



(Please use this QR Code to view this Draft Red Herring Prospectus)

**DRAFT RED HERRING PROSPECTUS**  
Dated December 30, 2024  
Please read Section 32 of the Companies Act, 2013  
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)  
**100% Book Built Offer**



**RAJPUTANA STAINLESS LIMITED**  
Corporate Identity Number: U27109GJ1991PLC015331

REGISTERED OFFICE		CONTACT PERSON		EMAIL AND TELEPHONE		WEBSITE					
213, Madhwas, Halol Kalol Road Kalol, Panchmahal, Gujarat – 389 330, India		Richa Sanjeev Prashar <i>Company Secretary and Compliance Officer</i>		E-mail: <a href="mailto:compliance@rajputanastainless.com">compliance@rajputanastainless.com</a> Telephone: +91 63 5816 4770		<a href="http://www.rajputanastainless.com">www.rajputanastainless.com</a>					
<b>OUR PROMOTERS: SHANKARLAL DEEPCHAND MEHTA, BABULAL D MEHTA, JAYESH NATVARLAL PITHVA AND YASHKUMAR SHANKARLAL MEHTA</b>											
DETAILS OF THE PUBLIC OFFER											
TYPE		FRESH ISSUE SIZE		OFFER FOR SALE SIZE		TOTAL OFFER SIZE		ELIGIBILITY			
Fresh Issue and Offer for Sale		Up to 1,90,00,000 Equity Shares aggregating up to ₹[●] lakhs		Up to 35,00,000 Equity Shares aggregating up to ₹[●] lakhs		Up to 2,25,00,000 Equity Shares aggregating up to ₹[●] lakhs		This Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”). For further details, see “Other Regulatory and Statutory Disclosures – Eligibility for the Offer” on page 401. For details in relation to share reservation amongst Qualified Institutional Buyers, Non-Institutional Bidders and Retail Individual Bidders, see “Offer Structure” on page 421.			
DETAILS OF THE SELLING SHAREHOLDER, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION											
NAME OF SELLING SHAREHOLDER		TYPE		NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (₹ IN LAKHS)		WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)					
Shankarlal Deepchand Mehta		Promoter Selling Shareholder		Up to 35,00,000 Equity Shares aggregating to ₹[●] lakhs		0.94					
*As certified by our Statutory Auditor, by way of their certificate dated December 30, 2024											
RISKS IN RELATION TO THE FIRST OFFER											
This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price (as determined by our Company, in consultation with the BRLM, in accordance with the SEBI ICDR Regulations) and 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 the Offer Price” on page 159, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.											
GENERAL RISKS											
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 39.											
COMPANY’S AND SELLING SHAREHOLDER’S ABSOLUTE RESPONSIBILITY											
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholder accepts responsibility for and confirms only the statements made by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to himself and the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.											
LISTING											
The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”). For the purpose of the Offer, [●] shall be the Designated Stock Exchange.											
BOOK RUNNING LEAD MANAGER											
Nirbhay Capital Services Private Limited		Contact Person		Telephone and Email							
		Kunjal Soni		Telephone: +91 79 4897 0649 Email: <a href="mailto:kunjal@nirbhaycapital.com">kunjal@nirbhaycapital.com</a>							
REGISTRAR TO THE OFFER											
KFin Technologies Limited		Contact Person		Telephone and Email							
		M.Murali Krishna		Telephone +91 40 6716 2222/1800 309 4001 E-mail: <a href="mailto:rs.lipo@kfintech.com">rs.lipo@kfintech.com</a>							
BID/ OFFER PERIOD											
ANCHOR INVESTOR BID/ OFFER PERIOD		[●]		BID/ OFFER OPENS ON		[●]		BID/ OFFER CLOSES ON		[●]	

*Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Offer Opening Date.*

*\*Our Company may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs 1 (one) Working Day prior to the Bid/Offer 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/Offer Closing Day.*



**RAJPUTANA STAINLESS LIMITED**

Our Company was incorporated as 'Rajputana Steel Castings Private Limited' under the erstwhile Companies Act, 1956, pursuant to a certificate of incorporation dated on April 2, 1991 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, pursuant to a special resolution dated June 1, 2007, our Company was converted to a public limited company, and the name of our Company was changed from 'Rajputana Steel Castings Private Limited' to 'Rajputana Steel Castings Limited', and a fresh certificate of incorporation dated June 18, 2007 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, the name of our Company was changed to 'Rajputana Stainless Limited' and consequent to change in name, a fresh certificate of incorporation dated July 12, 2007 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. For details of change in the name and registered office of our Company, see "**History and Certain Corporate Matters**" on page 257.

**Corporate Identity Number:** U27109GJ1991PLC015331  
**Registered Office:** 213, Madhwas, Halol Kalol Road Kalol, Panchmahal, Gujarat – 389 330, India  
**Contact Person:** Richa Sanjeev Prashar, Company Secretary and Compliance Officer; **Telephone:** +91 63 5816 4770  
**E-mail:** [compliance@rajputanastainless.com](mailto:compliance@rajputanastainless.com); **Website:** [www.rajputanastainless.com](http://www.rajputanastainless.com)

<b>OUR PROMOTERS: SHANKARLAL DEEPCHAND MEHTA, BABULAL D. MEHTA, JAYESH NATVARLAL PITHVA AND YASHKUMAR SHANKARLAL MEHTA</b>	
<p><b>INITIAL PUBLIC OFFERING OF UP TO 2,25,00,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF RAJPUTANA STAINLESS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹10 PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹1 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹200 LAKH COMPRISING A FRESH ISSUE OF UP TO 1,90,00,000 EQUITY SHARES AGGREGATING UP TO ₹190 LAKHS BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 35,00,000 EQUITY SHARES AGGREGATING UP TO ₹350 LAKHS ("OFFERED SHARES") BY THE PROMOTER SELLING SHAREHOLDER (THE "SELLING SHAREHOLDER" OR "PROMOTER SELLING SHAREHOLDER"), ("OFFER FOR SALE", TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER WILL CONSTITUTE 10% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.</b></p> <p><b>THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE OFFER PRICE IS 10 TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF THE STATE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE, AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.</b></p> <p>In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least 3 (three) additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 (ten) Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may in consultation with the Book Running Lead Manager, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of 1 (one) Working Days, subject to the Bid/ Offer Period not exceeding 10 (ten) Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.</p> <p>This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. This Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs" and such portion of the "QIB Portion") provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹2 lakhs and up to ₹10 lakhs and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹10 lakhs, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Offer Price. All Potential Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "<b>Offer Procedure</b>" on page 425.</p>	
<b>RISKS IN RELATION TO THE FIRST OFFER</b>	
<p>This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each. The Offer Price, Floor Price, Cap Price and Price Band (as determined by our Company in consultation with the Book Running Lead Manager) in accordance with SEBI ICDR Regulations by way of the Book Building Process and on the basis of the assessment of market demand for the Equity Shares, as stated in "<b>Basis for Offer Price</b>" on page 159 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.</p>	
<b>GENERAL RISK</b>	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Issuer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "<b>Risk Factors</b>" on page 39.</p>	
<b>COMPANY'S AND THE SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY</b>	
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholder accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholder assumes no responsibility, as a Selling Shareholder, for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or any other persons(s).</p>	
<b>LISTING</b>	
<p>The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters each dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "<b>Material Contracts and Documents for Inspection</b>" on page 496.</p>	
<b>BOOK RUNNING LEAD MANAGER</b>	<b>REGISTRAR TO THE OFFER</b>
 <b>Nirbhay Capital Services Private Limited</b> 201, Maruti Crystal Opp. Rajpath Club, S.G.Road Ahmedabad – 380 054 Gujarat, India <b>Telephone:</b> +91 79 4897 0649 <b>Contact Person:</b> Kunjal Soni <b>Email:</b> <a href="mailto:kunjal@nirbhaycapital.com">kunjal@nirbhaycapital.com</a> <b>Website:</b> <a href="http://www.nirbhaycapital.com">www.nirbhaycapital.com</a> <b>SEBI Registration No.:</b> INN000011393 <b>Investor Grievance E-mail:</b> ipo@nirbhaycapital.com	 <b>Kfin Technologies Limited</b> Selenium Tower-B, Plot No-31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032 Telangana, India <b>Telephone:</b> +91 40 6716 2222 / 1800 309 4001 <b>Fax:</b> +91 40 6716 1563 <b>Contact Person:</b> M.Murali Krishna <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a> <b>E-mail:</b> <a href="mailto:rs.ipo@kfintech.com">rs.ipo@kfintech.com</a> <b>SEBI Registration No.:</b> INR000000221 <b>Investor Grievance E-mail:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>
<b>BID / OFFER PROGRAMME</b>	
<b>BID / OFFER OPENS ON</b>	[●]*
<b>BID / OFFER CLOSSES ON</b>	[●]**

\*Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be 1 (one) Working Day prior to the Bid/Offer Opening Date.

