Managerial Personal |
| Maheshbhai T. Gulwani | Key Managerial Personal |
| Tina Mulani | Key Managerial Personal |
| VMS Industries Ltd. | Entity Under Common Control of Promoters, their relatives and KMPs |
| VMS TMT Limited | Entity Under Common Control of Promoters, their relatives and KMPs |

| Particulars | | | (In Lakhs) | | |
|---|-----------------------|--|------------|---------|---------|
| Nature of Transaction | Related Parties | Relation | 2023-24 | 2022-23 | 2021-22 |
| Remuneration (including bonus) | Mr. Varun Jain | Promoter and Key Managerial Personal | 63.60 | 60.30 | 22.30 |
| | Mrs. Varuna Jain | Promoter and relative of Key Managerial Personal (resigned as Director w.e.f. December 11, 2023) | 9.90 | 13.26 | 54.50 |
| | Mr. Sunny Singh | Director | 43.20 | 40.70 | 14.10 |
| | Maheshbhai T. Gulwani | Key Managerial Personal | 3.76 | - | - |
| | Tina Mulani | Key Managerial Personal | 0.80 | - | - |
| Purchase of Stores & Spares (Net of GST) | VMS Industries Ltd. | Entity in which Appointed director interested | - | - | 1.72 |
| Purchase of Goods(Net) | VMS TMT Pvt. Ltd. | Entity in which Appointed director interested | - | - | 32.80 |
| Loan Repayment | VMS Industries Ltd. | Entity in which Appointed director interested | 300.00 | 99.00 | - |
| Loan Taken | VMS Industries Ltd. | Entity in which Appointed director interested | 300.00 | 99.00 | - |
| Rent Expense | VMS Industries Ltd. | Entities Under Common Control | - | 0.60 | 0.60 |
| Interest Paid on Unsecured Loan | VMS Industries Ltd. | Entity in which Appointed director interested | 14.60 | - | - |

NOTE - AD CAPITALISATION STATEMENT AS AT 31ST March, 2024

(Rs. in lakhs)

| Particulars | Pre Issue | Post Issue |
|-----------------------------------|-----------------|-----------------|
| Borrowings | | |
| Short term debt (A) | 4,775.61 | 4,775.61 |
| Long Term Debt (B) | 651.46 | 651.46 |
| Total debts (C) | 5,427.07 | 5,427.07 |
| Shareholders' funds | | |
| Equity share capital | 1,723.56 | * |
| Reserve and surplus - as restated | 2,034.65 | * |
| Total shareholders' funds | 3,758.21 | * |



| Particulars | Pre Issue | Post Issue |
|--------------------------------------|-----------|------------|
| | | |
| Long term debt / shareholders' funds | 0.17 | * |
| Total debt / shareholders' funds | 1.44 | * |

Note: There is allotment of 2,00,000 Shares on preferential issue post March 31, 2024 for cash price of Rs.65/- per share amounting to ₹130.00 Lacs on May 15, 2024.

(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.



OTHER FINANCIAL INFORMATION

₹ in Lakhs

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| Restated PAT as per P& L Account | 792.34 | 277.66 | 488.90 |
| EBITDA | 1,801.39 | 986.79 | 1,091.53 |
| Actual No. of Equity Shares outstanding at the end of the period * | 1,72,35,568 | 1,22,00,000 | 1,22,00,000 |
| Weighted Average Number of Equity Shares at the end of the Period (Note -2) | 1,71,39,021 | 1,22,00,000 | 1,22,00,000 |
| Weighted Average Number of Equity Shares at the end of the Period post Bonus | 1,71,39,021 | 1,70,80,000 | 1,70,80,000 |
| Net Worth | 3,758.21 | 2,865.86 | 2,588.20 |
| Current Assets | 11,464.85 | 6,593.02 | 5,998.01 |
| Current Liabilities | 8,984.32 | 4,994.81 | 4,436.54 |
| Earnings Per Share (Basic & Diluted) | | | |
| EPS (Pre-Bonus) | 4.62 | 2.28 | 4.01 |
| EPS (Post-Bonus) | 4.62 | 1.63 | 2.86 |
| Return on Net Worth (%) | 21.08% | 9.69% | 18.89% |
| Net Asset Value Per Share | | | |
| Pre-Bonus | 21.93 | 23.49 | 21.21 |
| Post-Bonus | 21.93 | 16.78 | 15.15 |
| Current Ratio | 1.28 | 1.32 | 1.35 |
| Nominal Value per Equity Share (₹) | 10 | 10 | 10 |

* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the Company remain the same.

Company has allotted 200000 Equity Shares on May 15, 2024 on preferential basis for cash price of Rs. 65 per equity share including premium of Rs. 55 per equity shares amounting to cash consideration of Rs. 1,30,00,000.

Notes:

- The ratios have been calculated as below:
 - Basic Earnings Per Share (₹) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
 - Diluted Earnings Per Share (₹) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
 - Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
 - Restated Net Asset Value per equity share (₹) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.
- Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares.
- Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & –loss) – Revaluation Reserve -Preliminary Expenses to the extent not written-off.
- EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses reduced by other income.



6. RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/ (Deferred Tax Asset).
7. EBIT (Earnings before Interest and Tax) is calculated as earnings before tax plus tax expenses, finance cost and reduced by other income.
8. The figures disclosed above are based on the Restated Financial Information of the Company.



MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled “Risk Factors” beginning on page 25 which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.

The financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR Regulations and restated as described in the report of our auditors dated May 27, 2024 which is included in this Draft Red Herring Prospectus under the section titled “**Restated Financial Information**” beginning on page 155 of this Draft Red Herring Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under “**Risk Factors**” and “**Forward Looking Statements**” beginning on pages 25 and 18 respectively, and elsewhere in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information depend entirely on such potential investor's level of familiarity with Indian accounting practices. Please also refer to section titled “**Presentation of Financial, Industry and Market data**” beginning on page 16 of this Draft Red Herring Prospectus.

OUR BUSINESS

Our Company was originally incorporated as Aditya Ultra Steel Private Limited on 27th July, 2011 under the provisions of Companies Act, 1956 in the State of Gujarat by Mr. Dipen Rameshbhai Faldu, Mr. Pramodkumar Madhavjibhai Makadia, Mr. Yogesh Premji Bhai Suvariya and Mr. Chirga Lakhani. During the year 2016 -2017 Mr. Varun Manojkumar Jain and Mrs. Varuna Jain acquired all the equity shares of the Company from existing shareholders and the control over the Company. Subsequently, our Company was converted into a Public Limited Company and the name was changed to “Aditya Ultra Steel Limited” vide fresh Certificate of Incorporation dated 26th July, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. The Corporate Identification Number of Our Company is U27100GJ2011PLC066552.

Our 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. We have a history of more than 12 (Twelve) years in manufacturing of TMT bars industry. We design and manufacture TMT bars and sell it on B2B Basis. Our customer base is mainly spread across the State of Gujarat and also to certain customers in the State of Madhya Pradesh, State of Punjab & Haryana, State of Rajasthan, State of Uttar Pradesh and State of Maharashtra. We have our manufacturing plant located in Survey No-48, Wankarner Boudry, Bhalgam, National Highway 8-A, Wankaner, Rajkot, Wankaner, Gujarat-363621, India which is equipped with testing laboratories, workers’ accommodation, canteen and well-connected transport facilities.

Within a short span of time, our Company has carved a niche for itself in the steel industry, which is witnessed by growth in operational revenue from ₹ 145 Crore in FY 2017-18 to ₹ 530.45 Crore in FY 2023-24 showing CAGR of approximately 40%. For the year ended on March 31, 2024, March 31, 2023 and March 31, 2022, our Company has earned revenue from operations of ₹ 58,780.08 Lakhs, ₹ 53,044.78 Lakhs, ₹ 51,535.53 Lakhs respectively. Our Earnings Before Interest, Taxes, Depreciation and Amortisation (“**EBITDA**”) for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 was ₹ 1,801.39 Lakhs, ₹ 986.79 Lakhs, ₹ 1,091.53 Lakhs respectively.

FINANCIAL SNAPSHOT

The financial performance of the Company for the last three years as per restated financial Statement:

(₹ In Lakh)

| Particulars | For the Year ended on March 31 | | |
|--------------------------------------|--------------------------------|-----------|-----------|
| | 2024 | 2023 | 2022 |
| Revenue from Operations (₹ in Lakhs) | 58,780.08 | 53,044.78 | 51,535.53 |

| Particulars | For the Year ended on March 31 | | |
|---------------------------------------|--------------------------------|--------|----------|
| | 2024 | 2023 | 2022 |
| Growth in Revenue from Operations (%) | 10.81 | 2.93 | NA |
| EBITDA (₹ in Lakhs) | 1801.39 | 986.79 | 1091.53 |
| EBITDA Margin (%) | 3.06 | 1.86 | 2.12 |
| Profit After Tax (₹ in Lakhs) | 792.34 | 277.66 | 488.90 |
| PAT Margin (%) | 1.35 | 0.52 | 0.95 |
| RoE (%) | 23.92 | 10.18 | 21.33 |
| RoCE (%) | 18.75 | 10.76 | 14.33 |
| Net Fixed Asset Turnover (In Times) | 18.35 | 16.90 | 14.52 |
| Net Working Capital Days | 16 | 11 | 12 |
| Operating Cash Flows (₹ in Lakhs) | 912.59 | 841.14 | (618.20) |

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO LAST AUDITED BALANCE SHEET:

After the date of last Audited accounts i.e., March 31, 2024, the Directors of our Company confirm that, there have not been any significant material developments except mentioned below;

Note:

- The Board of Directors in their meeting held on April 24, 2024 approved resolution, for issuing 200000 Preferential shares and subsequently approved by members of Company in the extra- ordinary general meeting held on April 30, 2024. Pursuant to which our Company has allotted 200000 Equity Shares on May 15, 2024.

FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:

Our Company's future results of operations could be affected potentially by the following factors:

- *COVID-19 Pandemic;*
- *Natural Calamities e.g. Tsunami*
- *Global GDP growth and seaborne trade growth*
- *Prevailing commercial freight rates;*
- *Changes in Prices of Steel;*
- *Changes in laws or regulations;*
- *Political Stability of the Country;*
- *Competition from existing players;*
- *Our dependence on limited number of customers/suppliers/brands for a significant portion of our revenues;*
- *Any failure to comply with the financial and restrictive covenants under our financing arrangements;*
- *Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;*
- *Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;*
- *Occurrence of Environmental Problems & Uninsured Losses;*
- *Conflicts of interest with affiliated companies, the promoter group and other related parties;*
- *The performance of the financial markets in India and globally;*
- *Our ability to expand our geographical area of operation;*
- *Concentration of ownership among our Promoters.*

OUR SIGNIFICANT ACCOUNTING POLICIES:



For Significant accounting policies please refer Significant Accounting Policies and Notes to accounts, “*Annexure IV*” beginning under Chapter titled “*Restated Financial Information*” beginning on page 155 of this Draft Red Herring Prospectus.

RESULTS OF OUR OPERATION

| Particulars | Years | | |
|--|------------------|------------------|------------------|
| | 31.03.2024 | 31.03.2023 | 31.03.2022 |
| Revenue from operations | 58,780.08 | 53,044.78 | 51,535.53 |
| Total Revenue from Operation | 58,780.08 | 53,044.78 | 51,535.53 |
| % of growth | 10.81% | 2.93% | |
| Other Income | 76.21 | 4.13 | 62.81 |
| % of growth | 1744.46% | (93.42%) | |
| Total income | 58,856.29 | 53,048.92 | 51,598.33 |
| % of growth | 10.95% | 2.81% | |
| Expenses | | | |
| Cost of Material consumed | 38,099.45 | 49,284.74 | 45,570.43 |
| % Increase/(Decrease) | (22.70%) | 8.15% | |
| Purchase of stock in trade | 15,424.26 | 599.47 | 800.06 |
| % Increase/(Decrease) | 2472.97% | (25.07%) | |
| Manufacturing Expense | 1579.80 | 2149.82 | 2232.61 |
| % Increase/(Decrease) | (26.51%) | (3.71%) | |
| Changes in Inventories of work-in-progress | (337.18) | (2,175.51) | (300.17) |
| % Increase/(Decrease) | (84.50%) | 624.75% | |
| Employee benefits expense | 819.95 | 838.35 | 820.24 |
| % Increase/(Decrease) | (2.19%) | 2.21% | |
| Finance Costs | 643.94 | 463.03 | 297.50 |
| % Increase/(Decrease) | 39.07% | 55.64% | |
| Depreciation and amortisation expenses | 161.47 | 149.37 | 141.26 |
| % Increase/(Decrease) | 8.10% | 5.75% | |
| Other expenses | 1392.42 | 1361.12 | 1320.83 |
| % Increase/(Decrease) | 2.30% | 3.05% | |
| Total Expenses | 57,784.11 | 52,670.39 | 50,882.75 |
| % to total revenue | 98.18% | 99.29% | 98.61% |
| Profit/(Loss) Before Extra-Ordinary Items and Tax | 1,072.18 | 378.53 | 715.58 |
| % to total revenue | 1.82% | 0.71% | 1.39% |
| Exceptional Items | 0.00 | 0.00 | 0.00 |
| Profit before Tax | 1,072.18 | 378.53 | 715.58 |
| Total tax expense | 279.84 | 100.86 | 226.68 |
| % Increase/(Decrease) | 177.45% | (55.51%) | |
| Profit and Loss after tax for the Year as Restated | 792.34 | 277.66 | 488.90 |
| % to total revenue | 1.35% | 0.52% | 0.95% |
| Profit and Loss for the period as Restated | 792.34 | 277.66 | 488.90 |
| % Increase/(Decrease) | 185.36% | (43.21%) | |

COMPARISON OF FY 2023-24 WITH FY 2022-23:

REVENUE:

Revenue from operations

Our 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. The Total Revenue from operations for the year ended on FY 2023-24 was ₹ 58,780.08 Lakh as compared to ₹ 53,044.78 Lakh during the FY 2022-23. Revenue from Operations mainly includes revenue from Manufacturing of TMT Bars and other Products such as Scrap, Billets and other by products. Revenue from operations increased by 10.81%.

Other Income:

Other income of the Company was ₹ 76.21 lakhs and ₹ 4.13 lakhs for FY 2023-24 and FY 2022-23 respectively. Other Income consists of Interest Income, Profit on sale of fixed asset and Miscellaneous Income. Increase in Other Income was mainly due to Profit on sale of fixed asset of ₹ 76.21 lakhs in FY 2023-24.

EXPENDITURE:

Cost of materials consumed.

Our cost of materials consumed decreased by 22.70% from ₹ 49,284.74 lakhs in FY 2022-23 to ₹ 38,099.45 lakhs in FY 2023-24.

Purchase of Stock in trade

During the year ended on March 31, 2024, and March 31, 2023 our purchase amounted to ₹ 15,424.26 Lakhs, and ₹ 599.47 Lakhs, respectively, which is increased by 2472.97% as compared to previous year.

Manufacturing Expense

Manufacturing expenses incurred by the Company fall by 26.51% from ₹ 2149.82 lakhs in FY 2022-23 to ₹ 1579.80 lakhs in FY 2023-24. Manufacturing expenses consists of Power, Fuel & Utilities, Coal & Gas Consumption and Store and Spares Consumed, Water Expense and Repair and Maintenance Expenses. Manufacturing expenses have mainly reduced due to reduction on Power, Fuel & Utilities expenses.

Changes in inventories of Finished Goods, Work in Progress and Stock in Trade

Our opening stock of finished goods and Binding Wires was ₹ 4,727.13 lakhs as at April 1, 2023, while it was ₹ 2,466.83 lakhs as at April 1, 2022. Our closing stock of finished goods and work-in-progress was ₹ 5,047.58 lakhs as at March 31, 2024, while it was ₹ 4,727.13 lakhs as at March 31, 2023. The changes in inventories of finished goods and work-in-progress to negative ₹ 320.45 lakhs in FY 2023-24 from negative ₹ 2,260.30 lakhs in FY 2022-23.

Employee Benefit Expenses

Employee Benefit expenses decreased to ₹ 819.95 Lakhs for FY 2023-24 from ₹ 838.35 Lakh for FY 2022-23 showing a decreased of 2.19%. Employee Benefit Expenses mainly includes Salary and wages, Gratuity Expense, contribution to Provident fund and Staff welfare expenses.

Finance Cost

Finance expense were ₹ 643.94 Lakhs for FY 2023-24 as against ₹ 463.03 Lakhs in FY 2022-23 showing an increase of 39.07% Finance Cost mainly includes Interest on Term Loan, Interest on Cash Credit, Interest on Working Capital and Other Borrowing cost.

Depreciation and amortisation expenses

The Depreciation and amortization expense for FY 2023-24 was ₹ 161.47 Lakh as against ₹ 149.37 Lakhs for FY 2022-23 showing an increase of 8.10%.

Other Expenses

Other Expenses increased to ₹ 1392.42 Lakh for FY 2023-24 from ₹ 1361.12 Lakh for FY 2022-23 showing an increase of 2.30%. Other expense mainly includes Royalty (Licence Fees), Outward freight charges, Professional & Consultancy Fees, Rent, Rates & Taxes, Advertisement Expenses, Audit fees, Conveyance & Petrol Expense, Repair & maintenance, Sales Promotion, Electric Expense, Travelling Expenses, Sundry Balance Written Off, Insurance expenses and other miscellaneous expenses.

Profit before Extra-Ordinary Items and Tax

The Profit before Extra-Ordinary Items and Tax for the FY 2023-24 was 1.82% of the Total revenue from operations and it was 0.71% of Total revenue from operations for the FY 2022-23. The Profit before Extra-Ordinary Items and Tax has an increased to ₹ 1,072.18 Lakh in FY 2023-24 from ₹ 378.53 Lakh in FY 2022-23.

Profit after Tax (PAT)

PAT Increased to ₹ 792.34 Lakh in FY 2023-24 from ₹ 277.66 Lakh in the FY 2022-23. PAT was 1.35% and 0.52% of Total Revenue of our Company for the year ended on March 31, 2024 and March 31, 2023 respectively.

COMPARISON OF FY 2022-23 WITH FY 2021-22:

REVENUE:

Revenue from operations



Our 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. The Total Revenue from operations for the year ended on FY 2022-23 was ₹ 53044.78 Lakh as compared to ₹ 51535.53 Lakh during the FY 2021-22. Revenue from Operations mainly includes revenue from Manufacturing TMT Bars. Revenue from operations increased by 2.93%.

Other Income:

Other income of the Company was ₹ 4.13 Lakhs and ₹ 62.81 Lakhs for FY 2022-23 and FY 2021-22 respectively. Other Income mainly consists of Interest Income and Miscellaneous Income.

EXPENDITURE:

Cost of materials Consumed.

Our cost of materials consumed Increased by 6.28% from ₹ 45,570.43 lakhs in FY 2021-22 to ₹ 49,284.74 lakhs in FY 2022-23.

Purchase of Stock in trade

During the year ended on March 31, 2023, our purchase amounted to ₹ 599.47 Lakhs, which represents 1.13% of our total income for the period.

Manufacturing Expense

Manufacturing expenses incurred by the Company and declined by 3.71% from ₹ 2232.61 lakhs in FY 2021-22 to ₹ 2149.82 lakhs in FY 2022-23. Manufacturing expenses consists of Power, Fuel & Utilities, Coal & Gas Consumption and Store and Spares Consumed, Water Expense and Repair and Maintenance Expenses.

Changes in inventories of Finished Goods, Work in Progress and Stock in Trade

Our opening stock of finished goods and Binding Wires was ₹ 2,466.83 lakhs as at April 1, 2022, while it was ₹ 2,183.10 lakhs as at April 1, 2021. Our closing stock of finished goods and work-in-progress was ₹ 4,727.13 lakhs as at March 31, 2023, while it was ₹ 2,466.83 lakhs as at March 31, 2022. The changes in inventories of finished goods and work-in-progress to negative ₹ 2,260.30 lakhs in FY 2022-23 from negative ₹ 283.74 lakhs in FY 2021-22.

Employee Benefit Expenses

Employee Benefit expenses an Increased to ₹ 838.35 Lakhs for FY 2022-23 from ₹ 820.24 Lakh for FY 2021-22 showing an Increase of 2.21%. Employee Benefit Expenses mainly includes Salary and wages, contribution to Provident fund and Staff welfare expenses.

Finance Cost

Finance expense were ₹ 463.03 Lakhs for FY 2022-23 as against ₹ 297.50 Lakhs in FY 2021-22 showing an Increase of 55.64%. Finance Cost mainly includes Interest on Term Loan, Interest on Cash Credit and Other Borrowing cost.

Depreciation

The Depreciation and amortization expense for FY 2022-23 was ₹ 149.37 Lakh as against ₹ 141.26 Lakhs for FY 2021-22.

Other Expenses

Other Expenses increased to ₹ 1361.12 Lakh for FY 2022-23 from ₹ 1320.83 Lakh for FY 2021-22 showing an increase of 3.05%. Other expense mainly includes Royalty (Licence Fees), Outward freight charges, Professional & Consultancy Fees, Rent, Rates & Taxes, Advertisement Expenses, Audit fees, Conveyance & Petrol Expense, Repair & maintenance, Sales Promotion, Electric Expense, Travelling Expenses, Sundry Balance Written Off, Insurance expenses and other miscellaneous expenses.

Profit before Extra-Ordinary Items and Tax

The Profit before Extra-Ordinary Items and Tax for the FY 2022-23 was 0.71% of the Total revenue from operations and it was 1.39% of Total revenue from operations for the FY 2021-22. The Profit before Extra-Ordinary Items and Tax has decreased to ₹ 378.53 Lakh in FY 2022-23 from ₹ 715.58 Lakh in FY 2021-22.

Profit after Tax (PAT)

PAT decreased to ₹ 277.66 Lakh in FY 2022-23 from ₹ 488.90 Lakh in the FY 2021-22. PAT was 0.52% and 0.95% of Total Revenue of our Company for the year ended on March 31, 2023 and March 31, 2022 respectively.

DISCUSSION ON THE STATEMENT OF CASH FLOWS

The table below summaries our cash flows from our Audited Financial Information for the financial year ended March 31, 2024, 2023 and 2022:

| Particulars | For the year ended March 31 | | |
|---|-----------------------------|---------------|-----------------|
| | 2023-24 | 2022-23 | 2021-22 |
| Net cash generated from / (used in) Operating activities | 912.59 | 841.14 | (618.20) |
| Net cash generated from / (used in) Investing activities | (238.24) | (131.58) | (22.28) |
| Net cash generated from / (used in) from Financing activities | (317.66) | (712.56) | (316.29) |
| Net Increase / (decrease) in Cash & Cash Equivalents | 356.69 | (3.00) | (956.77) |
| Cash and cash equivalents at the beginning of the year | 18.08 | 21.09 | 977.86 |
| Cash and cash equivalents at the end of the year | 374.78 | 18.08 | 21.09 |

Operating Activities

- In Financial Year 2023-24, net cash generated in operating activities was ₹ 912.59 Lakhs. This comprised of the profit before tax of ₹ 1,072.18 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 157.62 Lakhs, finance cost of ₹ 532.51 Lakhs, Profit on sell of capital asset of ₹ 61 Lakhs of and Interest & Other income of ₹ 8.88 lakhs. The resultant operating profit before working capital changes was ₹ 1,692.43 Lakhs, which was primarily adjusted for an Increase in Inventories of ₹458.25 Lakhs and Loans & Advances of ₹ 384.26 Lakhs, trade receivables 3,669.30., Increase in Short term borrowings of ₹ 328.08 Lakhs, Trade payables of ₹ 2,528.63 Lakhs and other current liabilities of ₹ 1,013.77 Lakhs.
- In Financial Year 2022-23, net cash generated in operating activities was ₹ 841.14 Lakhs. This comprised of the profit before tax of ₹ 378.53 Lakhs, which was primarily adjusted depreciation and amortization expenses of ₹ 149.37 Lakhs, finance cost of ₹449.97 Lakhs, Interest & Other income of ₹ 0.82 lakhs. The resultant operating profit before working capital changes was ₹ 977.05 Lakhs, which was primarily adjusted for an Increase in Inventories of ₹1,159.83 Lakhs, trade receivables of ₹284.64 Lakhs, Short-term loans and advances of ₹843.85 Lakhs, Increase in other current liabilities of ₹124.18 Lakhs and trade payables of ₹21.14Lakhs and decrease in short term provision of ₹ 138.66 Lakhs.
- In Financial Year 2021-22, net cash used from operating activities was ₹ 618.20Lakhs. This comprised of the profit before tax of ₹ 715.58 Lakhs, which was primarily adjusted depreciation and amortization expenses of ₹141.26 Lakhs and finance cost of ₹278.04 Lakhs, Interest & Other income of ₹ 31.61 lakhs, loss on sell of capital assets amounting to ₹ 30.76 Lakhs and writing of miscellaneous balances of ₹ 89.71 Lakhs. The resultant operating profit before working capital changes was ₹ 1,180.64 Lakhs, which was primarily adjusted for an Increased in Inventories of ₹ 1240.53 Lakhs, trade receivables of ₹ 391.54 Lakhs and Short-term loans and advances of ₹ 872.57 Lakhs. Increase in trade payables of ₹10.34 Lakhs, short term borrowings of ₹1124.08 Lakhs. Decrease in other current liabilities of ₹ 294.40 lakhs.

Investing Activities

- In Financial Year 2023-24, net cash used in investing activities was ₹ 238.24 Lakhs, which primarily comprised of cash used for the purchase of fixed assets of ₹ 327.90 Lakhs, Sale proceeds from fixed assets of ₹ 80.78 Lakhs and Interest and other income of ₹ 8.88 Lakhs.
- In Financial Year 2022-23, net cash used in investing activities was ₹ 131.58 Lakhs, which primarily comprised of cash used for the purchase of fixed assets of ₹ 128.83 Lakhs, increase in non current assets of ₹ 3.57 Lakhs and Income from Interest and other income of ₹ 0.82 Lakhs.
- In Financial Year 2021-22, net cash used in investing activities was ₹ 22.28 Lakhs, which primarily comprised of cash used for the purchase of fixed assets of ₹ 98.30Lakhs, Sale proceeds from fixed asset of ₹ 44.41 Lakhs and Interest and other income of ₹ 31.61 Lakhs.

Financing Activities

- In Financial Year 2023-24, net cash used in financing activities was ₹ 317.66 Lakhs, which predominantly comprised an Increased of long-term borrowings of ₹ 114.85 Lakhs, issue of equity shares amounting to ₹ 100.01 Lakhs and finance cost paid of ₹ 532.51 Lakhs.



- In Financial Year 2022-23, net cash used in financing activities was ₹ 712.56 Lakhs, which predominantly comprised Repayment of borrowings of ₹262.59 Lakhs and finance cost paid of ₹ 449.97 Lakhs.
- In Financial Year 2021-22, net cash generated in financing activities was ₹ 316.29 Lakhs, which predominantly comprised Repayment of long-term borrowings of ₹ 38.25 Lakhs and finance cost paid of ₹ 278.04 Lakhs.

RELATED PARTY TRANSACTIONS

For further information, please refer “*Note – AC - Related Party Transactions*” on page 182 under section “*Restated Financial Information*” beginning from page no. 155 of this Draft Red Herring Prospectus.

FINANCIAL MARKET RISKS

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

INTEREST RATE RISK

We are currently exposed interest to rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

EFFECT OF INFLATION

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

INFORMATION REQUIRED AS PER ITEM (11) (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS, 2018:

1. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge which may be described as “unusual” or “infrequent”.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled “*Risk Factors*” beginning on page no. 25 of the Draft Red Herring Prospectus. To our knowledge, except as we have described in the Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled “*Risk Factors*” beginning on page no. 25 in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and other economic factor.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.

Our 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. Increases in revenues are largely linked to increase in volume of products of our Company.

6. Total turnover of each major industry segment in which the issuer company operated.

Our 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. Relevant Industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 97 of this Draft Red Herring Prospectus.

7. Status of any publicly announced new products or business segment.

Our 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. Otherwise as stated in the Draft Red Herring Prospectus and in the section “*Our Business*” appearing on page no. 104, our Company has not publicly announced any new business segment till the date of this Draft Red Herring Prospectus.

8. The extent to which business is seasonal.

Our 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. Hence, our business is not subject to seasonality.

9. Any significant dependence on a single or few suppliers or customers.

Our 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. Contribution of our customers and suppliers, as a percentage of total revenue and cost, respectively, for the periods indicated below:

Contribution of our customers and suppliers, as a percentage of total revenue and cost, respectively, for the periods indicated below:

| Particulars | Top Customers as a percentage (%) of revenue from operations | | |
|-------------|--|------------|------------|
| | FY 2023-24 | FY 2022-23 | FY 2021-22 |
| Top 1 | 56.84% | 47.50% | 41.63% |
| Top 3 | 83.38% | 79.45% | 78.66% |
| Top 5 | 90.93% | 93.09% | 92.03% |
| Top 10 | 94.27% | 95.63% | 94.11% |

The percentage of contribution of our Company’s supplier vis-à-vis the Cost of material consumed respectively for the year ended on March 31, 2024, March 31, 2023 & March 31, 2022 are as follows:

| Particulars | Top Suppliers as a percentage (%) of revenue from operations | | |
|-------------|--|------------|------------|
| | FY 2023-24 | FY 2022-23 | FY 2021-22 |
| Top 1 | 21.72% | 13.46% | 11.10% |
| Top 3 | 43.37% | 36.57% | 28.01% |
| Top 5 | 57.88% | 50.07% | 41.27% |
| Top 10 | 70.91% | 72.91% | 65.98% |

10. Competitive conditions:

We face competition from existing and potential competitors which is common for any business. We have, over a period, developed certain competitors who have been discussed in section titles “*Our Business*” beginning on page no. 104 of this Draft Red Herring Prospectus.