\*\*Our Company may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs 1(one) Working Day prior to the Bid/Offer 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/Offer Closing Day.

*This page has been intentionally left blank*

## TABLE OF CONTENTS

<b>SECTION I – GENERAL .....</b>	<b>1</b>
DEFINITIONS AND ABBREVIATIONS .....	1
CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION .....	19
NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES .....	22
FORWARD-LOOKING STATEMENTS .....	23
SUMMARY OF THE OFFER DOCUMENT .....	25
<b>SECTION II – RISK FACTORS.....</b>	<b>39</b>
<b>SECTION III – INTRODUCTION .....</b>	<b>87</b>
THE OFFER .....	87
SUMMARY FINANCIAL STATEMENTS.....	89
GENERAL INFORMATION .....	94
CAPITAL STRUCTURE .....	103
OBJECTS OF THE OFFER.....	136
BASIS FOR THE OFFER PRICE .....	159
STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS .....	169
<b>SECTION – IV ABOUT OUR COMPANY .....</b>	<b>176</b>
INDUSTRY OVERVIEW .....	176
OUR BUSINESS .....	214
KEY REGULATIONS AND POLICIES IN INDIA.....	247
HISTORY AND CERTAIN CORPORATE MATTERS.....	257
OUR MANAGEMENT .....	262
OUR PROMOTERS AND PROMOTER GROUP.....	276
OUR GROUP COMPANIES.....	282
DIVIDEND POLICY .....	286
<b>SECTION V – FINANCIAL INFORMATION.....</b>	<b>287</b>
RESTATED FINANCIAL STATEMENTS.....	287
OTHER FINANCIAL INFORMATION.....	360
CAPITALISATION STATEMENT.....	362
FINANCIAL INDEBTEDNESS .....	363
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION .....	366
<b>SECTION VI – LEGAL AND OTHER INFORMATION.....</b>	<b>389</b>
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....	389
GOVERNMENT AND OTHER APPROVALS.....	395
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....	399
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	400
<b>SECTION VII – ISSUE RELATED INFORMATION .....</b>	<b>413</b>
TERMS OF THE OFFER .....	413
OFFER STRUCTURE.....	421
OFFER PROCEDURE .....	425
<b>SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION .....</b>	<b>448</b>
<b>SECTION IX – OTHER INFORMATION .....</b>	<b>496</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	496
DECLARATION.....	498

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined below). In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.*

*Notwithstanding the foregoing, terms used in “Basis for Offer Price”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Our Business”, “Key Regulations and Policies in India”, “Restated Financial Statement”, “Outstanding Litigations and Material Developments” and “Description of Equity Shares and Terms of Articles of Association” on pages 159, 169, 176, 214, 247, 287, 389 and 448 respectively, shall have the meaning ascribed to such terms in those respective sections.*

#### General Terms

Term	Description
“Company” or “our Company” or “the Company” or “the Issuer” or “we” or “us” or “our” or “RSL” or “Rajputana”	Unless the context otherwise indicates or implies, refers to Rajputana Stainless Limited, a public limited company incorporated under the provision of Companies Act, 1956, having its registered office at 213, Madhwas, Halol Kalol Road Kalol, Panchmahal, Gujarat – 389 330, India.
“you”, “your” or “yours”	Prospective Investors/Bidder in this Offer.

#### Company Related Terms

Term	Description
“Articles of Association” or “AoA”	Articles of association of our Company, as amended from time to time.
“Audit Committee”	The Audit Committee of our Board, as described in “ <b>Our Management – Board Committees – Audit Committee</b> ” on page 269.
“Auditors” or “Statutory Auditors”	Statutory auditors of our Company, namely, M/s Ruparel & Bavadiya, Chartered Accountants.
“Bankers to the Company”	The bankers to our Company, being State Bank of India and Industrial Development Bank of India Limited
“Board or “Board of Directors” or “our Board”	The board of directors of our Company unless otherwise specified or any committee constituted thereof.
“Chief Financial Officer” or “CFO”	The chief financial officer of our Company, being Ambrish Bedade
“Company Secretary and Compliance Officer”	The company secretary and compliance officer of our Company, being Richa Sanjeev Prashar.
“Corporate Social Responsibility Committee” or “CSR Committee”	Corporate social responsibility committee of our Board, as described in “ <b>Our Management – Board Committees - Corporate Social Responsibility Committee</b> ” on page 271.
“Director(s)”	The directors on our Board. For details see, “ <b>Our Management</b> ” on page 262.

Term	Description
“Equity Shares”	The equity shares of our Company of face value of ₹10 each, unless otherwise specified in the context thereof.
“Executive Director”	The executive director of our Company being Jayesh Natvarlal Pithva.
“Group Companies”	In terms of SEBI ICDR Regulations, the term ‘group companies’ includes companies with which there were related party transactions in accordance with Ind AS 24 as disclosed in the Restated Financial Statements as covered under the applicable accounting standards and such other companies as considered material by our Board in accordance with the Materiality Policy, and as identified in “ <i>Our Group Companies</i> ” on page 282.
“Independent Director(s)”	Independent directors on our Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” on page 262.
“ISIN”	International Securities Identification Number, being INE313L01016.
“Key Managerial Personnel” or “KMP”	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Management – Key Managerial Personnel and Senior Management Personnel</i> ” on page 272.
“KPIs”	Key Performance Indicators
“Managing Director” or “MD”	The managing director of our Company, being Shankarlal Deepchand Mehta.
“Materiality Policy”	The policy adopted by our Board pursuant to its resolution dated June 12, 2024 for identification of: (a) material outstanding litigations; and (b) material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations.
“MOA” or “Memorandum” or “Memorandum of Association” or “MoA”	The Memorandum of Association of our Company, as amended from time to time.
“Nomination and Remuneration Committee”	The nomination and remuneration committee of our Board, as described in “ <i>Our Management – Board Committees</i> ” on page 269.
“Promoter(s)”	The Promoters of our Company, being Shankarlal Deepchand Mehta, Babulal D. Mehta, Jayesh Natvarlal Pithva and Yashkumar Shankarlal Mehta
“Promoter Group”	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 276.
“Registered Office”	The registered office of our Company, situated at 213, Madhwas, Halol Kalol Road Kalol, Panchmahal, Gujarat – 389 330, India.
“Registrar of Companies” or “RoC”	Registrar of Companies, Ahmedabad.
“Restated Financial Statements” or “Restated Financial Information”	The restated financial statements of our Company, comprising the Restated Statement of Assets and Liabilities as at and for the three-month period ended June 30, 2024, and as at March 31, 2024, March 31, 2023, March 31, 2022, the restated statements of Profit and Loss (including other comprehensive income), the restated statement of changes in Equity, the Restated Cash Flow Statement as at and for the three-month period ended June 30, 2024, and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and the Summary Statement of Significant Accounting Policies, and other explanatory information prepared in terms of the requirements of sub-Section (1) of Section 26 of Part I of Chapter III of the Act; the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, as amended from time to time.

For details, see “*Restated Financial Statements*” on page 287.

Term	Description
“Senior Management Personnel” or “SMPs”	Senior Management Personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Management – Key Managerial Personnel and Senior Management Personnel</i> ” on page 272.
“Shareholders” or “Members” or “Equity Shareholders”	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares.
“Stakeholders’ Relationship Committee”	The stakeholders’ relationship committee of our Board, as described in “ <i>Our Management – Board Committees</i> ” on page 269.
“Whole-time Director(s)”	The whole-time director of our Company, being Babulal D. Mehta.