CAPITALISATION STATEMENT

₹ in Lakh

| Sr. No | Particulars | Pre issue | Post issue* |
|---|------------------------------------|-----------------|-----------------|
| | Debts | | |
| A | Long Term Debt | 651.46 | 651.46 |
| B | Short Term Debt | 4,775.61 | 4,775.61 |
| C | Total Debt | 5,427.07 | 5,427.07 |
| | Equity Shareholders Funds | | |
| | Equity Share Capital | 1,723.56 | [●] |
| | Reserves and Surplus# | 2,034.65 | [●] |
| | Less: Misc. Expenditure | - | [●] |
| D | Total Equity | 3758.21 | [●] |
| | Long Term Debt/ Equity Ratio (A/D) | 0.17 | [●] |
| | Total Debt/ Equity Ratio (C/D) | 1.44 | [●] |
| Notes: | | | |
| * Assuming Full Allotment of IPO shares | | | |
| # without considering revaluation reserves | | | |
| 1. Company has allotted 200000 Equity Shars on May 15, 2024 on preferential basis for cash price of Rs. 65 per equity share including premium of Rs. 55 per equity shares amounting to cash consideration of Rs. 1,30,00,000. | | | |



FINANCIAL INDEBTEDNESS

| 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 | 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. | <p>Details of Securities applicable for all the facilities:</p> <p>Security -Primary : 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</p> <p>Security -Collateral: Fixed Deposit From Company, Fixed Deposit From Director/share Holder, Personal guarantee Of Directors and Security Owners</p> <p>Property Description: Aditya Ultra Dist. Rajkot, Gujarat 363621 Steel Pvt Ltd, Nh-8 A, Wankaner Boundry, Bhargam, Wankaner Chotila Gujarat 363520</p> <p>Type of property (Residential / Commercial): Industrial Estates with Industrial Activity</p> <p>Property Owner Name: Aditya Ultra Steel Pvt Ltd</p> |
| 2. | | Working Capital Term Loan -GECL | 581.00 | 182.03 | 9.25% | Repayable within 48 EMIs of ₹ 18,27,351/- | |
| 3. | | Working Capital Term Loan -GECL Extension | 293.14 | 286.18 | 9.25% | Repayable within 60 EMIs of ₹ 921984/- with moratorium of first 12 months | |
| 4. | | Letter Of Credit | 2500 | 0.00 | Commission @ 1.20% pa. | 90 Days | |
| 5. | | Cash Credit | 2500 (Sublimit of Letter of Credit) | 0.00 | 9.75% | Repayable on Demand and are subject to annual renewal | |
| 6. | | Bank Guarantee | 150.00 | 0.00 | Commission @ 1.20% pa. 10% Margin on FD / cash /Bill margin. | - | |
| 7. | | Corporate Card | 100.00 | 0.00 | 9.50% | valid upto 15th December, 2024 | |
| 8. | | Cash Credit | 4665.00 | 4353.88 | 9.75% | Repayable on Demand and are subject to annual renewal | |



| 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 |
|---------|----------------------------------|--------------------|-----------------------------------|---|-------------------------------|---|--|
| 9. | | Letter Of Credit | 2500 (Sublimit of Cash Credit) | 0.00 | Commission @ 1.20% pa. | 90 days | |
| 10. | | Vehicle Loan | 290.08 | 191.86 | Ranging between 6.8% to 9.60% | New Truck Loans From Banks to be repaid in 60 Monthly Instalments , Truck Loans Refinanced From Banks to be repaid in 36 Monthly Instalments. | Primarily secured by way of Hypothecation of Vehicle |
| 11. | 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) |

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

SECTION X – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, Directors and Promoters.

*Our Board, in its meeting held on March 1, 2024, determined that outstanding legal proceedings involving the Company, Directors and Promoters will be considered as material litigation (“**Material Litigation**”) if the aggregate amount involved in such individual litigation exceeds 5% of profit after tax of the Company i.e. ₹ 38.45 Lakhs, as per the Restated Financial Information of the Company i.e. March 31, 2024 or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI ICDR Regulations as amended for creditors where outstanding dues to any one of them exceeds 5% of the Company’s trade payables as per the Restated Financial Information.

I. LITIGATION INVOLVING OUR COMPANY

(a) Criminal Proceedings against our Company

Nil

(b) Criminal proceedings filed by our Company

Nil

(c) Actions by statutory and regulatory authorities against our Company

Nil

(d) Tax Proceedings

(in ₹ Lakhs)

| Nature of Proceedings | Number of cases | Amount involved |
|-----------------------|-----------------|-----------------|
| Direct Tax | 3 | 10.38 |
| Indirect Tax | 1 | 261.93 |
| Total | 4 | 272.31 |

(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.

(f) Other pending material litigations filed by our Company

Nil

II. LITIGATION INVOLVING OUR DIRECTORS/PROMOTERS OF OUR COMPANY

1. Criminal proceedings against the Directors/ Promoters of our Company

A summons under section 70 of the Central Goods and Services Act, 2017 (“CGST Act”) was issued by the Office of the Commissioner of Central Goods & Service Tax, Rajkot (“CGST Commissioner”) on June 17, 2019 against the directors at that point of time of our Company, viz., Mr. Manoj Kumar Jain and Mr. Varun Jain (collectively, “Directors”) in view of an inquiry initiated against our Company by the CGST Commissioner for alleged illegal utilisation of input tax credit (“ITC”) amounting to ₹ 2.61 Crores (approx.). Thereafter, a panchnama was drawn up, and a search was conducted on June 20, 2019, at the premises of our Company. Subsequently, arrest memos under section 69 of the CSGT Act were issued against the Directors on July 9, 2019 by the CGST Commissioner, and the Directors were arrested. On the same day, applications for bail were moved by the Directors before the CSGT Commissioner, and bail was granted to the Directors by the CGST Commissioner on certain conditions through Bail Order No. IV/06-42/CEP/2019-20 (“Bail Order”). On July 29, 2019, an application under section 439(1) and 482 of the Code of Criminal Procedure, 1973 read with section 69(3)(b) of CSGT Act was filed before the CGST Commissioner by the Directors requesting relaxation of the bail conditions imposed upon the Directors through the Bail Order. On October 16, 2022, the applications were allowed, and the bail conditions imposed upon the Directors were relaxed. While the matter was pending, a parallel inquiry was initiated by the CGST Commissioner by issuing a summons against our Company on November 29, 2023 in view of a search conducted at the premises of our Company on November 28, 2023. Thereafter, our Company sent a reply to the summons on November 30, 2023 notifying the special intelligence officer of the CGST Commissioner of the previous inquiry initiated before our Company, and requested the adjournment of the summoning. The matters are still pending.

2. Criminal proceedings filed by the Directors/ Promoters of our Company

Nil

3. Actions by statutory and regulatory authorities against the Directors/ Promoters of our Company

Nil

4. Tax Proceedings

| Nature of Proceedings | Number of cases | (in ₹ Lakhs) |
|-----------------------|-----------------|---------------------|
| | | Amount involved (₹) |
| Direct Tax | 2 | 3.64 |
| Indirect Tax | Nil | Nil |
| Total | Nil | Nil |

5. Other pending material litigations against the Directors/ Promoters of the Company

Nil

6. Other pending material litigations filed by the Directors/ Promoters of the Company

Nil

III. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY

Nil

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS, DIRECTORS, AND GROUP COMPANIES DURING THE LAST 5 FINANCIAL YEARS

During the financial 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 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 our Promoters were unfrozen by the depositories upon the instruction of the BSE.

PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

Nil

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

Nil

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

Nil

NON-PAYMENT OF STATUTORY DUES

As on the date of the Draft Red Herring Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

MATERIAL FRAUDS AGAINST OUR COMPANY

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Red Herring Prospectus.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

DISCLOSURES PERTAINING TO FRAUDULENT BORROWER



Our Company or any of our Promoters or Group Companies or Directors are not declared as ‘Fraudulent Borrower’ by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE:

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page no. 187, there have been no material developments that have occurred after the last balance sheet date.

AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

In accordance with our Company’s materiality policy, creditors to whom an amount due is equal to or exceeds 5% of the total trade payables as per the Restated Financial Information of the Company were considered ‘material’ creditors. The trade payables for the period ended March 31, 2024 were ₹ 138.39 lakhs.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2024 by our Company, are set out below:

(in ₹ Lakhs)

| <i>Particulars</i> | Number of Cases | Amount Involved as on March 31, 2024 |
|---|------------------------|---|
| Total outstanding dues to Micro and Small & Medium Enterprises Creditors | 18 | 202.44 |
| Total outstanding dues to other than Micro and Small & Medium Enterprises Creditors | 33 | 2,565.39 |
| Total outstanding dues to Creditors | 51 | 2,767.84 |

*Amount due to entities covered under Micro and Small & Medium Enterprises as defined in the Micro and Small & Medium Enterprises Development Act, 2006 have not been identified by the Company.

(Source: Based on Certificate issued by our statutory auditors M/s. S. N. Shah & Associates, Chartered Accountants vide their certificate dated May 28, 2024 having UDIN 24144892BKAVMR1750.)

The details pertaining to amounts due towards material creditors are available on the website of our Company at www.aditya-ultra-steel.com.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, and approvals from the Central and State Governments and other governmental agencies/regulatory authorities/certification bodies required for conducting and continuing our business activities and to undertake the Issue.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/ regulatory authority, or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the GoI and other authorities do not take any responsibility for the financial soundness of our Company and for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out our business:

APPROVALS IN RELATION TO OUR COMPANY'S INCORPORATION

1. Certificate of Incorporation dated July 27, 2011, issued by Registrar of Companies, Gujarat at Dadra and Nagar Haveli in the name of "Aditya Ultra Steel Private Limited" bearing registration number U27100GJ2011PTC066552.
2. Fresh Certificate of Incorporation dated July 26, 2018 issued by Registrar of Companies, Gujarat at Ahmedabad consequent to change of name to "Aditya Ultra Steel Limited" upon conversion to public limited company.

APPROVALS IN RELATION TO THE ISSUE

Corporate Approvals

1. Our Board has, pursuant to resolution passed at its meeting held on May 17, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1)(c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated May 18, 2024 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue.
3. Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated June 12, 2024.

APPROVALS FROM STOCK EXCHANGE

Our Company has received in-principle listing approval from the SME Platform of NSE dated [●], 2024 for using its name in this offer document for listing of Equity Shares issued pursuant to the Issue.

OTHER APPROVALS

1. The Company has entered into a tripartite agreement dated October 27, 2018 with the CDSL and RTA, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.
2. The Company has entered into a tripartite agreement dated October 24, 2018 with the NSDL and RTA, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.
3. Our Company's International Securities Identification Number ("ISIN") is INE01YQ01013.

APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS

| Sr. No. | Authorization Granted | Issuing Authority | Registration Reference License No. | No./ 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 | 3847982 | | July 5, 2023 | July 4, 2024 |
| 4. | Legal Entity Identifier (LEI) | Legal Entity Identifier India Limited | 335800GW14ZF35YTX V24 | | - | September 19, 2024 |

APPROVALS RELATING TO TAX:

| Sr. No. | Authorization Granted | Issuing Authority | Registration No./ Reference No./ License No. | Date of Issue/ Date of Validity | Valid up to |
|---------|---|--|--|---------------------------------|-----------------------|
| 1. | Permanent Account Number (PAN) | Income Tax Department, GoI | AAJCA7025P | July 27, 2011 | Valid until cancelled |
| 2. | Tax Deduction Account Number (TAN) | Income Tax Department, GoI | RKTA03290A | February 9, 2024 | Valid until cancelled |
| 3. | Certificate of Registration for Goods and Service Tax | Centre Goods and Services Tax Act, 2017 | 24AAJCA7025P1ZD | July 1, 2017 | Valid until cancelled |
| 4. | Certificate of Registration under Section 5(1) of the Gujarat State on Professional, Trade, Calling and Employments Act, 1976 | Amdavad Municipal Corporation, Profession Tax Department | PRC010628001183 | August 2, 2018 | Valid until cancelled |
| 5. | Certificate of Enrolment under the Gujarat State on Professional, Trade, Calling and Employments Act, 1976 | Amdavad Municipal Corporation, Profession Tax Department | PEC010628004002 | August 2, 2018 | Valid until cancelled |
| 6. | Central Excise Registration Certificate | Central Board of Excise and Customs | AAJCA7025PEM001 | November 11, 2011 | Valid until cancelled |
| 7. | Certificate of Registration | Assistant Commissioner of Commercial Tax | 24592201647 | November 9, 2011 | Valid until cancelled |
| 8. | Certificate of Registration under Gujarat Value Added Tax Act, 2003 | Commercial Tax Department, Government of Gujarat | 24092201647 | November 9, 2011 | Valid until cancelled |

APPROVALS RELATED TO FACTORY

| Sr. No. | Authorization Granted | Issuing Authority | Registration No./ Reference No./ License No. | Date of Issue/ Date of Renewal | Valid up to |
|---------|---|---|--|--------------------------------|-----------------------|
| 1. | License to work a factory under the Factories Act, 1948 and the rules made thereunder | Directorate Industrial Safety & Health, Gujarat State | 15161/24105/2012 | July 15, 2020 | December 31, 2024 |
| 2. | MSME Udyog Aadhaar Registration under MSME Development Act, 2006* | Ministry of Micro, Small & Medium Enterprises, GoI | UAN: GJ20C0019737 | December 26, 2016 | Valid until cancelled |
| 4. | Consent to Establish (NOC) | Gujarat Pollution Control Board | CTE -96161 | September 30, 2018 | July 09, 2025 |

* The certificate is in the name of Aditya Ultra Steel Private Limited

INTELLECTUAL PROPERTY

Trademarks registered/Objected in the name of our Company

| Sr. No | Brand Name/Logo Trademark | Class | Nature of Trademark and registration number | Owner | Date of Application | Authority | Current Status |
|--------|--|-------|---|----------------------------|---------------------|--------------------------------|-----------------------|
| 1. |  | 06 | Application no.: 6282598 | Aditya Ultra Steel Limited | February 01, 2024 | Trade Mark Registry, Ahmedabad | Accepted & Advertised |

Domain Name

| S. No | Domain Name and ID | Registrar Domain ID | Registrant Name, ID and Address | Creation Date | Registry Expiry Date |
|-------|------------------------|--|---------------------------------|-----------------|----------------------|
| 1. | aditya-ultra-steel.com | Registry Domain ID: 2842546587_DOMAIN_COM-VRSN | Registrar URL: www.register.com | January 1, 2024 | January 1, 2029 |

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

- 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.
- 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.

MATERIAL LICENSES / APPROVALS FOR WHICH OUR COMPANY IS YET TO APPLY FOR / STATUTORY APPROVALS / LICENSES REQUIRED

NIL



OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

The Board of Directors has, pursuant to a resolution passed at its meeting held on May 17, 2024 authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

The shareholders of the Company have, pursuant to a special resolution passed in Extra Ordinary General Meeting held on May 18, 2024, authorized the Issue under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

In-principal Approval

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this Draft Red Herring Prospectus for listing our shares on the Emerge Platform of NSE. NSE is the Designated Stock Exchange for the purpose of this Issue.

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, SEBI had also mentioned the Noticee may avail the benefit of the SEBI Settlement Scheme, 2022 framed by SEBI (“**Scheme**”) pursuant to the order dated May 13, 2022 passed by the Hon’ble Securities Appellate Tribunal. Thereafter, SEBI issued a letter bearing no. SEBI/HO/EAD/EAD-3/BM/DS/OW/2023/8216/1 dated February 24, 2023 to the Noticee providing an opportunity of hearing on March 14, 2023 on the grounds of natural justice. Post the hearing, the Noticee submitted her reply to the SCN on April 14, 2023 praying for discharge from SCN proceedings and to apply for consent regulations with the same terms as per the Scheme. The matter is presently pending for issuance of the new settlement scheme by SEBI.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India. We confirm that our Company, Promoters, Promoter Group or Directors have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

Neither our Company, nor Promoters, nor Promoter Group, nor any of our Directors or persons in control of our Company are /were associated as promoters, directors or persons in control of any other Company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as Promoter or Director.

Neither our Promoters, nor Promoter Group, nor any of our Directors is declared as Fugitive Economic Offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Company, nor our Promoters, nor Promoter Group nor our Directors, are Wilful Defaulters or fraudulent

borrowers.

Prohibition by RBI

Except as disclosed in this Draft Red Herring Prospectus, neither our Company, nor Promoters, nor Promoter Group, nor any of our Directors or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrowers by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under chapter titled “*Outstanding Litigations and Material Developments*” on page 198.

Directors associated with the securities market

Our Company, our Promoters, our Directors and our Promoter’s Group, person(s) in control of the promoters or issuer, have not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

Prohibition with respect to wilful defaulter or a fraudulent borrower

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as wilful defaulter or a fraudulent borrower as defined by the SEBI ICDR Regulations.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and member of our Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“**SBO Rules**”), to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Confirmations

- i. Neither our Company, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board.
- ii. Neither our promoters, nor any directors of our Company are a promoter or director of any other company which is debarred from accessing the capital market by the Board.
- iii. Neither our Company, nor our Promoters or our directors, is a Willful Defaulter or a fraudulent borrower.
- iv. Neither our Promoters nor any of our directors is declared as Fugitive Economic Offender.

Eligibility for the Issue

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this issue is an Initial Public Issue in terms of the SEBI ICDR Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI ICDR Regulations, as we are an Issuer whose post Issue face value paid-up capital is more than ten crore rupees and up to twenty-five crore rupees and can Issue Equity Shares to the public and propose to list the same on the Emerge Platform of National Stock Exchange of India Limited (“**NSE Emerge**”).

We confirm that:

1. In accordance with Regulation 260 of the SEBI ICDR Regulations, this Issue will be 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further



details pertaining to said underwriting, see section titled “*General Information – Underwriting*” on page no 50.

2. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.
3. In terms of Regulation 246(5) of the SEBI ICDR Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.
4. In accordance with Regulation 261(1) of the SEBI ICDR Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the Emerge Platform of NSE (“**NSE Emerge**”). For further details of the arrangement of market making, see section titled “*General Information- Details of the Market Making Arrangements for this Issue*” on page no 50.
5. In accordance with Regulation 228(c) of the SEBI ICDR Regulations, neither the issuer nor any of its promoter or directors is a wilful defaulter or a fraudulent borrower.
6. In accordance with Regulation 228(d) of the SEBI ICDR Regulations, none of the Issuer’s promoter or directors is a fugitive economic offender.
7. In accordance with Regulation 230(1)(a) of the SEBI ICDR Regulations, Application is being made to Emerge Platform of NSE (“**NSE Emerge**”) is the Designated Stock Exchange.
8. In accordance with Regulation 230(1)(b) of the SEBI ICDR Regulations, our Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
9. In accordance with Regulation 230(1)(c) of the SEBI ICDR Regulations, all the present Equity share Capital is fully Paid-up.
10. In accordance with Regulation 230(1)(d) of the SEBI ICDR Regulations, all the specified securities held by the promoter is already in dematerialised form.

We further confirm that we shall be complying with all the other requirements as laid down for such an Offer under Chapter IX of SEBI ICDR Regulations as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company has facilitated trading in demat securities and has entered into an agreement with both the depositories and the Registrar and Transfer Agent. Our Company has entered into the tripartite agreements with Central Depository Services Limited (CDSL) dated October 27, 2018 along with the Registrar and Transfer Agent and National Securities Depository Limited (NSDL) dated October 24, 2018 along with the Registrar and Transfer Agent for dematerialization of its Equity Shares already issued and proposed to be issued.
2. Our Company has a website i.e. www.aditya-ultra-steel.com;
3. The Equity Shares of our Company held by our Promoters are in dematerialised form;
4. All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and
5. Except as disclosed below, there has been no change in the promoter(s) having significant change in control over the affairs of the Company in the one year preceding the date of filing application to Emerge Platform of NSE:

Pursuant to the resolution passed by the Board on February 17, 2024 and the special resolution passed by the members of the Company on February 19, 2024, Mr. Manoj Kumar Jain and Mrs. Sangeeta Jain were re-classified as Promoter Group and Mr. Sunny Sunil Singhi, Mr. Varun Manojkumar Jain and Mrs. Varuna Jain were classified as a Promoters.

Our Company also complies with the eligibility conditions laid by the Emerge Platform of National Stock Exchange of India Limited for listing of our Equity Shares. The point wise Criteria for Emerge Platform of National Stock Exchange of India Limited and compliance thereof are given hereunder;

- 1) 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 at 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’ vide fresh certificate of incorporation dated July 26, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. The Corporate Identification Number of our Company is U27100GJ2011PLC066552.
- 2) As on the date of this Draft Red Herring Prospectus, the Company has a Paid-up Capital of ₹ 17,43,55,680 comprising 17,435,568 Equity shares and the Post Issue Paid up Capital (face value) of the Company will be ₹ [●] Lakh comprising [●] Equity Shares, which is less than ₹25 Crores.
- 3) Our Company has track record of more than three years as on date of filing of this Draft Red Herring Prospectus.
- 4) The Net-worth of our Company is Positive as per latest audited financial statement.
- 5) The Company confirms that it has operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth for financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 is positive.

Our Company satisfies the criteria of track record which given hereunder based on Restated Financial Statement.

(Rs. in Lakhs)

| Particulars | for the financial year ended on | | |
|---|---------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Operating Profit (earnings before interest, depreciation, tax and Other Income) from operations | 1,801.39 | 986.79 | 1,091.53 |
| Networth | 3,758.21 | 2,865.86 | 2,588.20 |

(The Net worth is based on the Restated Financial Statements was calculated as Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & –loss) – Revaluation Reserve -Preliminary Expenses to the extent not written-off).

- 6) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one (1) year in respect of Promoter, Group Companies, companies under the Promoter Group.
- 7) The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against the Company and companies under the Promoter Group.
- 8) Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- 9) None of the Issues managed by BRLM are returned by NSE in last six months from the date of this Draft Red Herring Prospectus.
- 10) None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.



11) There is no winding up petition against the Company, which has been admitted by a Court of competent jurisdiction or a liquidator has not been appointed.

12) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the Company.

13) The directors of the Company are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.

14) We confirm that:

i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company except as stated in the section titled “*Outstanding Litigation and Material Developments*” beginning on page no. 198.

ii. There is no default in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.

iii. There are no litigations record against the applicant, promoters/promoting company(ies), group companies, companies & promoted by the promoters/promoting company(ies) except as stated in the section titled “*Outstanding Litigation and Material Developments*” beginning on page no. 198.

iv. We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the Company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.. For details, see “*Outstanding Litigation and Material Developments*” beginning on page no. 198.

v. The application of our Company has not been rejected by the Exchange in last 6 complete months from the date of filing of this Draft Red Herring Prospectus.

We further confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the Emerge Platform of NSE.

Compliance with Part A of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI ICDR Regulations, with respect to the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, SWASTIKA INVESTMENT LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY

RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, SWASTIKA INVESTMENT LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SWASTIKA INVESTMENT LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT.

Note: All legal requirements pertaining to the 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, 2013. All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 33(1) and 33(2) of the Companies Act.

Below are the details of the Price Information of past issues handled by Swastika Investment Limited:

| S. No. | Issue Name | Issue Size (₹ in Cr.) | Issue Price (₹) | Listing Date | Opening Price on Listing Date (₹) | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30 th Calendar Days from Listing | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90 th Calendar Days from Listing | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180 th Calendar Days from Listing |
|--------|---|-----------------------|-----------------|-----------------------------------|-----------------------------------|--|--|---|
| 1. | Richa Infosystem Limited | 10.00 | 125.00 | February 21 st , 2022 | 125.00 | -34.80* (+0.31)** | -10.32* (-5.82)** | -16.55* (+3.40)** |
| 2. | Evoq Remedies Limited | 9.72 | 27.00 | March 30 th , 2022 | 25.00 | -44.72* (-2.77)** | -50.00* (-9.38)** | -38.00* (-3.88)** |
| 3. | Sonu Infratech Limited | 8.64 | 36.00 | May 17 th , 2022 | 37.50 | -63.15* (-5.53)** | -6.67* (+8.85)** | +1.33* (+12.73)** |
| 4. | Cyber Media Research and Services Limited | 14.04 | 180.00 | October 10 th , 2022 | 245.25 | -18.45* (+5.31)** | -18.45* (+4.99)** | -28.43* (+2.22)** |
| 5. | Infinium Pharmachem Limited | 25.25 | 135.00 | April 17 th , 2023 | 141.50 | +89.61* (+2.68)** | +88.69* (+10.49)** | +80.25* (+11.44)** |
| 6. | Service Care Limited | 20.68 | 67.00 | July 26 th , 2023 | 70.50 | -15.04* (-2.59)** | -18.44* (-3.32)** | -10.57* (+9.32)** |
| 7. | Saroja Pharma Industries India Limited | 9.11 | 84.00 | September 13 th , 2023 | 65.00 | -8.46* (-1.59)** | -12.31* (+4.17)** | -36.00* (+11.27)** |
| 8. | Shree Marutinandan Tubes Limited | 14.30 | 143.00 | January 19 th , 2024 | 200.00 | +103.45* (+1.43)** | +25.55* (+1.12)** | - |
| 9. | Sai Swami | 15.00 | 60.00 | May 08 th , | 114.00 | -55.26* | - | - |



| | | | | | | | | |
|-----|---------------------------|-------|-------|------------------------------|--------|-----------|---|---|
| | Metals and Alloys Limited | | | 2024 | | (+4.39)** | | |
| 10. | TBI Corn Limited | 44.94 | 94.00 | June 07 th , 2024 | 198.00 | - | - | - |

Source: Price Information www.bseindia.com & www.nseindia.com, Issue Information from respective Prospectus.

Note:-

* The Base price to calculate +/- % Change in Closing Price, 30th / 90th/180thCalendar Days from Listing is the "Opening Price" at the Date of Listing.

** The Base price to calculate +/- % Change in Closing Benchmark, 30th /90th/180thCalendar Days from Listing is the "Closing Price" at the Date of Listing.

Summary statement of Disclosure: Summary statement of Disclosure:

| Financial Year | Total No. of IPOs | Total Funds Raised (₹ in Cr.) | Nos. of IPO trading at discount as on 30 th calendar day from listing date | | | Nos. of IPO trading at premium as on 30 th calendar day from listing date | | | Nos. of IPO trading at discount as on 180 th calendar day from listing date | | | Nos. of IPO trading at premium as on 180 th calendar day from listing date | | |
|----------------|-------------------|-------------------------------|---|----------------|---------------|--|----------------|---------------|--|----------------|---------------|---|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2021-22 | 2 | 19.72 | - | 2 | - | - | - | - | 1 | 1 | - | - | - | |
| 2022-23 | 2 | 22.69 | 1 | - | 1 | - | - | - | 1 | - | - | - | 1 | |
| 2023-24 | 4 | 69.34 | - | - | 2 | 2 | - | - | 1 | 1 | 1 | - | - | |
| 2024-25 | 2 | 59.94 | 1 | - | - | - | - | - | - | - | - | - | - | |

Note:

- Based on date of listing.
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- N.A. – Period not completed.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the lead manager are provided.

Track Record of past issues handled by Swastika Investment Limited

For details regarding track record of Book Running Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Book Running Lead Manager at www.swastika.co.in.

Disclaimer from our Company, our Director and the Book Running Lead Manager

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriter and our Company and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company, and the Book Running Lead Manager 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 collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter 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 in the issue.

Neither our Company nor Book Running Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

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.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus 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 jurisdiction of the competent court(s) in Ahmedabad 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. 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 sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

Disclaimer Clause of the Emerge Platform of NSE

As required, a copy of the Draft Red Herring Prospectus shall be submitted to the NSE EMERGE. The Disclaimer Clause as intimated by the NSE EMERGE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and Prospectus prior to the filing with RoC.

Disclaimer Clause under Rule 144A of the U.S. Securities Act



The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulations 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 will be offered and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create 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 Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing of Offer Document with the Designated Stock Exchange/SEBI/ROC

The Draft Red Herring Prospectus is being filed with Emerge Platform of National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI ICDR Regulations. Pursuant to Regulation 246(5) of SEBI ICDR Regulations and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 26 & 32 of the Companies Act, 2013 was filed to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be filed to the RoC through the electronic portal at <http://www.mca.gov.in>

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on NSE EMERGE. Application have been made to NSE EMERGE for obtaining permission for listing of the Equity Shares being issued and sold in the Issue on its NSE EMERGE after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our Company has obtained In-principle approval from NSE vide letter dated [●] to use name of NSE in the Red Herring Prospectus for listing of equity shares on NSE EMERGE.

If the permission to deal in and for an official quotation of the Equity Shares on the Emerge Platform is not granted by NSE, our Company shall forthwith repay, all moneys 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 becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE mentioned above are taken within three (3) Working Days of the Bid/Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within three (3) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Impersonation

Attention of the Applicants 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-

- i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- iii. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable to action under section 447 of the Companies, Act 2013.

Consents

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Peer Review Auditor, Our Banker to the Company, Book Running Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue/ Sponsor Bank⁽¹⁾, Syndicate Members⁽¹⁾, Underwriter to the Issue⁽¹⁾ and Market Maker to the Issue⁽¹⁾ to act in their respective capacities will be obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for filing with the RoC.

⁽¹⁾ The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.

Experts Opinion

Except as disclosed below, our Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

Our Company has received a written consent dated May 28, 2024 from M/s. S. N. Shah & Associates, Chartered Accountants, Statutory Auditor & Peer Review Auditors of the Company to include their name as required under section 26(5) 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 to the extent and to include the respective reports on Statement of Special Tax Benefits relating to the Special tax benefits and Restated Financial Statements as included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for filing with the RoC.

Our Company has received a written consent dated May 16, 2024 from B.P. OZA & Associates, Independent Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act 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 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificate on Installed capacity and capacity utilisation of our Company dated May 16, 2024.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” and “consent” shall not be construed to mean an “expert” and “consent” as defined under the U.S. Securities Act.

Fees, Brokerage and Selling Commission payable

The total fees payable to the Book Running Lead Manager will be as per the (i) Issue Agreement with the Book Running Lead Manager, (ii) the Underwriting Agreement with the Underwriter and (iii) the Market Making Agreement with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00 AM to 5.00 PM on Working Days from the date of the Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated May 21, 2024, a copy of which is available for inspection at our Company’s Registered Office.



The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Draft Red Herring Prospectus and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to the section titled “*Capital Structure*” beginning on page no. 61.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Previous capital issue during the last three years by listed Group Companies of our Company

Except as disclosed below, no listed Group Company has made any previous capital issue in the last three years:

VMS Industries Limited (“VMS”), one of our Group Company which is listed on main Board of BSE Limited, has allotted 80 Lakhs Equity Shares having Face Value of ₹ 10 each on Rights basis on May 22, 2024 for cash price of ₹ 35 per equity shares including securities premium of ₹ 25 each. The issue was opened for subscription on May 02, 2024 and closed on May 16, 2024. Equity Shares of the Company under Rights issue was admitted for trading w.e.f. May 30, 2024.

| Sr. No. | Particulars | |
|----------------|---|-------------------------|
| 1. | Name of the Company | VMS Industries Limited |
| 2. | Year of Issue. | 2024 |
| 3. | Type of Issue (public/rights/composite) | Rights Issue |
| 4. | Amount of issue (₹ in Lakhs) | 2800.00 |
| 5. | Date of closure of issue. | Thursday, May 16, 2024 |
| 6. | Date of allotment | Wednesday, May 22, 2024 |
| 7. | Date of credit of securities to the demat account | Monday, May 28, 2024 |
| 8. | Date of completion of the project, where object of the issue was financing the project. | NA |
| 9. | Rate of dividend paid. | NIL |

Performance vis-à-vis objects

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

For details in relation to our group companies, please see chapter titled “*Our Group Companies*” on page no. 151 of Draft Red Herring Prospectus.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Partly Paid-Up Shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

Option to Subscribe

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

Stock Market Data for our Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three (3) years preceding the filing of this Draft Red Herring Prospectus. Since there are no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

Investors may contact the Book Running Lead Manager for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, Book Running Lead Manager and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Book Running Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR



Regulations.

Our Company will obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI Circular (CIR/OIAE/1/2014) dated December 18, 2014, and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on September 1, 2018. For further details, please refer to section titled "*Our Management*" on page no. 140.