### Offer Related Terms

Term	Description
“Abridged Prospectus”	Abridged Prospectus means a memorandum containing salient features of a prospectus as may be specified by the SEBI in this behalf.
“Acknowledgement Slip”	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form.
“Allot” or “Allotment” or “Allotted”	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer of Equity Shares to the successful Applicants.
“Allotment Advice”	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
“Allottee”	A successful Bidder to whom the Equity Shares are Allotted.
“Anchor Investor”	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion with a minimum Bid of ₹1,000 lakhs in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus.
“Anchor Escrow Account(s)” or “Escrow Account(s)”	Account opened with Anchor Escrow Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid.
“Anchor Investor Allocation Price”	The price at which the Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company, in consultation with the BRLM, during the Anchor Investor Bidding Date.
“Anchor Investor Application Form”	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
“Anchor Investor Bid/ Offer Period” or “Anchor Investor Bidding Date”	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
“Anchor Investor Offer 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 Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLM.
“Anchor Investor Pay-in Date”	With respect to the Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, a date not later than 2 (two) Working Days after the Bid/ Offer Closing Date.



Term	Description
“Anchor Investor Portion”	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the BRLM, to the Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
“Application Supported by Blocked Amount” or “ASBA”	An application, whether physical or electronic, used by ASBA Bidders to make a Bid by authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using UPI, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism.
“ASBA Account”	A bank account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor) and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked upon acceptance of a UPI Mandate Request made by UPI Bidders using the UPI Mechanism.
“ASBA Bid”	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
“ASBA Bidders”	All Bidders except Anchor Investors.
“ASBA Form”	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
“Banker(s) to the Offer”	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and Sponsor Bank.
“Basis of Allotment”	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “ <i>Offer Procedure</i> ” on page 425.
“Bid”	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term “Bidding” shall be construed accordingly.
“Bid Amount”	The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer.
“Bid cum Application Form”	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus, including ASBA Form.
“Bid Lot”	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
“Bid/ Offer Closing Date”	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be notified in all editions of English national daily newspaper, [●], Hindi national daily newspaper, [●] and a Gujarati regional daily newspaper (Gujarati being the regional language of Gujarat, where our Registered Office is located).
	In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running



Term	Description
	<p>Lead Manager and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank.</p> <p>Our Company, in consultation with the Book Running Lead Manager, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.</p>
“Bid/Offer Opening Date”	<p>Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●] which shall be notified in all editions of English national daily newspaper, [●], in all editions of Hindi national daily newspaper [●], and in all editions of Gujarati regional daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located).</p> <p>In case of any revision, the extended Bid/ Offer Opening Date will also be widely disseminated by notification the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s).</p>
“Bid/Offer Period”	<p>Except in relation to the Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of 3 (three) Working Days.</p> <p>Our Company, in consultation with the BRLM, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.</p>
“Bidder” or “Investor” or “Applicant”	Any prospective investor who made a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied and includes an Anchor Investor.
“Bidding Centers”	Centers at which the Designated Intermediaries accepted the Bid cum Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs.
“Book Building Process”	The book building process as described in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
“Book Running Lead Manager” or “BRLM”	The book running lead manager to the Offer, being Nirbhay Capital Services Private Limited, SEBI registered Category-I Merchant Banker.
“Broker Centers”	Broker centers of the Registered Brokers, where Bidders (other than Anchor Investors) submitted the ASBA Forms. The details of such Broker centers, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges at <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> .
“CAN” or “Confirmation of Allocation Note”	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period.
“Cap Price”	The higher end of the Price Band i.e., ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price.
“Cash Escrow and Sponsor Bank Agreement”	Agreement dated [●] entered into by our Company, the Selling Shareholder the Registrar to the Offer, the BRLM, the Syndicate Member, and the

Term	Description
	Bankers to the Offer for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refund of the amounts collected from Bidders, on the terms and conditions thereof, in accordance with the UPI Circulars.
“Client ID”	Client identification number maintained with one of the Depositories in relation to dematerialised account.
“Collecting Depository Participant” or “CDP”	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12 (1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of SEBI circular no. CIR /CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars and as per the list available on the websites of BSE and NSE.
“Controlling Branches”	Such branches of SCSBs which coordinate Bids under the Offer with the BRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> .
“Cut-off Price”	Offer Price, authorized by our Company, in consultation with the BRLM which shall be any price within the Price Band.  Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
“D&B India”	Dun & Bradstreet Information Services India Private Limited
“D&B Report”	The Industry Report titled “ <i>Industry Report On Indian Stainless Steel</i> ” dated December 24, 2024 prepared and issued by Dun & Bradstreet Information Services India Private Limited (“ <b>D&amp;B India</b> ”), appointed by us on May 23, 2024, and exclusively commissioned and paid for by us in connection with the Offer.
“Demographic Details”	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation and bank account details and UPI ID, wherever applicable.
“Depository(ies)”	A depository registered with SEBI under the SEBI (Depositories and Participants’) Regulations, 1996.
“Depository Participant” or “DP”	A depository participant as defined under the Depositories Act.
“Designated CDP Locations”	Such locations of the CDPs where Bidders submitted the ASBA Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
“Designated Date”	The date on which the Escrow Collection Banks transfer funds from the Escrow Accounts to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, where made available, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer.
“Designated Intermediary(ies)”	In relation to ASBA Forms submitted by RIIs and NIIs with an application size of upto ₹5.00 Lakhs (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.

Term	Description
	In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs.
	In relation to ASBA Forms submitted by QIBs and NIIs (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and CRTAs.
“Designated RTA Locations”	Such locations of the CRTAs/RTAs where Bidders can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
“Designated SCSB Branches”	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
“Designated Stock Exchange”	[●]
“DP ID”	DP ID Depository Participant’s identity number.
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated December 30, 2024, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
“Eligible FPIs”	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices.
“Eligible NRI(s)”	A non-resident Indian, under Schedule 3 and Schedule 4 of the FEMA Non-Debt Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
“Escrow Account(s)”	Account opened with the Escrow Collection Bank and in whose favor the Anchor Investors transferred money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid.
“Escrow Collection Bank(s)” or “Anchor Escrow Bank”	Banks which are clearing members and registered with SEBI as bankers to an issue under the Securities and Exchange Board of India (Bankers to an Offer) Regulations, 1994 and with whom the Escrow Accounts will be opened, in this case being [●].
“First or Sole Bidder”	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
“Floor Price”	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares.
“Fraudulent Borrower”	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
“Fresh Issue”	Fresh issue of up to 1,90,00,000 Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating up to ₹[●] lakhs by our Company.
“Fugitive Economic Offender”	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Term	Description
“General Information Document”	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM.
“Gross Proceeds”	The gross proceeds of the Fresh Issue that will be available to our Company
“Mobile Applications”	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism.
“Mutual Fund Portion”	5% of the Net QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
“Mutual Funds”	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
“Net Proceeds”	Gross proceeds less our Company’s share Offer related expenses. For further details about use of the Offer Proceeds and the Offer related expenses, see “ <i>Objects of the Offer</i> ” on page 136.
“Net QIB Portion”	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
“Non-Institutional Portion”	The portion of the Net Offer being not less than 15% of the Net Offer consisting of [●]* Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis. The allocation to each Non-Institutional Investor shall not be less than ₹ 2.00 lakhs subject to availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis, subject to valid Bids being received at or above the Offer Price, in accordance with the SEBI ICDR Regulations. Further, (a) one third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹2.00 lakhs and up to ₹10.00 lakhs; and (b) two third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹10.00 lakhs, provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Investors. <i>*Subject to finalization of Basis of Allotment</i>
“Non-Institutional Investors” or “Non-Institutional Bidders” or “NIIs” or “NIBs”	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with the SEBI that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than 2.00 lakhs (but not including NRIs other than Eligible NRIs).
“Non-Resident Indians” or “NRI(s)”	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
“OCB” or “Overseas Corporate Body(ies)”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Offer.
“Offer”	Initial public offering of up to 2,25,00,000 Equity Shares of face value ₹10 each for cash at a price of ₹[●] per Equity Share, aggregating up to ₹[●] lakhs comprising the Fresh Issue and the Offer for Sale.

Term	Description
“Offer Agreement”	Agreement dated December 10, 2024 entered between our Company, the Selling Shareholder and the BRLM, pursuant to which certain arrangements have been agreed to in relation to the Offer.
“Offer for Sale”	The offer for sale of up to 35,00,000 Equity Shares aggregating up to ₹[●] lakhs by the Selling Shareholder. For details, please see section titled “ <i>The Offer</i> ” on page 87.
“Offer Price”	The final price at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus and the Prospectus.
“Offer Proceeds”	The proceeds of the Offer, which shall be available to our Company. For details about use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” on page 87.
“Offered Shares”	Up to 35,00,000 Equity Shares aggregating up to ₹[●] lakhs being offered by the Selling Shareholder in the Offer for Sale
“Person(s)”	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
“Previous DRHP”	<p>The draft red herring prospectus dated June 26, 2010 filed by our Company with SEBI, with an objective of offering its equity shares to public and listing on the stock exchanges. However, our Company withdrew the said draft red herring prospectus vide withdrawal letter dated November 11, 2011 issued by the then BRLM.</p> <p>The Previous DRHP stands replaced in its entirety by this Draft Red Herring Prospectus dated December 30, 2024.</p>
“Price Band”	<p>Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof.</p> <p>The Price Band, and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLM, and will be advertised, at least 2 (two) Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●], a Gujarati national daily newspaper, (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.</p>
“Pricing Date”	The date on which our Company, in consultation with the BRLM, will finalize the Offer Price.
“Promoter Selling Shareholder” or “Selling Shareholder”	Shankarlal Deepchand Mehta
“Prospectus”	Prospectus dated [●] to be filed with the RoC for this Offer on or after the Pricing Date in accordance with Sections 26 and 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.

Term	Description
“Public Offer Account”	Bank account opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date.
“Public Offer Account Bank(s)”	Bank(s) which are a clearing member and registered with SEBI as a banker to an Offer and with whom the Public Offer Account is opened for collection of Bid Amounts from Escrow Account and ASBA Account on the Designated Date, in this case being [●].
“QIB Category” or “QIB Portion”	The portion of the Net Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer consisting of [●]* Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors). <i>*Subject to finalization of Basis of Allotment</i>
“Qualified Institutional Buyers” or “QIBs” or “QIB Bidders”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
“Red Herring Prospectus” or “RHP”	The Red Herring Prospectus dated [●] issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which did not have complete particulars of the price at which the Equity Shares shall be Allotted and which was filed with the RoC at least 3 (three) Working Days before the Bid / Offer Opening Date and became the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto.
“Refund Account”	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
“Refund Bank”	The Banker to the Offer with whom the Refund Account has been opened, in this case being [●].
“Registered Brokers”	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and with the stock exchanges having nationwide terminals, other than the BRLM and the Syndicate Members and eligible to procure Bids in terms of circular number CIR / CFD / 14 / 2012 dated October 14, 2012, and other applicable circulars issued by SEBI.
“Registrar Agreement”	The agreement dated December 10, 2024 entered between our Company, the Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the UPI circular, as per the lists available on the websites of BSE and NSE
“Registrar to the Offer” or “Registrar”	KFin Technologies Limited
“Resident Indian”	A person resident in India, as defined under FEMA
“Retail Portion”	The portion of the Net Offer being not less than 35% of the Net Offer comprising of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price. <i>*Subject to finalization of Basis of Allotment.</i>
“Retail Individual Investors” or “RIIs” or “Retail Individual Bidders” or “RIBs”	Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Offer was not more than Rs.2.00 lakhs in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).



Term	Description
“Revision Form”	<p>The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.</p> <p>QIBs bidding in the QIB Category and Non-Institutional Investors bidding in the Non-Institutional Portion are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bids during Bid / Offer period and withdraw their Bids until Bid / Offer Closing Date.</p>
“Self-Certified Bank(s)” or “SCSB(s)”	<p>Syndicate (i) The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognise&amp;Fpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognise&amp;Fpi=yes&amp;intmId=34</a>) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.</p> <p>(ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>.</p> <p>Applications through UPI in the Offer can be made only through the SCSBs mobile applications whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.</p>
“Share Escrow Agent”	[●]
“Share Escrow Agreement”	The agreement to be entered into among the Selling Shareholder, our Company and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
“Specified Locations”	Bidding centers where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form.
“Specified Securities”	Specified securities in terms of Regulation 2(1)(eee) of the SEBI ICDR Regulations.
“Sponsor Bank”	A Banker to the Offer which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the BRLM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of UPI Bidders as per the UPI Mechanism and carry out other responsibilities in terms of the UPI Circulars, in this case being [●].
“Stock Exchanges”	BSE Limited and National Stock Exchange of India Limited.
“Sub-Syndicate Members”	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
“Syndicate Agreement”	Agreement to be entered into among our Company, the Selling Shareholder, the Registrar to the Offer, the BRLM and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
“Syndicate Members”	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case [●]
“Syndicate or members of the Syndicate”	Together, the BRLM and the Syndicate Members.

<b>Term</b>	<b>Description</b>
“Systemically Important Non-Banking Financial Company”	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
“Underwriters”	[•]
“Underwriting Agreement”	The agreement to be entered between the Underwriters, our Company and the Selling Shareholder to be entered into on or after the Pricing Date but prior to filing of the Red Herring Prospectus or the Prospectus.
“UPI”	Unified payments interface, which is an instant payment mechanism, developed by NPCI.
“UPI Bidders”	<p>Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹5.00 lakhs in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agent.</p> <p>Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹5.00 lakhs shall use UPI and shall provide their UPI ID in the Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)</p>
“UPI Circulars”	<p>Circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as amended by its Circular number SEBI/HO/CED/DIL/CIR/2016/26 dated January 21, 2016 and Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022, SEBI master circular with circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular with circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time.</p>
“UPI ID”	ID created on the UPI for single-window mobile payment system developed by the NPCI.

Term	Description
“UPI Mandate Request”	A request (intimating the UPI Bidders, by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidders initiated by the Sponsor Bank to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment.
“UPI Mechanism”	The Bidding mechanism that is used by Retail Individual Investors to make Bids in the Offer in accordance with the UPI Circulars to make as ABA bid in the Offer.
“Wilful Defaulter”	A wilful defaulter as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
“UPI PIN”	Password to authenticate UPI transaction.
“Working Day”	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/ Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/ Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI, including UPI Circulars

#### Technical / Industry related terms

Term	Description
GDP	Gross Domestic Product
GVA	Gross Value Added
IIP	Index of Industrial Production
PFCE	Private Final Consumption Expenditure
GFCF	Gross fixed capital formation
WPI	Wholesale Price Index
CPI	Consumer Price Index
y-o-y	Year on Year
m-o-m	Month on Month
IMF	International Monetary Fund
RBI	Reserve Bank of India
MOSPI	The Ministry of Statistics and Programme Implementation
Est., Adv. Est	Estimated, Advance Estimates
P, F	Projected, Forecast
USD	US Dollar
INR	Indian Rupee
Mn, Bn, Tn, Cr	Million, Billion, Trillion, Crore
PLI	Production Linked Incentive
NSO	National Statistics Office
IT	Information Technology
GST	Goods and Service Tax
UPI	Unified Payments Interface
RBI	Reserve Bank of India
CAGR	Compound Annual Growth Rate

Term	Description
FDI	Foreign Direct Investment
ISSDA	Indian Stainless Steel Development Association
CRGO	Cold Rolled Grain Oriented
NIP	National Infrastructure Pipeline
SIMS	Steel Import Monitoring System
DMISP	Domestically Manufactured Iron and Steel Policy
BIS	The Bureau of Indian Standards
EPC	Engineering, Procurement, Construction
MMPA	Million Metric Tons per annum
ICE	Internal Combustion Engine
SIAM	Society of Indian Automobile Manufacturers
AOD	Argon Oxygen Decarburization
EAF	Electric Arc Furnace
BOF	Basic Oxygen Furnace
BF	Blast Furnace
R&D	Research and Development

#### Business Related Terms

Term	Description
AOD	Argon Oxygen Decarborizer
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compound annual growth rate
CCM	Continuous Casting Machine
CRISIL	Credit Rating Information Services of India Limited
cum	Cubic Meter
EBITDA	Earnings before interest, tax, depreciation and amortization.
GETCO	Gujarat Energy Transmission Corporation Limited
GPCB	Gujarat Pollution Control Board
ISO	International Organization for Standardization
Kg	Kilo Gram
km	Kilo meter
MGVCL	Madhya Gujarat Vij Company Limited
mm	millimetre
MT	Metric Tonne
MTPA	Metric Tonne per annum
MW	Megawatt
PAT	Profit after tax
PCC	Plain Cement Concrete
RCC	Reinforced Cement Concrete
RCS	Round Corner Square
Sq. M.	Square Meter
TEV	Techno Economic Viability
TEV Report	The report entitled “Techno Economic Viability Report” dated December 28, 2024 prepared by D&B India