Our Company has also appointed Vikas Babusingh Panwar as the Company Secretary and Compliance Officer of our Company, for this Issue he may be contacted in case of any pre-issue or post-issue related problems at the following address:

Vikas Babusingh Panwar

Company Secretary and Compliance Officer

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

Website: www.aditya-ultra-steel.com

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three (3) years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

As on the date of this Draft Red Herring Prospectus, we do not have any listed company under the same management.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "*Statement of Special Tax Benefits*" on page no. 94.

Purchase of Property

Other than as disclosed in Section "*Our Business*" on page no. 104 there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Capitalization of Reserves or Profits

Save and except as stated in "*Capital Structure*" on page no. 61, our Company has not capitalized its reserves or profits at any time since inception.

Revaluation of assets

Except as disclosed below, our Company has not revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years:

During year 2016-17, our Company had revalued its land from ₹ 2,14,80,902 to ₹ 13,08,75,800 by creating a revaluation reserve of ₹ 10,93,94,898.

Servicing Behavior

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under chapter titled "*Our Management*" on page no. 133 and chapter "*Restated Financial Information*" beginning on page no. 155 none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Exemption from complying with any provisions of securities laws, if any

As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.



SECTION XI: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI ICDR Regulations, the SEBI LODR Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Prospectus, Application Form, any CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the 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 issued from time to time by SEBI, the GoI, the Stock Exchange, 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 SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Bid-cum-Application forms. Investor may visit the official website of the concerned for any information on operational utilization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Authority for the Issue

The present Issue of upto 75,00,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on May 17, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on May 18, 2024 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see, “*Main Provisions of Article of Association*”, on page no. 264.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Bidders who have been allotted or transferred Equity Shares pursuant to the Issue, for the entire year, in accordance with applicable laws.. For further details, see “*Dividend Policy*” and “*Main Provisions of Article of Association*” on page no. 154 and 264 respectively.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (“**Floor Price**”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“**Cap Price**”). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and

Hindi edition of [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the Book Running Lead Manager, 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 of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all 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 Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI LODR Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., see “**Main Provisions of the Articles of Association**” on page no. 264.

ALLOTMENT ONLY IN DEMATERIALISED FORM

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being issued can be applied for in the dematerialized form only. In this context, two agreements shall be signed among our Company, the respective Depositories and Registrar to the Issue.

- Tripartite Agreement dated October 24, 2018 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated October 27, 2018 between CDSL, our Company and Registrar to the Issue;

For details in relation to the Basis of Allotment, see “**Issue Procedure**” on page no. 254.

Minimum Application Value, Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE (Emerge platform of NSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.



Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per application.

Minimum Number of Allottees

In accordance with Regulation 268 of SEBI ICDR Regulations the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Ahmedabad.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (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 will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the 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 in accordance with applicable laws.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, 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 in accordance with Section 72 of the Companies Act, 2013 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 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 the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the 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 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Issue Program

| Event | Indicative Date |
|---|------------------|
| Bid/Issue Opened Date | [●] ¹ |
| Bid/Issue Closed Date | [●] ² |
| Finalization of Basis of Allotment with the Designated Stock Exchange (T+1) | On or about [●] |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2) | On or about [●] |
| Credit of Equity Shares to Demat accounts of Allottees (T+2) | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange (T+3) | On or about [●] |

The above time table is indicative and does not constitute any obligation on our Company. 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 NSE is taken within Three Working Days from the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

¹Our Company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. 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.

²Our Company, in consultation with the Book Running Lead Manager, 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 case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four 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 Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable. The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. 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 Exchange are taken within three (3) Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.*

Bid-Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Bid/ Issue Closing Date maybe extended in consultation with the Book Running Lead Manager, RTA and NSE taking into account the total number of applications received up to the closure of timings.

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) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids



received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a 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 Book Running Lead Manager and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, 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 the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

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 file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid- Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid/ Issue Period. 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 shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the Book Running Lead Manager, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Manager and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

Minimum Subscription and Underwriting

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the

Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of a company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Further, in accordance with Regulation 268(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (fifty).

In terms of Regulation 260 of the SEBI ICDR Regulations, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “**General Information - Underwriting**” on page no. 50.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Migration to Main Board

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. The migration policy of NSE was intimated vide circular Download Ref. No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular Download Ref. No. NSE/SME/37551 dated April 18, 2018, NSE/SME/47077 dated January 21, 2021 and NSE/SME/56427 dated April 20, 2023. NSE has further reviewed and revised the migration policy effective from April 01, 2024 from NSE Emerge to NSE Main Board as follows:

The paid-up equity capital of the company shall not be less than ₹10 crores and the capitalisation of the company's equity shall not be less than ₹25 crores**

** Explanation for this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange for 3 months preceding the application date) and the post issue number of equity shares.

The Company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.

The Company should have been listed on SME platform of the Exchange for at least 3 years.

The Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.

The Company has not received any winding up petition admitted by a NCLT.

The net worth* of the Company should be at least ₹75 crores.

**Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.*

Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.

The Company desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:



- a. The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.
- b. Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.
- c. Redressal mechanism of Investor grievance.
- d. PAN and DIN no. of Director(s) of the Company.
- e. Change in Control of a Company/Utilisation of funds raised from public.

Market Making

The shares offered through this Issue are proposed to be listed on the NSE (Emerge platform of NSE), wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years or such other time as may be prescribed by NSE from the date of listing on the Emerge platform of NSE.

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to section titled “*General Information - Details of the Market Making Arrangements for this Issue*” on page no. 58.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge platform of National Stock Exchange of India Limited.

As per the extent Guidelines of the GoI, OCBs cannot participate in this Issue

The current provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Allotment of Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed under section titled “*Capital Structure*” on page no. 61, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission

of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled “**Main Provisions of the Articles of Association**” on page no. 264.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filing the Red Herring Prospectus/ Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar of the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which Equity Shares are proposed to be listed.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.



ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI ICDR Regulations, whereby, an issuer whose post issue paid up capital is more than ₹10 crores and up to ₹25 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“**SME Exchange**”, in this case being the NSE Emerge i.e. Emerge platform of NSE). For further details regarding the salient features and terms of such an issue, see “*Terms of the Issue*” and “*Issue Procedure*” on pages 219 and 232, respectively.

Issue Structure:

This Issue comprised of Initial Public Offering of up to 75,00,000 Equity Shares of ₹ 10 each (the “**Equity Shares**”) for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs (“**the Issue**”) by the Issuer Company (the “**Company**”). The Issue comprises a reservation of [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs will be reserved for subscription by Market Maker to the Issue (the “**Market Maker Reservation Portion**”).

The Issue less the Market Maker Reservation Portion i.e., Net Issue to Public of [●] Equity Shares of face value of ₹10 each at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share aggregating to ₹ [●] lakhs (“**the Net Issue**”). The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

| Particulars of the Issue ⁽²⁾ | Market Maker Reservation Portion | QIBs ⁽¹⁾ | Non-Institutional Investors | Retail Individual Investors |
|--|----------------------------------|--|---|---|
| Number of Equity Shares available for allocation or allotment | Upto [●] Equity Shares | Not more than [●] Equity Shares | Not less than [●] Equity Shares | Not less than [●] Equity Shares |
| Percentage of Issue Size available for allocation | [●] of the Issue Size | Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion | Not less than 15% of the Net Issue | Not less than 35% of the Net Issue |
| Basis of Allotment⁽³⁾ | Firm Allotment | Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation | Allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, | Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of |

| Particulars of the Issue ⁽²⁾ | Market Maker Reservation Portion | QIBs ⁽¹⁾ | Non-Institutional Investors | Retail Individual Investors |
|---|---|---|--|--|
| | | on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price | subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “Issue Procedure” on page no. 232. | Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on proportionate basis. For details, see “Issue Procedure” on page 232. |
| Mode of Allotment | Compulsorily in dematerialized form | | | |
| Minimum Bid Size | [●] Equity Shares | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000 | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000 | [●] Equity Shares |
| Maximum Bid Size | [●] Equity Shares | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000 |
| Trading Lot | [●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations. | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | | | |

| Particulars of the Issue ⁽²⁾ | Market Maker Reservation Portion | QIBs ⁽¹⁾ | Non-Institutional Investors | Retail Individual Investors |
|---|--|--|--|---|
| Who can apply? | Market Maker | Public financial institutions as specified in Section 2(72) of the Companies Act 2013, banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹2500 lakhs, pension fund with minimum corpus of ₹2500 lakhs, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws including FEMA Rules. | Resident Indian individuals, Eligible NRIs, HUFs (in the commercial name of Karta), companies, corporate bodies, scientific institutions, societies, family offices, trusts, FPIs who are individuals, corporate bodies and family offices | Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid amount does not exceed ₹2.00 Lakhs in value |
| Terms of Payment | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) 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. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾ | | | |
| Mode of Bid ⁽⁶⁾ | Only through the ASBA process. | Only through the ASBA process. (Except for Anchor investors) | Only through the ASBA process | Through ASBA Process via Banks or by using UPI ID for payment |

This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time.

⁽¹⁾ *Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.*

⁽²⁾ *In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI ICDR Regulations.*

- (3) *Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*
- (4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid-cum- Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*
- (5) *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.*
- (6) *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 Bidders. Accordingly, Stock Exchanges shall, for all categories of Bidders 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.*

The Bids by FPIs with certain structures as described under “**Issue Procedure - Bids by FPIs**” on page no. 242 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 the Equity Shares.

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. For further details, see “**Terms of the Issue**” on page 219.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 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 announcement and also by indicating the change on the websites of the BRLMs 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.

Withdrawal of the Issue

In accordance with SEBI ICDR Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (*one each in English and Hindi*) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be



informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) filing of the Red Herring Prospectus/ Prospectus with ROC.

Issue Program

| Event | Indicative Dates |
|---|------------------|
| Bid/Issue Opening Date ¹ | [●] ¹ |
| Bid/Issue Closing Date ² | [●] ² |
| Finalization of Basis of Allotment with the Designated Stock Exchange (T+1) | On or about [●] |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2) | On or about [●] |
| Credit of Equity Shares to Demat accounts of Allottees (T+2) | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange (T+3) | On or about [●] |

Note ¹Our Company, in consultation with the Book Running Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. 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

²Our Company, in consultation with the Book Running Book Running Lead Manager, 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.

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Bid-Cum Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- a) A standard cut-off time of 3.00 P.M. for acceptance of applications.
- b) A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Manager to NSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Bid-Cum Application form, for a particular applicant, the details as per physical Bid-Cum application form of that Applicant may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (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 Stock Exchange, the Company and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its UPI 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 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 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 RIIs 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.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“**UPI Phase III**”), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers 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 the provisions of this circular are deemed to form part of the 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 Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 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). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. Accordingly, the Offer will be made under UPI



Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME Platform of National Stock Exchange of India Limited (“NSE EMERGE”) to act as intermediaries for submitting Application Forms are provided on www1.nseindia.com/emerge For details on their designated branches for submitting Application Forms, please see the above mentioned website of NSE EMERGE.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Issue Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three 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, SEBI vide its master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application money to four days.

The BRLM shall be the nodal entity for any issues arising out of public issuance process.

Our Company and the BRLM, members of the syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the GID and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus, when filed. Further, the Company and the BRLM are not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Issue.

PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days 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 is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII 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. 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. 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. 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 would continue to be six Working Days during this phase.

Phase III: This phase has become applicable 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, 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.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

PART A

BOOK BUILDING PROCEDURE

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue Paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI ICDR Regulations via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the Book Running Lead Manager, 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 QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the 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 Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, 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 Offer, subject to applicable laws.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Corporate Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Manager.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not



contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant 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. Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs 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.
- ii. RIIs 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.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ANCHOR INVESTORS ARE NOT PERMITTED TO PARTICIPATE IN THE OFFER THROUGH THE ASBA PROCESS

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the Book Running Lead Manager. ASBA 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.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

| Category | Colour* |
|--|---------|
| Anchor Investor** | [•] |
| Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA) | [•] |
| Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA) | [•] |

*Excluding Electronic Bid cum Application Form

** Bid cum application for Anchor Investor shall be made available at the Office of the Book Running Lead Manager

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

| Sr. No. | Designated Intermediaries |
|---------|--|
| 1. | An SCSB, with whom the bank account to be blocked, is maintained |
| 2. | A syndicate member (or sub-syndicate member) |
| 3. | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') |

| Sr. No. | Designated Intermediaries |
|---------|---|
| 4. | A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |
| 5. | A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|---|---|
| For Applications submitted by Investors to SCSB | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| For applications submitted by investors to intermediaries other than SCSBs | After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |
| For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment | After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account. |

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

AVAILABILITY OF DRAFT RED HERRING PROSPECTUS AND BID CUM APPLICATION FORMS

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Corporate Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the Book Running Lead Manager.

WHO CAN BID?

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Draft Red Herring Prospectus for more details.



Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

APPLICATIONS NOT TO BE MADE BY:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹2,00,000.

2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs)

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion. Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

METHOD OF BIDDING PROCESS

Our Company in consultation with the Book Running Lead Manager will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Hindi Edition of Regional newspaper [●] where the registered office of the Company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The Book Running Lead Manager and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Gujarati Edition of Regional newspaper [●] where the registered office of the Company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the Book Running Lead Manager or their authorized agents to register their Bids. The Book Running Lead Manager shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the Book Running Lead Manager (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a Book Running Lead Manager or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another Book Running Lead Manager or SCSB will be treated



as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.

- e) Except in relation to the Bids received from the Anchor Investors, the Book Running Lead Manager /the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- f) The Book Running Lead Manager shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “*Escrow Mechanism - Terms of payment and payment into the Escrow Accounts*” in the section “**Issue Procedure**” beginning on page no. 232.
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- a) Our Company in consultation with the Book Running Lead Manager, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the Book Running Lead Manager, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders

(excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

- e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

PARTICIPATION BY ASSOCIATES /AFFILIATES OF BOOK RUNNING LEAD MANAGER AND THE SYNDICATE MEMBERS

The Book Running Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the Book Running Lead Manager nor any persons related to the Book Running Lead Manager (other than Mutual Funds sponsored by entities related to the Book Running Lead Manager), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

OPTION TO SUBSCRIBE IN THE ISSUE

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

INFORMATION FOR THE BIDDERS

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Corporate Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Corporate Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.



8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

BIDS BY ANCHOR INVESTORS

Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the Book Running Lead Manager.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹200.00 lakhs. 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 ₹200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the Book Running Lead Manager, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors;
 - where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but upto ₹ 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.

- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. 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 Book Running Lead Manager before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) 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 within 2 (two) Working Days from the Bid/ Issue Closing Date. 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 Issue Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 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.
- 11) The Book Running Lead Manager, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the Book Running Lead Manager) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the Book Running Lead Manager and made available as part of the records of the Book Running Lead Manager for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

BIDS BY ELIGIBLE NRI'S:

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Book Running Lead Manager and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

- Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).
- Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Under FEMA general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

BIDS BY FPI INCLUDING FII'S

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FPI after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository



participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation 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.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

BIDS BY HUFs

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

BIDS BY MUTUAL FUNDS

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

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 reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer



or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to 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.
- e) Our Company in consultation with the Book Running Lead Manager in their absolute discretion, reserves 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 and the Book Running Lead Manager may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members 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 Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS / PENSION FUNDS

In case of Bids made by provident funds with minimum corpus of ₹25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS BY BANKING COMPANY

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 reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “**Banking Regulation Act**”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks’ own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paidup share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSB’S

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Book Running Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) BIDDERS

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

TERMS OF PAYMENT

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

PAYMENT MECHANISM

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The



SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self- Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

PAYMENT INTO ESCROW ACCOUNT FOR ANCHOR INVESTORS

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a) In case of resident Anchor Investors: “[●]”
- b) In case of Non-Resident Anchor Investors: “[●]”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - a) the applications accepted by them,
 - b) the applications uploaded by them
 - c) the applications accepted but not uploaded by them or
 - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) The applications accepted by any Designated Intermediaries
 - (ii) The applications uploaded by any Designated Intermediaries; or

(iii) The applications accepted but not uploaded by any Designated Intermediaries

5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

| S. No. | Details* |
|--------|-------------------|
| 1. | Symbol |
| 2. | Intermediary Code |
| 3. | Location Code |
| 4. | Application No. |
| 5. | Category |
| 6. | PAN |
| 7. | DP ID |
| 8. | Client ID |
| 9. | Quantity |
| 10. | Amount |

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
 - Name of the Bidder;
 - IPO Name;
 - Bid Cum Application Form Number;
 - Investor Category;
 - PAN (of First Bidder, if more than one Bidder);
 - DP ID of the demat account of the Bidder;
 - Client Identification Number of the demat account of the Bidder;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO 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 Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company; our Promoter, our 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, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

BUILD OF THE BOOK

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the Book Running Lead Manager at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

PRICE DISCOVERY AND ALLOCATION

- a) Based on the demand generated at various price levels, our Company in consultation with the Book Running Lead Manager, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the Book Running Lead Manager and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.

- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the Book Running Lead Manager, subject to compliance with the SEBI Regulations.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|--------------|----------------|---------------------|--------------|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the Book Running Lead Manager, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF RED HERRING PROSPECTUS/ PROSPECTUS WITH ROC

- a) Our Company has entered into an Underwriting Agreement dated [●].
- b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. 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 the SEBI Regulations.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS

Our Company will issue a statutory advertisement after the filing of the Red Herring Prospectus/ Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

Do's:



1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the 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;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. 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;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) 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;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. 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;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank

- account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
 25. 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 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;
 26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
 27. 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 Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹ 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the 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;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. 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 Applicant;
14. 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;
15. 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);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.
17. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

OTHER INSTRUCTIONS FOR THE BIDDERS

Joint Bids

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids



at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Investor Grievance

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

Nomination Facility to Bidders

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

Submission of Bids

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the Draft Red Herring Prospectus.

GROUND OF TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Draft Red Herring Prospectus;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule

- 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
 - Bids not uploaded on the terminals of the Stock Exchanges;
 - Where no confirmation is received from SCSB for blocking of funds;
 - Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
 - Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
 - Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
 - Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
 - Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
 - Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Draft Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the Book Running Lead Manager and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to Draft Red Herring Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

BASIS OF ALLOTMENT

For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail



Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

For QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or Red Herring Prospectus / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
 - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
 - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
 - In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
 - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
 - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

Allotment to Anchor Investor (if applicable)

- c) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the Book Running Lead Manager, subject to compliance with the following requirements:
 - i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - ii) 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 price at which allocation is being done to other Anchor Investors; and

- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
- a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
 - in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

- d) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the Book Running Lead Manager, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

- e) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

- f) In the event the Issue Price is lower than the Anchor Investor Allocation Price:

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

- g) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
- Each successful Bidder shall be allotted [●] equity shares; and
 - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified



under the Capital Structure mentioned in this Draft Red Herring Prospectus.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000/-Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director/ Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

ISSUANCE OF ALLOTMENT ADVICE

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- 3) The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
- 4) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

DESIGNATED DATE

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any Instructions for Completing the Bid Cum Application Form.

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com. Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer 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, credit of allotted shares in the respective beneficiary accounts, etc.

DISPOSAL OF APPLICATION AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 3 (three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2(two) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI ICDR Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

RIGHT TO REJECT APPLICATIONS

In case of QIB Bidders, the Company in consultation with the Book Running Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

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.”

UNDERTAKINGS BY OUR COMPANY

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within two Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter ‘s contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company 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 exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. If 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. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of

our Company indicating the purpose for which such monies have been utilized;

- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.
- 4) Our Company shall comply with the requirements of SEBI LODR Regulations in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated October 24, 2018 between NSDL, the Company and the Registrar to the Issue;
- Tripartite Agreement dated October 27, 2018 between CDSL, the Company and the Registrar to the Issue;
- The Company's equity shares bear an ISIN: INE01YQ01013.



RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “**FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

Further, 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 (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 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. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/ restrictions for overseas entities

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct

and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management. (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/ statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis

The purchase/ sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “**Capital Instruments**”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“**US Securities Act**”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “**Prospectus Directive**”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.



Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

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 Application 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 Applicants. Our Company and the Book Running Lead Manager 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. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION XII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. 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.

| ARTICLE NO. | ARTICLES | PARTICULARS |
|---------------------------|--|---|
| 1. | TABLE F NOT TO APPLY | The regulations contained in Table F in the first Schedule to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013 be such as are contained in these Articles. |
| 2. | INTERPRETATION | In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned thereunder, unless repugnant to the subject matter or content thereof; Any reference to the singular shall include the plural and vice-versa; Any references to the masculine, the feminine and the neuter shall include each other. |
| | EXPRESSION IN THE ACT TO BEAR EXCEPT SAME MEANING IN THE ARTICLES | Save as aforesaid, any words or expressions defined in the Act shall, where the subject or context forbids, bear the same meaning in these Articles. |
| | MARGINAL NOTES | The marginal notes hereto shall not affect the construction of these Articles. |
| 3 | COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY | Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. 100 or such other fee as may be specified in the Rules, a copy of each of the following documents, as in force for the time being: <ul style="list-style-type: none"> a. The Memorandum; b. The Articles, if any; c. Every other agreement and every resolution referred to in Section 117(1) of the Act, if and in so far as they have not been embodied in the Memorandum or Articles. |
| CAPITAL AND SHARES | | |
| 5. | | The Authorized Share Capital of the Company shall be as per clause V of the Memorandum of Association of the Company with all rights to the Company to alter the same in any way it thinks fit. |
| 6. | | The Board may, from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. |
| 7. | | The share capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository. |
| 8. | SHARES AT THE DISPOSAL OF THE DIRECTORS | Subject to the provisions of Section 62 of the Act and these Articles, the share capital of Company for the time being 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 proportion |

| ARTICLE NO. | ARTICLES | PARTICULARS |
|---------------------------------|--|--|
| | | <p>and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.</p> |
| <p align="center">9.</p> | <p align="center">FURTHER ISSUE OF SHARES</p> | <p>(1) Subject to the provisions of the Act, where at any time the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered:</p> <p>(a) to persons who at the date of the offer are holders of equity shares of the company in proportion, as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:</p> <ul style="list-style-type: none"> i. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined; ii. unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right; iii. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company; <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be determined by central government; or</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered Valuer subject to such conditions as may be determined by central government.</p> <p>(2) The notice referred to in sub-clause (i) of clause (1) (a) above shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this section shall apply to the increase of the subscribed capital of the Company caused by the exercise of an</p> |

| ARTICLE NO. | ARTICLES | PARTICULARS |
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| | | <p>option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the company.</p> <p>Provided that the terms of issue of such debentures or the terms of such loans containing such an option have been approved by a special resolution passed by the Company in general meeting before the issue of such debentures or raising of such loans.</p> |
| 10. | <p>POWER TO OFFER SHARES / OPTIONS TO ACQUIRE SHARES</p> | <p>(i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further shares (consequent to increase of share capital) of the Company, or options to acquire such shares (consequent to increase of share capital) of the Company, or options to acquire such shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.</p> <p>In addition to the powers of the Board under Article 9 (i), the Board may also allot the Shares referred to in Article 9 (i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options, as referred to in Article 9 (i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.</p> <p>The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 9 (i) and (ii) above.</p> |
| 11. | <p>REDEEMABLE PREFERENCE SHARES</p> | <p>Subject to the provisions of Section 55 of the Act and these Articles, the Company shall have the power to issue redeemable preference shares liable to be redeemed at the option of the Company and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.</p> |
| 12. | <p>PROVISIONS APPLICABLE IN CASE OF REDEEMABLE PREFERENCE SHARES</p> | <p>On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect.</p> <p>(a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;</p> <p>(b) No such shares shall be redeemed unless they are fully paid;</p> <p>(c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the</p> |

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| | | Capital Redemption Reserve Account were paid-up share capital of the company. |
| 13. | NEW CAPITAL SAME AS ORIGINAL CAPITAL | Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise. |
| 14. | RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES | <p>(1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is effected in accordance with provisions of the Act at the time of application. This Article is not to delegate any power which the Company would have if it were omitted.</p> <p>(2) The company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company.</p> <p>(3) Nothing in sub-clause (2) shall apply to:</p> <p>(a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by central government, for the purchase of, or subscription for, fully paid up shares in the company or its holding company, if the purchase of, or the subscription for, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company;</p> <p>(b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership: Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by central government.</p> |
| 15. | REDUCTION IN CAPITAL | The Company may, subject to confirmation by the Court and the provisions of the Act, as applicable at the time of application from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise. |
| 16. | CONSOLIDATION AND DIVISION OF CAPITAL | The Company may in general meeting alter the conditions of its Memorandum of Association as follows: (a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the |

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| | | <p>Court/ Tribunal on an application made in the prescribed manner;</p> <p>(b) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;</p> <p>(c) Cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act</p> |
| 17. | SALE OF FRACTIONAL SHARES | <p>If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares and 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 with reference to the sale.</p> |
| 18. | MODIFICATION OF RIGHTS | <p>Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act, 2013 be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class.</p> |
| 19. | ISSUE OF FURTHER SHARES ON PARI PASSU BASIS | <p>The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.</p> |
| 20. | NO ISSUE WITH DISPROPORTIONATE RIGHTS | <p>The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).</p> |
| | (a) POWER OF COMPANY TO DEMATERIALIZE AND REMATERIALIZE | <p>Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under, if any.</p> |
| | (b) DEMATERIALIZATION OF SECURITIES | <p>Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to</p> |

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| | | enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act. |
| | (c) INTIMATION TO DEPOSITORY | Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities |
| | (d) OPTION FOR INVESTORS | Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. |
| | (e) THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT, INTEREST IN THE SECURITIES OTHER THAN THAT OF REGISTERED HOLDER | The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996. |
| | (f) SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS | All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners. |
| | (g) RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS | (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner. (ii) Save as otherwise provided in (i) above, the depository as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it. (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities, which are held by a depository. |
| | (h) DEPOSITORY TO FURNISH INFORMATION | Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf. |
| SHARES AND CERTIFICATES | | |
| 21. | REGISTER AND INDEX OF MEMBERS | The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. Subject to the provisions of Section 88, the |

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| | | Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country. |
| 23. | DIRECTORS MAY ALLOT SHARES FULLY PAID-UP | Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares. |
| 24. | APPLICATION OF PREMIUM RECEIVED ON SHARES | <p>(1) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a “securities premium account” and the provisions of the Act relating to reduction of share capital of the Company shall, except as provided in this Article, apply as if the securities premium account were the paid-up share capital of the company.</p> <p>(2) Notwithstanding anything contained in clause (1) above, the securities premium account may be applied by the company:</p> <p>(a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;</p> <p>(b) in writing off the preliminary expenses of the company;</p> <p>(c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;</p> <p>(d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or</p> <p>(e) for the purchase of its own shares or other securities under section 68.</p> |
| 25. | ACCEPTANCE OF SHARES | Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind. |
| 26. | LIABILITY OF MEMBERS | Every member or his heir, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company’s regulations require or fix for the payment thereof. |
| 28. | ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED | (1) If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof 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 lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 20 for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged |

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| | | <p>for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p> <p>(2) When a new share certificate is issued in case of sub-division/ replacement/ consolidation, it shall state on the face of it to the effect that it is “Issued in lieu of Share Certificate No. [•]Sub-divided/ replaced/ on consolidation.”</p> <p>(3) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any as to evidence and indemnity and as to the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.</p> <p>(4) When a new share certificate is issued in pursuance of clause (3) of this Article, it shall state on the face of it to the effect that it is a duplicate issued in lieu of Share Certificate No. [“ ”]. The word “Duplicate” shall be stamped or punched in bold letters across the face of the share certificate.</p> <p>(5) Where a new share certificate is issued in pursuance of clause (2) or clause (4) of this Article, particulars of every such share certificate shall be entered in the Register of Members; or renewed and duplicate certificates indicating the names of the persons to whom the certificate is issued, the number of shares, date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes shall be indicated in the Register of Members by suitable cross reference in the “Remarks” column.</p> |
| 29. | RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED | <p>A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding Rs.10/- (Rupees Ten) per page.</p> <p>The Trust Deed referred to above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.</p> |
| 30. | JOINT ALLOTTEES OF HOLDERS | <p>Any two or more joint allottees or holders of shares shall, for the purpose of Articles, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to that one of the joint owners who is first named on the register of members, or to such person and to such address and the joint holders may in writing direct.</p> |
| 31. | COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER | <p>(i) The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.</p> <p>(ii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of</p> |

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| | | Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. |
| | WHO MAY HOLD SHARES | Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind or in the name of any firm or partnership. |
| 32. | | The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit. |
| 33. | SWEAT EQUITY | Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition. |
| 35. | FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY | No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of provisions of the Companies Act, 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company |
| 36. | ISSUE OF SHARES WITHOUT VOTING RIGHTS | Subject to the provisions of the Act, the Directors may issue equity shares without voting rights attached to them upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law. |
| 37. | SECTION 45 OF ACT NOT TO APPLY | Notwithstanding anything to the contrary contained in the Articles, (i) Section 45 of the Act shall not apply to the Shares held with a Depository; |
| 38. | TRUST RECOGNIZED | Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them. |
| UNDERWRITING AND BROKERAGE | | |

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| 40. | COMMISSION MAY BE PAID | The Company may , subject to the provisions of Section 40 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other. |
| 41. | BROKERAGE MAY BE PAID | The Company may pay a reasonable sum for brokerage on any issue of shares and debentures. |
| 42. | CALLS ON SHARES DIRECTORS MAY MAKE CALLS | The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (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 a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments. |
| 43. | CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS | Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class. |
| 44. | NOTICE OF CALLS | One month notice at least of every call payable otherwise then on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. |
| 45. | CALLS TO DATE FROM RESOLUTION | A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board. |
| 46. | DIRECTORS MAY EXTEND TIME | The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour. |
| 47. | CALL TO CARRY INTEREST AFTER DUE DATE | If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member. |
| 48. | PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES | Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove |

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| | | the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. |
| FORFEITURE, SURRENDER AND LIEN | | |
| 52. | IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN | If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. |
| 53. | FORM OF NOTICE | The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited. |
| 54. | IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED | 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 all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law. |
| 55. | NOTICE OF FORFEITURE | When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture. |
| 56. | FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY | Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit. |
| 57. | POWER TO ANNUL FORFEITURE | The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit. |
| 58. | ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE | Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do. |
| 59. | EFFECT OF FORFEITURE | The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share |

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| | | except only such of those rights as are by these Articles expressly saved. |
| 60. | PROCEEDS HOW TO BE APPLIED | The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns |
| 61. | DECLARATION OF FORFEITURE | <p>(a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to the entitled to the Share.</p> <p>(b) The Company may receive the consideration, if any, given for the Share on any sale, re- allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.</p> <p>(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.</p> <p>(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.</p> <p>(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.</p> |
| 62. | | The declaration as mentioned in Article 59 (a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. |
| 63. | TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES | The Company may receive the consideration, if any, given for the share on any sale, re- allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee 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 with reference to the forfeiture, sale, re-allotment or disposal of the share. |
| 64. | PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any |