## Conventional and General Terms / Abbreviations

Term	Description
“₹” or “Rs.” Or “Rupees” or “INR”	Indian Rupees.
“AAEC”	Appreciable Adverse Effect on Competition.
“A.Y.” or “AY”	Assessment Year.
“A/C”	Account.
“AGM”	Annual general meeting.
“AIF(s)”	An alternative investment fund as defined in, and registered with SEBI under, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
“AS” or “Accounting Standard”	Accounting Standards as issued by the Institute of Chartered Accountants of India.
“Associate”	A person who is an associate of the issuer and as defined under the Companies Act, 2013.
“Authorized Dealers”	Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000.
“Bn” or “bn”	Billion.
“BSE”	BSE Limited.
“CAGR”	Compound Annual Growth Rate.
“Category I AIF”	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
“Category II AIF”	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
“Category III AIF”	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
“Category I FPI”	FPIs registered as “Category I foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
“Category II FPI”	FPIs registered as “Category II foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
“CCI”	Competition Commission of India.
“CDSL”	Central Depository Services (India) Limited.
“CIN”	Corporate Identity Number.
“CMP”	Current Market Price
“Companies Act, 1956”	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder.
“Companies Act, 2013” or “Companies Act”	Companies Act 2013, as amended read with rules, regulations, clarifications and modifications thereunder.
“Competition Act”	Competition Act, 2002, as amended and the rules and regulations made thereunder.
“COVID-19”	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
“Consolidated FDI Policy”	The extant consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.
“Control”	Control as defined under the Takeover Regulations, and the term “Controlled” shall be construed accordingly.
“Copyright Act”	Copyright Act, 1957.

Term	Description
“CPC”	Code of Civil Procedure, 1908
“CrPC”	Code of Criminal Procedure, 1973.
“CSR”	Corporate Social Responsibility.
“CY” or “Calender Year”	The 12 month period ending December 31.
“Debt to Equity Ratio”	Debt equity ratio is calculated as total borrowings divided by total equity.
“Depositories Act”	The Depositories Act, 1996.
“Depository”	A depository registered with under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act.
“DIN”	Director Identification Number.
“DPIIT”	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry ( <i>formerly Department of Industrial Policy and Promotion</i> ), GoI.
“DP ID”	Depository Participant’s identity number.
“EBITDA”	Earnings before interest, taxes, depreciation and Amortization excluding other income.
“EBITDA Margin”	EBITDA Margin is the percentage of EBITDA divided by revenue from operations.
“EGM”	Extraordinary general meeting.
“EMI”	Equated Monthly Instalment
“EPS”	Earnings per share.
“ERP”	Enterprise Resource Planning.
“ESIS”	Employees’ State Insurance Scheme.
“Euro” or “EUR”	Euro, the official single currency of the participating member states of the European Economic and Monetary Union of the Treaty establishing the European Community.
“FCNR”	Foreign currency non-resident account.
“FDI”	Foreign direct investment.
“FDI Circular”	The Consolidated Foreign Direct Investment Policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
“FEMA”	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
“FEMA Non-Debt Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended.
“Fiscal” or “Financial Year” or “Fiscals” or “Fiscal Year”	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
“FPIs”	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations.
“FVCI”	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
“GDP”	Gross Domestic Product.
“GoI” or “Government”	Government of India.
“GST”	Goods and services tax.



Term	Description
“HUF(s)”	Hindu Undivided Family(ies).
“ICAI”	Institute of Chartered Accountants of India, New Delhi.
“ICRA”	ICRA Limited.
“IFRS”	International Financial Reporting Standards of the International Accounting Standards Board.
“IMF”	International Monetary Fund.
“Income Tax Act”	Income-tax Act, 1961, read with the rules framed thereunder.
“Income Tax Rules”	Income-tax Rules,1962, as amended.
“Ind AS”	The Indian Accounting Standards referred to in the Companies Act 2013 and Companies (Indian Accounting Standard) Rules, 2015, as amended.
“Indian GAAP”	Generally Accepted Accounting Principles in India.
“INR” or “Rupee” or “₹” or “Rs.”	In Rupee, the official currency of the Republic of India.
“Ind AS 24”	Indian Accounting Standard 24 issued by the ICAI.
“IPC”	Indian Penal Code, 1860, as amended.
“IPO”	Initial public offering
“IQF”	Individual Quick Freezing.
“IRDAI”	Insurance Regulatory and Development Authority of India.
“ISO”	International Organization for Standardization.
“IST”	Indian Standard Time.
“IT”	Information Technology.
“KVA”	Kilovolt Ampere.
“MCA”	The Ministry of Corporate Affairs, Government of India.
“Mn” or “mn”	Million.
“Mutual Funds”	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
“N.A.” or “NA”	Not Applicable.
“NACH”	National Automated Clearing House.
“NAV”	Net Asset Value.
“NEFT”	National Electronic Fund Transfer.
“NPCI”	National Payments Corporation of India.
“NRE accounts”	NRI Non-Resident External account.
“NRI” or “Non-resident Indian”	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an “Overseas Citizen of India” cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.
“NRO accounts”	Non-Resident Ordinary accounts.
“NSDL”	National Securities Depository Limited.
“NSE”	National Stock Exchange of India 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 beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Offer.
“P/E Ratio”	Price/Earnings Ratio.
“p.a.”	Per annum.
“PAN”	Permanent account number.

Term	Description
“PAT”	Profit after tax.
“PCB(s)”	Pollution Control Board(s).
“PPE”	Property Plant Equipment.
“Provident Fund”	Provident fund for employees managed by the Employee’s Provident Fund Organisation in India.
“RBI”	Reserve Bank of India.
“Regulation S”	Regulation S under the U.S. Securities Act.
“RoC” or “Registrar of Companies”	The Registrar of Companies, Ahmedabad.
“RoNW”	Return on Net Worth.
“RTGS”	Real Time Gross Settlement.
“SCRA”	Securities Contract (Regulation) Act, 1956.
“SCRR”	The Securities Contracts (Regulation) Rules, 1957.
“SCSB”	Self-Certified Syndicate Bank.
“SCORES”	Securities and Exchange Board of India Complaints Redress System.
“SEBI”	Securities and Exchange Board of India established under Section 3 of the SEBI Act, as amended.
“SEBI Act”	Securities and Exchange Board of India Act, 1992, as amended.
“SEBI AIF Regulations”	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
“SEBI FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
“SEBI FVCI Regulations”	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
“SEBI ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
“SEBI Insider Trading Regulations”	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
“SEBI Listing Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
“SEBI Merchant Bankers Regulations”	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended.
“Sq. Ft.” or “sq. ft.”	Square Feet.
“Sq. mtr.” or “sq. mtrs.”	Square Meter.
“State Government”	The government of a state in India.
“STT”	Securities transaction tax.
“Takeover Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
“TAN”	Tax deduction account number.
“TDS”	Tax deducted at source.
“TreDS”	Trade Receivables Discounting System.
“U.S.” or “United States”	The United States of America, together with its territories and possessions, any state of the United States of America and the District of Columbia.
“U.S. Securities Act”	United States Securities Act of 1933, as amended.
“VAT”	Value added tax.
“VCFs”	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.

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

### **Certain Conventions**

Unless otherwise specified or the context otherwise requires, all references to "India" in this Draft Red Herring Prospectus are to the Republic of India its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

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

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

In this Draft Red Herring Prospectus, for the purpose of restatement of financial information, the terms "we", "us", "our", "the Company", "our Company", "Issuer", "Issuer Company", "RSL" or "Rajputana", unless the context otherwise indicates or implies, refers to "Rajputana Stainless Limited".

In this Draft Red Herring Prospectus, the terms "we", "us", "our", unless the context otherwise indicates or implies, refers to our Company.

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 Lacs / Lakhs", the word "Crore" means "one hundred lakhs" and the word "billion (bn)" means "one hundred crores". 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.

The Previous DRHP stands replaced in its entirety by this Draft Red Herring Prospectus. Investors are cautioned against placing any reliance on the Previous DRHP.

### **Financial Data**

Unless the context requires otherwise or as otherwise stated, the restated financial statements of our Company, comprising the Restated Statement of Assets and Liabilities as at and for the three-month period ended June 30, 2024, and as at March 31, 2024, March 31, 2023, March 31, 2022, the restated statements of Profit and Loss (including other comprehensive income), the restated statement of changes in Equity, the Restated Cash Flow Statement as at and for the three-month period ended June 30, 2024, and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and the Summary Statement of Significant Accounting Policies, and other explanatory information prepared in terms of the requirements of sub-Section (1) of Section 26 of Part I of Chapter III of the Act; the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, as amended from time to time. For further information, see, "*Restated Financial Statements*" on page 287.

Our fiscal year commences on 1<sup>st</sup> April of each year and ends on 31<sup>st</sup> March of the next year. Therefore, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal Year or FY, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, Ind AS, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS or any other accounting principles or standards. If we were to prepare our financial statements in accordance with such other

accounting principles, our results of operations, financial condition and cash flows may be substantially different. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, see "**Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as US GAAP and International Financial Reporting Standards (“IFRS”), which investors may be more familiar with and consider material to their assessment of our financial condition.**" on page 82. Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Red Herring Prospectus, including in the Sections titled "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on page 39, 214 and 366, respectively and elsewhere in this Draft Red Herring Prospectus, have been calculated on the basis of the restated audited financial statements of our Company included in this Draft Red Herring Prospectus.

### **Currency and Units of Presentation**

All references to "**Rupees**", "**Rs.**", "**INR**" or "**₹**" are to Indian Rupees, the official currency of the Republic of India. All references to "**£**" or "**GBP**" are to Great Britain Pound, the official currency of the United Kingdom. All references to "**\$**", "**US\$**", "**USD**", "**U.S. \$**" or "**U.S. Dollars**" are to United States Dollars, the official currency of the United States of America.

All figures in decimals (including percentages) have been rounded off to one or two decimals, or to the nearest whole number. Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "Lakh" units. One Lakh represents 1,00,000. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than lakhs in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

### **Non-GAAP Financial Measures**

Certain Non-GAAP Measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Gross Profit, Gross Profit Margin, PAT Margin, CAGR Net Asset Value per Equity Share, Return on Net worth, Net worth, EBIT, Capital Employed, Return on Capital Employed and others ("**Non-GAAP Measures**"), have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP financial measures are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP financial measures should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP financial measures are not standardized terms, hence a direct comparison of these Non-GAAP financial measures between companies may not be possible. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies and hence have limited usefulness as a comparative measure. For details, see "**Risk Factors – We have in this Draft Red Herring**

*Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies” on page 81.*

## **Industry and Market Data**

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Industry Report On Indian Stainless Steel” dated December 24, 2024 (the “D&B Report”) prepared and issued by Dun & Bradstreet Information Services India Private Limited (“D&B India”), appointed by us on May 23, 2024, and exclusively commissioned and paid for by us in connection with the Offer. D&B India is an independent agency which has no relationship with our Company, our Promoters, the Selling Shareholder and any of our Directors or KMPs or SMPs. The data included herein includes excerpts from the D&B Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the D&B Report is available on the website of our Company at [www.rajputanastainless.com](http://www.rajputanastainless.com) until the Bid Offer Closing Date.*

Unless otherwise indicated, all financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year, refers to such information for the relevant year. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. Further, industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. 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 industry sources. In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. For risks in relation to the D&B Report, see “**Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the D&B Report which have been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks**” on page 74.

## **Exchange Rates**

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

Currency	Exchange rate as on June 30, 2024 <sup>*#</sup>	Exchange rate as on March 31, 2024 <sup>*#</sup>	Exchange rate as on March 31, 2023 <sup>*#</sup>	Exchange rate as on March 31, 2022 <sup>*#</sup>
1 US\$	83.45	83.37	82.22	75.81
1 GBP	105.46	105.29	101.87	99.55

*(in ₹)*  
<sup>\*</sup>If the RBI reference rate is not available on a particular date due to a public holiday, exchange rate of the previous working day has been disclosed

<sup>#</sup>Rounded off to two decimal places.

Source: [www.fbil.org.in](http://www.fbil.org.in) and [www.fedai.org.in](http://www.fedai.org.in)

## **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES**

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the U. S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of each jurisdiction where such offers and sales are made.

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.



## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "*aim*", "*anticipate*", "*are likely*", "*believe*", "*expect*", "*estimate*", "*intend*", "*likely to*", "*objective*", "*plan*", "*project*", "*propose*", "*will*", "*seek to*", "*will continue*", "*will pursue*" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Draft Red Herring Prospectus that are not statements of historical fact constitute 'forward-looking statements'. All statements regarding our expected financial conditions and results of operations, business plans and objectives, strategies and goals and prospects are forward looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. This could be due to risks or uncertainties associated with expectations relating to, and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, changes in the incidence of any natural calamities and/ or violence, regulations and taxes and changes in competition in the industries in which we operate. Certain important factors that could cause actual results to differ materially from our expectations include but are not limited to, the following:

- A significant portion of our revenue comes from our top 10 customers, and we do not have long-term contracts with all of them. If one or more of these customers decide not to source from us or terminate their orders, it could negatively impact our business, cash flows, financial condition, and results of operations.
- Our Manufacturing Facility and Proposed Facility is located in Gujarat and therefore our operation is highly vulnerable to regional conditions and economic downturns in the region.
- We rely substantially on our top 10 suppliers for raw materials, and any shortages, delays, or disruptions could significantly affect our business, financial condition, and operations.
- We derive the majority of sale from the domestic market and a significant portion of our domestic sales are derived from the states of Maharashtra, Gujarat & Uttar Pradesh. Any adverse developments in this market could adversely affect our business.
- We derive a substantial portion of our revenue from the sale of our products, and any drop in demand could adversely affect our financial performance. Moreover, our inability to diversify our product range could limit growth and reduce profitability.
- Our manufacturing facility is crucial to our operations, and any unexpected shutdown or slowdown could materially impact our business, profitability, cash flows, and financial conditions.
- Our Company is yet to place orders for the equipment, plant, and machinery for the Proposed Facility. Any delays in procurement could postpone implementation and increase the cost of starting operations.
- We may face several risks associated with the Proposed Facility, which could hamper our growth, prospects, cash flows and business and financial condition.
- Disruption in our relationships with third party traders, changes in their business practices, their failure to meet payment schedules could adversely affect our business, operating cash flows and financial condition.
- Our Company, Promoters and Directors are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

For details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 39, 214 and 366, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect current views on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, Selling Shareholder, our Directors, the BRLM nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the BRLM will ensure that the Bidder in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares pursuant to the Offer.

## SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "*Risk Factors*", "*The Offer*", "*Capital Structure*", "*Objects of the Offer*", "*Industry Overview*", "*Our Business*", "*Restated Financial Statements*", "*Outstanding Litigation and Material Developments*", "*Offer Procedure*", and "*Description of Equity Shares and Terms of the Articles of Association*" beginning on pages 39, 87, 103, 136, 176, 214, 287, 389, 425 and 448, respectively.

### Summary of Business

We are engaged in the business of manufacturing of long and flat stainless-steel products comprising of billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. We offer our products in more than eighty (80) diverse grades of stainless steel. Stainless Steel is a value-added product with high corrosion resistant properties. Compared to traditional steel, stainless-steel has higher resistance to corrosion, superior aesthetic finish and higher life span. These features have helped in increasing the popularity of stainless-steel across the world. High recyclability, resistance to corrosion and low maintenance properties has made stainless steel a preferred metal for application in diverse sectors (*Source: D&B Report*).

The following table provides information in relation to the revenue obtained from our products portfolio for last three Fiscals:

Products	Billet	Ingots	Rolled Black Bar	Flat & Patti	Rolled Bright Bar	Round Cornered Square	Other Products (Wire rods, SS Angle, SS Mill Scale)	(in ₹ lakhs)
During the three-month period ended June 30, 2024	3,377.31	645.20	12,158.67	853.33	2,599.18	373.44	27.90	
% of Revenue from Operations	16.45%	3.14%	59.23%	4.16%	12.66%	1.82%	0.14%	
Fiscal 2024	13,150.97	1,881.39	50,362.25	2,951.11	10,938.23	9,107.38	289.53	
% of Revenue from Operations	14.45%	2.07%	55.35%	3.24%	12.02%	10.01%	0.32%	
Fiscal 2023	16,331.97	3,077.67	50,703.11	4,588.18	8,999.65	7,174.14	734.35	
% of Revenue from Operations	17.23%	3.25%	53.50%	4.84%	9.50%	7.57%	0.77%	
Fiscal 2022	9,315.14	3,324.04	45,182.91	7,047.45	6,990.24	2,730.69	972.22	
% of Revenue from Operations	12.15%	4.34%	58.95%	9.20%	9.12%	3.56%	1.27%	

*Note: As certified by the Statutory Auditors through certificate dated December 29, 2024.*

### Summary of Industry

India is the second largest consumer and the third largest producer of stainless steel globally, With estimated installed capacity 6.6-6.8 Mn Tons, the country has the capability to manufacture a wide range of steel grades and products, including stainless-steel and special steel for diversified application. India's finished stainless steel production has hovered in the range of 3.2-3.7 Mn tonnes between 2016-2023. Talking about India's position in the global stainless-steel market, India with average 7% share in global SS steel output (during about 2016-20), remained the second largest stainless-steel producer behind China till 2020. In 2021, the global SS production composition got changed as Indonesia, the fourth largest SS producer replace Japan and India to become the second largest SS producer globally. Stainless steel is used to produce a wide range of products, from Automotive, Railways & Transportation; heavy machinery, to engineering products, especially in the infrastructure sector. Due to this wide end consumer base, demand for long and flat steel products is closely linked to the overall all economic growth industrial as well as consumer demand scenario.