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| | | member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. |
| 65. | THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON- PAYMENT OF ANY SUM | The provisions of these Articles as to forfeiture shall apply to 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 Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified. |
| 66. | BOARD MAY ACCEPT SURRENDER OF SHARES | The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit. |
| 67. | COMPANY'S LIEN ON SHARE/DEBENTURES | The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. The registration of a transfer of shares/debentures shall not operate as a waiver of the Company's lien if any, on such shares/debentures unless otherwise agreed by the Board. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article. |
| 68. | ENFORCING LIEN BY SALE | For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for fourteen days after the date of such notice. |
| 69. | APPLICATION OF PROCEEDS OF SALE | The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be. |
| 70. | VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. |
| 71. | BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES | Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on |

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| | | demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares. |
| 72. | SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL | For the purpose of the provisions of these Articles relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such shares on the day of allotment. |
| TRANSFER AND TRANSMISSION OF SHARES | | |
| 73. | REGISTER OF TRANSFER | The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share. |
| 74. | EXECUTION OF TRANSFER | Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall not be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer. |
| 75. | INSTRUMENT OF TRANSFER | Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof. |
| 76. | FORM OF TRANSFER | The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and other applicable provisions, if any shall be duly complied with in respect of all transfers of shares and registration thereof. |
| 77. | NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC. | No transfer shall be made to a minor or a person of unsound mind or any partnership firm. |
| 78. | TRANSFER OF SHARES | <ul style="list-style-type: none"> (i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee. (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. (iii) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post. |
| 80. | NO FEE ON TRANSFER OR TRANSMISSION | No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document. |
| 81. | TRANSFER TO BE LEFT AT OFFICE AS | Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the |

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| | EVIDENCE OF TITLE GIVEN | Company may require to prove the title of the transferor or his right to transfer the shares. |
| 82. | WHEN TRANSFER TO BE RETAINED | All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine. |
| 83. | DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES | In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person. |
| 84. | TITLE TO SHARES OF DECEASED HOLDER | Subject to Article 82 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate, letters of administration or succession certificate. |
| 85. | REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER | <p>Subject to the provisions of Article 91 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that the sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.</p> <p>A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.</p> |
| 87. | TRANSMISSION OF SHARE | Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share. |
| 88. | BOARD MAY REFUSE TO TRANSMIT | The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his |

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| | | nominee, as if he were the transferee named in any ordinary transfer presented for registration. |
| 89. | BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION | Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity. |
| 90. | TRANSFER BY LEGAL REPRESENTATION | A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer. |
| 91. | CERTIFICATE OF TRANSFER | The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures |
| 93. | NOMINATION | <p>(a) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be determined under the Act.</p> <p>(b) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined under the Act.</p> <p>(c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be determined under the Act.</p> <p>(d) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.</p> |
| 94. | OPTION OF NOMINEE | (i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- (a) to register himself as holder of the share or |

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| | | <p>debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.</p> <p>If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.</p> <p>(ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.</p> |
| 96. | TRANSFER OF SECURITIES | Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository. |
| 99. | PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER | A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share. |
| 101. | JOINT HOLDERS | If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles; |
| 103. | SHARES MAY BE CONVERTED INTO STOCK | The Board may, pursuant to section 61 and with the sanction of the General Meeting, convert any fully paid up share into stock and when any such shares have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case. |
| 105. | MEETING OF MEMBERS | (a) Subject to Section 96 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting |

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| | | <p>as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, provided also that the Registrar may, for any special reason, extend the time by a period not exceeding three months within which any annual general meeting shall be held.</p> <p>(b) Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.</p> <p>The Company shall in accordance with Section 92 of the Act, within 60 days from the day on which the Annual General Meeting is held, prepare and file with the Registrar an annual return together with the copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.</p> |
| 106. | DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING | The General Meeting referred to in Article 103 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings. |
| 107. | CALLING OF EXTRA-ORDINARY GENERAL MEETING | <p>(1) The Board may, whenever it deems fit, call an extraordinary general meeting of the company.</p> <p>(2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).</p> <p>(3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.</p> <p>(4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.</p> |

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| | | <p>(5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.</p> <p>(6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the Company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.</p> |
| 111. | QUORUM | <p>(1) The quorum for a General Meeting of the Company shall be as under:</p> <ol style="list-style-type: none"> i. five members personally present if the number of members as on the date of meeting is not more than one thousand; or ii. fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; or iii. thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; shall be the quorum for a meeting of the company. <p>(2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company –</p> <ol style="list-style-type: none"> (a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or (b) the meeting, if called by requisitionists under section 100, shall stand cancelled: <p>Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the Company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.</p> <p>(3) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.</p> |
| 118. | POSTAL BALLOT | <p>(1) Notwithstanding anything contained in this Act, the company –</p> <ol style="list-style-type: none"> (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and (b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be determined under the Act, instead of transacting such business at a general meeting. <p>(2) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to</p> |

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| | | have been duly passed at a general meeting convened in that behalf. |
| 119. | DECLARATION OF CHAIRPERSON TO BE CONCLUSIVE | A declaration by the Chairperson that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution |
| 120. | CIRCULATION OF MEMBERS' RESOLUTION | <p>(1) The Company shall, on requisition in writing of such number of members, as required in section 100 of the Act,—</p> <p>(a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting; and</p> <p>(b) circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.</p> <p>(2) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless</p> <p>(a) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the Company,—</p> <p>(i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting;</p> <p>(ii) in the case of any other requisition, not less than two weeks before the meeting; and</p> <p>(b) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the Company's expenses in giving effect thereto:</p> <p>Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the Company, an annual general meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by this sub-section, shall be deemed to have been properly deposited for the purposes thereof.</p> <p>(3) The Company shall not be bound to circulate any statement as required by clause (b) of sub-section (1), if on the application either of the company or of any other person who claims to be aggrieved, the Central Government, by order, declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.</p> <p>(4) An order made under sub-section (3) may also direct that the cost incurred by the Company by virtue of this section shall be paid to the company by the requisitionists, notwithstanding that they are not parties to the application.</p> |
| 129. | INSTRUMENT OF PROXY | The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it. |
| 130. | INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE | The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or |

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| | | adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution. |
| 131. | WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED | 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 share in respect of which the vote 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. |
| 132. | FORM OF PROXY | Every instrument of proxy shall be in the form as prescribed under Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014. |
| 133. | TIME FOR OBJECTION TO VOTE | No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever. |
| 134. | CHAIRPERSON OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE | The Chairperson of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairperson present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. At any time, the Company shall have a Board of Directors consisting of at least three directors. |
| 140 | REMUNERATION OF DIRECTORS | <p>(1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.</p> <p>(2) Subject to the provisions of the Act, the remuneration payable to a director who is neither in the whole-time employment nor a Managing Director shall not exceed the limits prescribed under Section 197 of the Act:</p> <p>(3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed the limit provided in the Companies Act, 2013 and rules, if any, framed there under.</p> <p>(4) If any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.</p> |
| 141. | INCREASE IN REMUNERATION OF | Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or |

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| | DIRECTORS TO REQUIRE GOVERNMENT SANCTION | whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company. |
| 143. | DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY | The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles 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 for summoning a General Meeting of the Company but for no other purpose. |
| 144. | DISCLOSURE OF INTEREST OF DIRECTORS | <p>(1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be determined by central government.</p> <p>(2) Every director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—</p> <ul style="list-style-type: none"> (a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or (b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting: <p>Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.</p> <p>(3) A contract or arrangement entered into by the Company without disclosure under sub- section (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.</p> |

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| | | <p>(4) Nothing in this Article-</p> <p>(a) shall be taken to prejudice the operation of any rule of law restricting a director of the Company from having any concern or interest in any contract or arrangement with the Company;</p> <p>(b) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the Company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in the other company.</p> |
| 145. | INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS | <p>No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.</p> |
| 146. | BOARD'S SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS IN WHICH PARTICULAR DIRECTOR IS INTERESTED | <p>(1) Except with the consent of the Board of Directors of the Company and of the Shareholders where applicable, the Company, shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made thereunder-</p> <p>(i) for the sale, purchase or supply of any goods, materials or services; or</p> <p>(ii) selling or otherwise disposing of, or buying, property of any kind;</p> <p>(iii) leasing of property of any kind;</p> <p>(iv) availing or rendering of any services;</p> <p>(v) appointment of any agent for purchase or sale of goods, materials, services or property;</p> <p>(vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;</p> <p>(vii) underwriting the subscription of any securities or derivatives thereof, of the Company;</p> <p>(2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.</p> <p>(3) Notwithstanding anything contained in sub-clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188 (3))</p> <p>(4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the</p> |

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| | | <p>date on which it was entered into or such other period as may be prescribed under the Act.</p> <p>(5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.</p> |
| 147. | SPECIAL DIRECTOR | <p>In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as “collaborator” to appoint from time to time any person as director of the company (hereinafter referred to as “special director”) and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.</p> <p>The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to make the appointment.</p> |
| 148. | DIRECTORS’ SITTING FEES | <p>The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be prescribed under the Act for each of the meetings of the Board or a committee thereof and adjournments thereto attended by him.</p> |
| RETIREMENT AND ROTATION OF DIRECTORS | | |
| 151. | RETIREMENT OF DIRECTORS BY ROTATION | <p>Not less than two-thirds of the total number of Directors (excluding independent director) of the Company shall be persons whose periods of office shall be liable to determination by retirement of Directors by rotation and save and otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting.</p> <p>The remaining directors shall be appointed in accordance with the provisions of these Articles and the Act. At the Annual General Meeting in each year, one-third of the Directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.</p> <p>Subject to the provisions of the Act and these Articles, the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the</p> |

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| | | <p>same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall retain office until the conclusion of the meeting at which his re-appointment is decided or his successor is appointed.</p> <p>If the vacancy of the retiring director is not so filled-up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.</p> <p>If at the adjourned meeting also, the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless –</p> <ul style="list-style-type: none"> (i) at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost; (ii) the retiring director has, by a notice in writing addressed to the Company or its Board of directors, expressed his unwillingness to be so re-appointed; (iii) he is not qualified or is disqualified for appointment; (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or (v) section 162 is applicable to the case. |
| 152. | APPOINTMENT OF DIRECTOR TO BE VOTED INDIVIDUALLY | <p>(1) At a general meeting of the Company, a motion for the appointment of two or more persons as directors of the Company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.</p> <p>(2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.</p> <p>(3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.</p> |
| 153. | APPOINTMENT OF DIRECTORS | <p>(1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the Company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be determined under the Act which shall be refunded to such person or, as the case may be, to the member, if the person proposed gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.</p> <p>(2) The Company shall inform its members of the candidature of a person for the office of director under sub-section (1) in such manner as may be determined by central government.</p> |
| 154. | REGISTER OF DIRECTORS AND | The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary and key |

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| | KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR | managerial personnel of the Company containing the particulars as required by Section 170 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager, Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act. |
| 155. | APPOINTMENT OF TECHNICAL EXECUTIVE DIRECTORS OR | <p>a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.</p> <p>b) Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in these Articles be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.</p> |
| 156. | REMOVAL OF DIRECTORS | <p>(1) The Company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242 of the Act, before the expiry of the period of his office after giving him a reasonable opportunity of being heard: Provided that nothing contained in this Article shall apply where the Company has availed itself of the option given to it under section 163 of the Act to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.</p> <p>(2) A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.</p> <p>(3) On receipt of notice of a resolution to remove a director under this section, the Company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the Company, shall be entitled to be heard on the resolution at the meeting.</p> <p>(4) Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so,—</p> <p>(a) in any notice of the resolution given to members of the Company, state the fact of the representation having been made; and</p> <p>(b) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representation by the Company), and if a copy of the representation is not sent as aforesaid due to insufficient time or for the Company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</p> |

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| | | <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the Company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p> <p>(5) A vacancy created by the removal of a director under this section may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (2) of this Article.</p> <p>(6) The director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.</p> <p>(7) If the vacancy is not filled under sub-clause (5) of this Article, it may be filled as a casual vacancy in accordance with the provisions of this Act:</p> <p>Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.</p> <p>(8) Nothing in this section shall be taken –</p> <p style="padding-left: 40px;">(a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or</p> <p style="padding-left: 40px;">(b) as derogating from any power to remove a director under other provisions of this Act.</p> |
| 157. | ELIGIBILITY FOR RE-ELECTION | A retiring Director shall be eligible for re-appointment. |
| PROCEEDINGS OF DIRECTORS | | |
| 158. | MEETINGS OF BOARD | <p>(1) A minimum number of four meetings of the Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:</p> <p>(2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be determined, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:</p> <p>(3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means:</p> <p>Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:</p> |

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| | | <p>Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.</p> |
| 167. | SPECIAL NOTICE | <p>Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.</p> |
| 168. | GENERAL POWERS OF THE BOARD | <p>(1) The Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorized to exercise and do: Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the Memorandum or these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in general meeting: Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the Memorandum or these Articles otherwise, to be exercised or done by the Company in general meeting.</p> <p>(2) No regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made</p> |
| 170. | RESTRICTIONS ON POWERS OF BOARD | <p>Subject to the provisions of the Act, the Board of Directors of the Company shall exercise the following powers only with the consent of the Company by a special resolution, namely: -</p> <ul style="list-style-type: none"> (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation; (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business: |

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| | | <p>(d) to remit, or give time for the repayment of, any debt due from a director.</p> <p>(2) Every special resolution passed by the Company in general meeting in relation to the exercise of the powers referred to in above mentioned sub-clause (c) shall specify the total amount up to which monies may be borrowed by the Board of Directors.</p> <p>(c) Any special resolution passed by the Company consenting to the transaction as is referred to in sub-clause (a) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions: Provided that this sub-section shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in this Act.</p> <p>(d) No debt incurred by the Company in excess of the limit imposed by sub-clause (c) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p> |
| 171. | POWER TO BORROW | Subject to the provisions of Sections 73 and 180 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment or any sum or sums of money for the purposes of the Company. |
| 172. | | All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply. |
| 173. | THE PAYMENT OR REPAYMENT OF MONEYS BORROWED | The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. |
| 174. | BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS | <p>Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.</p> <p>Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.</p> |
| 176. | TERMS OF ISSUE OF DEBENTURES | Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any |

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| | | denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution |
| 177. | DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED | <p>(1) The Company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption: Provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.</p> <p>(2) The Company shall not issue any debentures carrying any voting rights.</p> <p>(3) Secured debentures may be issued by the Company subject to such terms and conditions as may be determined under the Act.</p> <p>(4) Where debentures are issued, the Company shall create a debenture redemption reserve account out of the profits of the Company available for payment of dividend and the amount credited to such account shall not be utilized by the Company except for the redemption of debentures.</p> <p>(5) The Company shall not issue a prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the Company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be prescribed under the Act.</p> <p>(6) The debenture trustee so appointed in accordance with the above mentioned provisions shall take steps to protect the interests of the debenture holders and redress their grievances in accordance with such rules as may be prescribed.</p> <p>(7) Any provision contained in the trust deed executed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting the trustee thereof from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to the provisions of the trust deed conferring on him any power, authority or discretion: Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three fourths in value of the total debentures at a meeting held for the purpose.</p> <p>(8) The Company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.</p> <p>(9) Where at any time the debenture trustee comes to a conclusion that the assets of the Company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the</p> |

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| | | <p>Company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the Company as the Tribunal may consider necessary in the interests of the debenture- holders.</p> <p>(10) Where the Company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture- holders, or debenture trustee and, after hearing the parties concerned, direct, by order, the Company to redeem the debentures forthwith on payment of principal and interest due thereon.</p> <p>(11) A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.</p> |
| 178. | EXECUTION OF INDEMNITY | <p>If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.</p> |
| 179. | CERTAIN POWERS OF THE BOARD | <p>Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:</p> <p>(1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.</p> <p>(2) Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.</p> <p>(3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company including its uncalled capital or not so charges.</p> <p>(4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its</p> |