## Names of our Promoters

Shankarlal Deepchand Mehta, Babulal D. Mehta, Jayesh Natvarlal Pithva and Yashkumar Shankarlal Mehta are the Promoters of our Company.

## Offer Size

<b>Offer of which</b>	Up to 2,25,00,000 Equity Shares aggregating up to ₹ [●] lakhs
<b>Fresh Issue<sup>(1)</sup></b>	Up to 1,90,00,000 Equity Shares aggregating up to ₹ [●] lakhs
<b>Offer for Sale<sup>(2)</sup></b>	Up to 35,00,000 Equity Shares aggregating up to ₹ [●] lakhs by the Selling Shareholder

<sup>(1)</sup> The Offer including the Fresh Issue has been authorized by resolution of our Board dated December 3, 2024 and by our Shareholders pursuant to a special resolution passed at their meetings held on December 5, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to its resolution dated December 3, 2024.

<sup>(2)</sup> The Selling Shareholder has confirmed and authorized its participation in the Offer for Sale in relation to the Offered Shares. The Selling Shareholder confirms that the Equity Shares being offered by the Selling Shareholder has been held for a period of at least one year immediately preceding the date of the Draft Red Herring Prospectus with the SEBI, and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, see "The Offer" or "Other Regulatory and Statutory Disclosures" on pages 87 and 400, respectively.

The Offer shall constitute [●]% of the post-Offer Equity Share capital of our Company. For further details, see "The Offer" and "Offer Structure" on pages 87 and 400, respectively.

## Objects of the Offer

After deducting our Company's share of the Offer related expenses from the Gross Proceeds received pursuant to the Fresh Issue, we estimate the proceeds to be ₹[●] lakhs ("**Net Proceeds**"), as detailed below:

<b>Objects</b>	<b>Amount (₹ in lakhs)*</b>
Gross Proceeds	[●]
Less: Estimated Offer related expenses*#	[●]
<b>Net Proceeds from the Fresh Issue (Net Proceeds)</b>	<b>[●]</b>

\*To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing with the RoC

#See, "Offer related expenses" on page 154.

## Utilization of Net Proceeds

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

<b>No.</b>	<b>Objects</b>	<b>Estimated Amount (₹ in lakhs)</b>
1.	Funding capital expenditure requirements in relation to the setting up of the Proposed Facility	1,831.54 <sup>(1)</sup>
2.	Funding Working capital requirement for the Proposed Facility	3,768.05 <sup>(3)</sup>
3.	Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company	7,650.00
4.	General corporate purposes <sup>(2)(4)</sup>	[●]
<b>Total utilization of net proceeds</b>		<b>[●]</b>

<sup>(1)</sup> Total estimated cost as per TEV Report dated December 28, 2024.

<sup>(2)</sup> To be finalised upon determination of Offer Price and updated in the Prospectus prior to filing with the RoC.

<sup>(3)</sup> Total working capital requirement for the Proposed Facility is as per TEV Report dated December 28, 2024.

<sup>(4)</sup> The amount to be utilized for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

For further details, see "Objects of the Offer" beginning on page 136.

## Aggregate pre-Offer and post-Offer shareholding of our Promoters, Promoter Group and Selling Shareholder

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

No.	Name of the Shareholder	Number of Equity Shares pre-Offer	Percentage of the pre-Offer Equity Share capital (%) <sup>*</sup>	Number of Equity Shares post-Offer <sup>**</sup>	Percentage of the post-Offer Equity Share capital (%) <sup>**</sup>
<b>Promoters</b>					
1.	Shankarlal Deepchand Mehta <sup>#</sup>	3,63,14,500	52.69	[●]	[●]
2.	Babulal D. Mehta	54,01,226	7.84	[●]	[●]
3.	Jayesh Natvarlal Pithva	37,98,914	5.51	[●]	[●]
4.	Yashkumar Shankarlal Mehta	-	-	-	-
<b>Total (A)</b>		<b>4,55,14,640</b>	<b>66.04</b>	<b>[●]</b>	<b>[●]</b>
<b>Promoter Group</b>					
1.	Jayantilal Mangilal Sanghvi	3,93,334	0.57	[●]	[●]
2.	Kalpesh Babulal Mehta	5,03,694	0.73	[●]	[●]
3.	Hetal Jayesh Pithva	11,68,000	1.69	[●]	[●]
4.	Rameshkumar Deepchand Mehta	14,32,248	2.08	[●]	[●]
5.	Mahendra Motilal Mehta	3,62,584	0.53	[●]	[●]
6.	Pinky Pravinkumar Jain	1,56,714	0.23	[●]	[●]
7.	Girish Babulal Mehta	2,57,130	0.37	[●]	[●]
8.	Motilal D Mehta HUF	6,86,226	1.00	[●]	[●]
9.	Rohini Rameshkumar Mehta	4,59,168	0.67	[●]	[●]
10.	Mangilal Bachraj Sanghvi	35,000	0.05	[●]	[●]
11.	Vikramkumar Motilal Mehta	7,24,484	1.05	[●]	[●]
12.	Meena Vikramkumar Mehta	26,666	0.04	[●]	[●]
13.	Rameshkumar D. Mehta HUF	6,02,660	0.87	[●]	[●]
14.	Kamalaben Motilal Mehta	7,04,626	1.02	[●]	[●]
15.	Mehta Babulal D HUF	8,51,200	1.23	[●]	[●]
16.	Teena Manish Sanghvi	26,666	0.04	[●]	[●]
<b>Total (B)</b>		<b>83,90,400</b>	<b>12.17</b>	<b>[●]</b>	<b>[●]</b>
<b>Total (A+B)</b>		<b>5,39,05,040</b>	<b>78.21</b>	<b>[●]</b>	<b>[●]</b>

<sup>\*</sup>Rounded off to the closest decimal

<sup>\*\*</sup>To be updated at the time of filing of the Prospectus.

<sup>#</sup>Also, a Selling Shareholder

For further details, see "*Capital Structure*" beginning on page 103.

## Summary of Restated Financial Statements

Particulars	(₹ in lakhs)			
	Period Ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity share capital	3,445.88	3,445.88	3,445.88	3,445.88
Net worth	12,321.72	11,226.94	8,116.61	5,775.72
Total revenue (including other Income)	20,636.29	91,550.25	95,069.06	76,792.99
Profit/(loss) after tax	1,091.39	3,162.89	2,404.46	869.70
Earnings per Equity Share	1.58	4.59	3.49	1.26
Net asset value per Share (in ₹)	17.88	16.29	11.78	8.38
Total borrowings (including current maturities of long-term borrowings)	7,969.12	7,975.74	7,982.54	9,184.32

## Qualifications of the Auditors which have not been given effect to in the Restated Financial Statements

Our Statutory Auditor has not made any qualifications in the examination report that have not been given effect to in the Restated Financial Statements.

## Summary of outstanding litigation

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

(₹ in lakhs)

Nature of Cases	Number of outstanding cases	Amount Involved*
<b>Litigation involving our Company</b>		
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against our Company	Nil	Nil
Material civil litigation by our Company	1	25.00
Actions by statutory or regulatory Authorities	2	2,074.42
Direct and indirect tax proceedings	22	3,260.73
<b>Litigation involving our Directors(Other than Promoters)</b>		
Criminal proceedings against our Directors	Nil	Nil
Criminal proceedings by our Directors	Nil	Nil
Material civil litigation against our Directors	Nil	Nil
Material civil litigation by our Directors	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	1	0.0022
<b>Litigation involving our Promoter</b>		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	Nil	Nil
Material civil litigation against our Promoter	Nil	Nil
Material civil litigation by our Promoter	Nil	Nil
Actions by statutory or regulatory authorities	2	2,074.42
Direct and indirect tax proceedings	2	6.95

\*To the extent quantifiable.