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| | | <p>uncalled capital for the time being or in such manner as they may think fit.</p> <p>(5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.</p> <p>(6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.</p> <p>(7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.</p> <p>(8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.</p> <p>(9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.</p> <p>(10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.</p> <p>(11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.</p> <p>(12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.</p> <p>(13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the</p> |

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| | | <p>Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.</p> <p>(14) Subject to the provisions of Sections 179, 180, 185 of Act and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.</p> <p>(15) To execute in the name and on behalf of the Company in favor of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.</p> <p>(16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.</p> <p>(17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.</p> <p>(18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.</p> <p>(19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund</p> |

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| | | <p>or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture- stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion- think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part the for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.</p> <p>(20) To pay and charge to the capital account of the Company any commission or interest lawfully payable the out under the provisions of the Act and of the provision contained in these presents.</p> <p>(21) From time to time make, vary and repeal bye-laws for regulation of the business of the Company, its officers and servants.</p> <p>(22) To redeem redeemable preference shares.</p> <p>(23) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p> |

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| | | (24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business. |
| 180. | APPOINTMENT OF INDEPENDENT DIRECTOR | <p>Pursuant to section 149 and rules as may be applicable and subject to the provisions of Schedule IV the Company shall appoint such number of independent directors from time to time as may be prescribed under the Act.</p> <p>Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.</p> <p>Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members. Subject to the provisions of section 152 of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of the Company, but shall be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:</p> <p>Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly. Notwithstanding anything contained in this Act:</p> <ul style="list-style-type: none"> (a) an independent director; (b) a non-executive director not being promoter or key managerial personnel, shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently. <p>The provisions of retirement of directors by rotation shall not be applicable to appointment of independent directors.</p> |
| KEY MANAGERIAL PERSONNEL | | |
| 181. | APPOINTMENT OF KEY MANAGERIAL PERSONNEL | (1) Subject to the provisions of Sections 203 and other applicable provisions, if any of the Act, Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. |

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| | | <p>(2) A whole-time key managerial personnel shall not hold office in any other Company except in the subsidiary of the Company at the same time.</p> <p>A key managerial personnel may be appointed as a director of the Company with the permission of the Board. The Company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.</p> <p>(3) If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled- up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.</p> |
| 182. | REMUNERATION OF KEY MANAGERIAL PERSONNEL | The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act. |
| 183. | DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR | Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient. |
| 184. | CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS | <p>The Company shall not appoint or continue the employment of any person as managing director, whole- time director or manager who:</p> <ul style="list-style-type: none"> (a) is below the age of twenty-one years or has attained the age of seventy years: Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person; (b) is an undischarged insolvent or has at any time been adjudged as an insolvent; (c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months. <p>A person shall not be eligible for appointment as a director of the Company if such person suffers any of the disqualifications provided under Section 164 of the Act.</p> |
| 185. | | Special to any contract between him and the Company, a Managing or Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provisions of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, |

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| | | ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause. |
| 186. | | <p>The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:</p> <p>(a) Managing Director and</p> <p>(b) Manager</p> <p>and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.</p> |
| 187. | THE SECRETARY | <p>The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.</p> |
| 188. | THE SEAL, ITS CUSTODY AND USE | <p>The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.</p> |
| 189. | MINUTES | <p>(1) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.</p> <p>(2) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed.</p> <p>(a) In the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairperson of the next succeeding meeting.</p> <p>(b) In the case of minutes of proceedings of a General Meeting, by the Chairperson of the same meeting within the aforesaid period of thirty Days or in the event of the death or inability of that Chairperson within that period, by a Director duly authorized by the Board for the purpose.</p> |
| 190. | | <p>Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 198 above, shall be evidence of the proceedings recorded therein.</p> |
| 191. | | <p>Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of article 199 above then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings</p> |

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| | | <p>thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.</p> <ol style="list-style-type: none"> (1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday (2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied. (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. (4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat. (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting. (6) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain: <ol style="list-style-type: none"> (a) the names of the directors present at the meeting; and (b) In the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution. (7) Nothing contained in clauses (1) to (6) there shall not be included in the minutes, any matter which, in the opinion of the Chairperson of the meeting: <ol style="list-style-type: none"> (a) Is or could reasonably be regarded as defamatory of any person; or (b) Is irrelevant or immaterial to the proceedings; or (c) Is detrimental to the interests of the company. <p>The Chairperson shall exercise and absolute discretion in regard to the inclusion or non- inclusion of any matters in the minutes on the grounds specified in this clause.</p> |
| 193. | DIVIDENDS | <ol style="list-style-type: none"> (1) No dividend shall be declared or paid by the Company for any financial year except: <ol style="list-style-type: none"> (a) out of the profits of the Company for that year arrived at after providing for depreciation or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed, or out of both; or (b) out of money provided by the Central Government or a State Government for the payment of dividend by the Company in pursuance of a guarantee given by that Government: <p>Provided that the Company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company:</p> |

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| | | <p>Provided further that where, owing to inadequacy or absence of profits in any financial year, the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf: No dividend shall be declared or paid by the Company from its reserves other than free reserves.</p> <p>(2) The depreciation shall be provided in accordance with the provisions of Schedule II of the Act.</p> <p>(3) The Board of Directors of the Company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared: Provided that in case the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.</p> <p>(4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.</p> <p>(5) No dividend shall be paid by the Company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash: Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company: Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.</p> <p>(6) The Company shall not declare any dividend on its equity shares till the time default in the repayment of deposits continues, if any.</p> |
| 194. | DIVIDEND TO JOINT HOLDERS | Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares. |
| 195. | | <p>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.</p> <p>No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.</p> |
| 196. | APPORTIONMENT OF DIVIDENDS | All dividends shall be apportioned and paid proportionate 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. |

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| 197. | DECLARATION OF DIVIDENDS | The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment. |
| 198. | RESTRICTION ON AMOUNT OF DIVIDEND | No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend. |
| 199. | DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST | (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act. (2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive. |
| 200. | INTERIM DIVIDENDS | The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act. |
| 201. | DEBTS MAY BE DEDUCTED | The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists. |
| 202. | DIVIDEND AND CALL TOGETHER | Any General Meeting declaring an dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call. |
| 203. | EFFECT OF TRANSFER | Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act. |
| 204. | RETENTION IN CERTAIN CASES | The Board may retain the dividends payable upon share in respect of which any person is, under Articles entitled to become a member, or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same. |
| 206. | PAYMENT BY POST | Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so send shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant of the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made. |
| 207. | DIVIDEND TO BE PAID WITHIN THIRTY DAYS | The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless: (a) the dividend could not be paid by reason of the operation of any law or (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions can not be complied with or |

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| | | <p>(c) there is dispute, regarding the right to receive the dividend or</p> <p>(d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or</p> <p>(e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.</p> |
| 208. | <p>UNPAID UNCLAIMED DIVIDEND</p> <p>OR</p> | <p>(1) Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.</p> <p>(2) The Company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be determined by central government.</p> <p>(3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.</p> <p>(4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the Company may apply to the company for payment of the money claimed.</p> <p>(5) Any money transferred to the Unpaid Dividend Account of the Company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the Company as evidence of such transfer.</p> <p>(6) All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government:</p> |

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| | | <p>Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by central government.</p> |
| <p>209.</p> | <p>CAPITALIZATION OF RESERVES</p> | <p>(a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards: Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.</p> <p>(b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.</p> <p>(c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.</p> <p>(d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix</p> |

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| | | <p>the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture- stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.</p> <p>(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he 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 of invalidity in the proceedings with reference to the sale.</p> <p>(f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.</p> |
| 211. | DIVIDEND IN CASH | No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company. |
| 212. | | The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles. |
| BOOKS OF ACCOUNTS | | |
| 213. | BOOKS OF ACCOUNTS TO BE KEPT | <p>The Company shall cause to be kept proper books of account with respect to:</p> <p>(a) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;</p> <p>(b) all sales and purchases of goods and services by the company;</p> <p>(c) the assets and liabilities of the company; and</p> <p>(d) the items of cost as may be determined by central government under section 148 in the case of a company which belongs to any class of companies specified under that section;</p> |
| 214. | BOOKS WHERE TO BE KEPT AND INSPECTION | (1) The Company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its |

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| | | <p>branches and such books shall be kept on accrual basis and according to the double entry system of accounting.</p> <p>All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the Company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place. The Company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by central government.</p> <p>(2) Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-clause (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause (1).</p> <p>(3) The books of account of the Company relating to a period of not less than eight financial years immediately preceding a financial year together with the vouchers relevant to any entry in such books of account shall be kept in good order.</p> <p>(4) The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.</p> |
| 215. | INSPECTION BY MEMBERS | The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting. |
| 216. | TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED | The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year. If the transfer books have not been closed at any time during a year, the Company shall at least once a year, close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and/or record dates would be atleast 30 (thirty) days. |
| 217. | STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING | The Board of Directors shall from time to time, in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections. |
| 218. | FINANCIAL STATEMENT | Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act. |

| ARTICLE NO. | ARTICLES | PARTICULARS |
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| | | If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that option shall be stated. |
| 219. | AUTHENTICATION OF FINANCIAL STATEMENT | The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon. Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon. |
| 220. | BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT | Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company of Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report. The Board's Report and addendum (if any) thereto shall be signed by its Chairperson if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of sub-clauses (a) and (b) of Article 229. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (b) of this Article are complied with. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting. |
| 221. | RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT | A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to: |

| ARTICLE NO. | ARTICLES | PARTICULARS |
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| | | (a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware; (b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled. |
| 222. | A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR | After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company. |
| RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT | | |
| 224. | ACCOUNTS TO BE AUDITED | (1) Once at least in every year they accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review. (2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act. |
| 225. | APPOINTMENT OF AUDITORS | (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 143, 145 and 146 of the Act and rules made thereunder. (2) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the Company at such meeting shall be according to the provisions of the Act. The Company shall place the matter relating to such appointment for ratification by members at every annual general meeting. Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be determined by central government, shall be obtained from the auditor: Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141: Provided also that the Company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed. (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless: (a) he is not disqualified for re-appointment; (b) he has not given the company a notice in writing of his unwillingness to be re- appointed; and |

| ARTICLE NO. | ARTICLES | PARTICULARS |
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| | | <p>(c) a special resolution has not been passed at that meeting appointing some other auditor or expressly that he shall not be re-appointed.</p> <p>(4) The company shall not appoint or reappoint -</p> <p>(a) an individual as auditor for more than one term of five consecutive years; and</p> <p>(b) an audit firm as auditor for more than two terms of five consecutive years: Provided that—</p> <p>(i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term.</p> <p>(ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.</p> <p>(5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the Company.</p> |
| 226. | POWER OF BOARD TO MODIFY FINAL ACCOUNTS | Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive |
| DOCUMENTS AND NOTICE | | |
| 227. | SERVICES OF DOCUMENTS ON MEMBER BY COMPANY | <p>Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be determined by central government:</p> <p>Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.</p> |
| 228. | SERVICE OF DOCUMENTS ON COMPANY | <p>A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central government:</p> <p>Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.</p> <p>“Service of documents on the Company” Where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or other mode in accordance with the Act and rules made thereunder</p> |
| REGISTERS AND DOCUMENTS | | |
| 230. | REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY | <p>The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:</p> <p>(a) Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.</p> |

| ARTICLE NO. | ARTICLES | PARTICULARS |
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| | | (b) Register of mortgages and charges as required by Section 85 of the Act. (c) Register and index of Member and debenture holders as required by Section 88 of the Act. (d) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act. (e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act. (f) Register of loans, guarantee, security and acquisition made by the company under Section 186 (9) of the Act. (g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto |
| 231. | MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM | Without prejudice to any other provisions of this Act, any document, record, register, minutes, etc.,— (a) required to be kept by the Company; or (b) allowed to be inspected or copies to be given to any person by the Company under the Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by the Central Government. |
| 232. | INDEMNITY | 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. |
| WINDING UP | | |
| 233. | DISTRIBUTION OF ASSETS | (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit. (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act. (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly. |

| ARTICLE NO. | ARTICLES | PARTICULARS |
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| 234. | RIGHT OF SHAREHOLDERS IN CASE OF SALE | A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction |
| 235. | SECRECY CLAUSE | <p>No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.</p> <p>Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which my come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.</p> |



SECTION XIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date and copies of below Material Contracts and Documents are also available online on the website of our Company on www.aditya-ultra-steel.com.

Material Contracts

1. Issue Agreement dated May 21, 2024 between our Company and the Book Running Lead Manager.
2. Registrar Agreement dated May 21, 2024 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, Book Running Lead Manager and Underwriter.
6. Tripartite Agreement dated October 24, 2018 among NDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated October 27, 2018 among CDSL, the Company and the Registrar to the Issue.
8. Syndicate Agreement dated [●] among our Company, the BRLM and Syndicate Member.

Material Documents

9. Certified copies of the Memorandum and Articles of Association of the Company as amended.
10. Certificate of Incorporation dated July 27, 2011, issued by RoC in the name of “*Aditya Ultra Steel Private Limited*” bearing registration number U27100GJ2011PTC066552.
11. Fresh Certificate of Incorporation dated July 26, 2018 issued by RoC consequent to change of name to “*Aditya Ultra Steel Limited*” upon conversion to public limited company.
12. Copy of the Board Resolution dated May 17, 2024 authorizing the Issue and other related matters.
13. Copy of Shareholder’s Resolution dated May 18, 2024 authorizing the Issue and other related matters.
14. Board Resolution dated June 12, 2024 for approval for this Draft Red Herring Prospectus.
15. Copies of Audited Financial Statements of our Company for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.
16. Agreement of Managing Director entered between our Company and Sunny Sunil Singhi dated March 9, 2024.

17. Share Subscription and Shareholders Agreement dated February 13, 2024 entered between our Company and Chankya Opportunities Fund I;
18. Share Subscription and Shareholders Agreement dated June 10, 2024 entered between our Company and Kamdhenu Limited;
19. Auditors Report dated May 27, 2024 on the Restated Financial Statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.
20. Copy of the Statement of Special Tax Benefits dated May 28, 2024 from the Statutory Auditor of the Company.
21. Certificate on Key Performance Indicators issued by the Statutory Auditor of the Company dated May 31, 2024.
22. Certificate on capacity and capacity utilization issued by an independent chartered engineer dated May 16, 2024.
23. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Syndicate Member, Underwriter, Banker to the Issue/ Sponsor Bank, Peer Review Auditor, Statutory Auditor of the Company, Bankers to our Company, Directors, Promoters, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
24. Due Diligence Certificate from Book Running Lead Manager dated [●].
25. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge (SME Platform) of the National Stock Exchange of India Limited.

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 the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



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 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sunny Sunil Singhi
Chairman & Managing Director
DIN: 07210706

Date: June 12, 2024
Place: Rajkot

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 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Varun Manojkumar Jain
Non-Executive Director
DIN: 03502561

Date: June 12, 2024

Place: Rajkot



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 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sapna Jain
Non-Executive Independent Director
DIN: 09298942

Date: June 12, 2024
Place: Rajkot



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 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Piyush Ravishanker Bhatt
Non-Executive Independent Director
DIN: 10143807

Date: June 12, 2024

Place: Rajkot



DECLARATION

We 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 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. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Amitkumar Harsukhbhai Sarena
Chief Financial Officer

Date: June 12, 2024

Place: Rajkot

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 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:

Vikas Babusingh Panwar
Company Secretary and Compliance Officer

Date: June 12, 2024

Place: Rajkot