For further details on the outstanding litigation proceedings, see "**Outstanding Litigation and Material Developments**" and "**Risk Factors**" beginning on page 389 and page 39 respectively.

## Risk factors

For further details, see "**Risk Factors**" beginning on page 39.

## Summary of contingent liabilities

Claims against the Company/disputed liabilities not acknowledged as Debts:

(₹ in lakhs)

Particulars	Period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
<b>I. Contingent Liabilities</b>				
Central Sales Tax	1,445.43	1,445.43	1,445.43	1,445.43
Gujarat Value Added Tax	875.68	875.68	875.68	875.68
Goods and Service Tax	776.38	294.37	25.00	25.00
Central Excise Tax	2,074.42	2,074.42	2074.42	2074.42
Income Tax	188.04	181.69	181.69	-
Industrial Dispute Act	2.50	2.50	2.50	2.50

For details, see "**Restated Financial Statements**" beginning on page 287.



## Summary of Related Party Transactions

### 1. Key Management personnel & Director

Name of KMP/Director	Designation
Shankarlal Deepchand Mehta	Managing Director (MD)
Babulal D. Mehta	Whole-time director (WTD)
Jayesh Natvarlal Pithva	Chief Financial Officer (up to August 1, 2024)
Richa Sanjeev Prashar	Company Secretary
Yashkumar Shankarlal Mehta	Additional Director- (w.e.f from January 1, 2024)
Prashant Bharatkumar Patel	Independent Director (w.e.f. June 12, 2024)
Kushal Kamlesh Brahmkshatriya	Independent Director (w.e.f. June 12, 2024)
Nikita Ronak Mehta	Independent Director (w.e.f. June 12, 2024)
Jigar Maheshbhai Pithva	Independent Director (up to June 12, 2024)
Meenakshi Rajendra Kumar Khatri	Independent Director (w.e.f. from September 1, 2023 up to June 12, 2024)
Mahima Shankarlal Mehta	Director (up to September 1, 2023)
Jayesh Natvarlal Pithva	Director

### 2. Relative of Key Managerial Personnel & Director

Name of Relative of KMP/Director	Relationship With KMP/Director
Surekha Shankarlal Mehta	Wife of Managing Director
Yashkumar Shankarlal Mehta	Son of Managing Director (up to December 31, 2023)
Mahima Shankarlal Mehta	Daughter of Managing Director (w.e.f from up to September 1, 2023)
Nihali Mehta	Daughter of Managing Director
Mohit Jayesh Pithwa	Son of Director
Hetal Jayesh Pithva	Wife of Director

### Enterprise in which Key Managerial Personnel or their relative can exercise significant influence

Name of Enterprise	Relationship With KMP/Director
Surya Steel Center	Managing Director's & Whole-time Director's Brother is a Proprietor
Steel Wire India	Whole-time director's Son is a Partner
Steel Trade India	Whole-time director's Son is a Partner
Steel Icon Stainless Private Limited	Whole-time director's Son is a Director
Steel World India	CFO & Director's Son is the Proprietor
Steel Inox Private Limited	CFO & Director's Mother is a Director
Rutvij Stainless Private Limited	Additional Director is a Director
Ventana Speciality Private Limited	Additional Director is a Director
Bhansali Bright Bars Private Limited	Additional Director is a Director
Rajputana Bright Bars Private Limited (formerly known as Rajputana Advisory Services Private Limited)	Managing Director's & Whole-time Director's are Director
Bhansali Bright Bars Private Limited	Additional Director is a Director
Kanungo Ferromet Private Limited	Father of Spouse of Additional Director is Interested
Neo Ferromet Private Limited	Father of Spouse of Additional Director is Interested
Kanungo Recycling LLP	Father of Spouse of Additional Director is Interested
Cetus Engineering Private Limited	Brother of Spouse of Additional Director is Interested
Metal Sales	Brother in law of Managing Director is Interested
Steel Forge India	Brother in law of Whole-time director is Interested

### Transaction with Related Parties

(in ₹ lakhs)

Name	Relationship	Period Ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
<b>1. Sales</b>					
Surya Steel Center	Managing Director's & Whole-time Director's Brother is a Proprietor	7.57	9.09	3.14	34.25
Steel Wire India	Whole-time director's Son is a Partner	15.16	778.10	493.82	378.40
Steel Trade India	Whole-time director's Son is a Partner	-	-	-	67.12
Steel Icon Stainless Private Limited	Whole-time director's Son is a Director	1.25	192.61	243.08	-
Steel World India	CFO & Director's Son is the Proprietor	213.86	550.16	502.96	430.01
Rutvij Stainless Private Limited	CFO & Director's Mother is a Director	(0.43)	261.90	-	-
Ventana Speciality Private Limited	Additional Director is a Director	249.09	82.81	10.88	-
Bhansali Bright Bars Private Limited	Additional Director is a Director	244.07	68.02	88.60	366.50
Kanungo Ferromet Private Limited	Father of Spouse of Additional Director	247.94	741.49	1,605.33	1,045.03
Neo Ferromet Private Limited	Father of Spouse of Additional Director is Interested	16.60	176.78	120.93	-
Steel Forge India	Brother in law of Whole-time director is Interested	115.34	503.63	385.03	475.33
Metal Sales	Brother in law of Managing Director is Interested	-	-	7.81	-
Cetus Engineering Private Limited	Brother of Spouse of Additional Director is Interested	-	-	10.01	3.20
<b>2. Purchases</b>					
Steel Wire India	Whole-time director's Son is a Partner	-	466.05	183.80	493.92
Steel Icon Stainless Private Limited	Whole-time director's Son is a Director	4.86	324.10	72.07	15.57
Steel World India	CFO & Director's Son is the Proprietor	-	41.86	114.44	171.64
Ventana Speciality Private Limited	Additional Director is a Director	66.32	647.05	74.14	-
Bhansali Bright Bars Private Limited	Additional Director is a	264.18	131.86	15.23	55.04

Name	Relationship	Period Ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	Director				
Kanungo Ferromet Private Limited	Father of Spouse of Additional Director is Interested	844.54	3,718.28	3,395.25	3,238.06
Neo Ferromet Private Limited	Father of Spouse of Additional Director is Interested	34.24	104.12	77.44	34.90
Kanungo Recycling LLP	Father of Spouse of Additional Director is Interested	-	-	34.00	32.03
Metal Sales	Brother in law of Managing Director is Interested	-	-	13.30	26.42
Cetus Engineering Private Limited	Brother of Spouse of Additional Director is Interested	-	-	4.14	-
<b>3. Expenses</b>					
<b>Remuneration to KMP &amp; Directors</b>					
Shankarlal Deepchand Mehta	Managing Director (MD)	75.00	300.00	204.00	90.00
Babulal Deepchand Mehta	Whole-time director (WTD)	4.50	18.00	18.00	18.00
Jayesh Natvarlal Pithva	Chief Financial Officer	4.50	18.00	18.00	18.00
Mahima Shankarlal Mehta	Director (up to September 1, 2023)	-	7.50	9.00	9.00
Richa Sanjeev Prashar	Company Secretary	1.58	3.31	2.78	2.72
Yashkumar Shankarlal Mehta	Additional Director- (w.e.f from 1st January 2024)	7.68	7.68	-	-
<b>Interest Expenses</b>					
Shankarlal Deepchand Mehta	Managing Director (MD)	-	32.67	20.59	19.54
<b>Salary</b>					
Surekha S. Mehta	Wife of Managing Director	-	6.90	6.86	6.00
Mahima Mehta	Daughter of Managing Director (w.e.f from up to 01th Sept. 2023)	3.00	10.50	-	-
Yashkumar Shankarlal Mehta	Son of Managing Director (up to 31st Dec., 2023)	-	28.37	30.89	9.27
Mohit Jayesh Pithva	Son of Director	3.75	15.00	3.60	-
<b>Rent Paid</b>					
Hetal Jayesh Pithva	Wife of Director	-	7.80	7.80	7.80
<b>Conversion Charges Paid</b>					
Bhansali Bright Bars	Additional Director is a Director	58.95	198.28	32.57	86.48
<b>Unsecured Loan Repaid</b>					
Shankarlal Deepchand	Managing	195.23	1,407.3	129.00	487.82

Name	Relationship	Period Ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Mehta	Director				
<b>4. Income</b>					
<b><i>Rent Income</i></b>					
Rutvij Stainless Private Limited	Additional Director is a Director	-	-	0.60	0.60
<b><i>Interest Income</i></b>					
Steel Icon Stainless Private Limited	Whole-time director's Son is a Director	2.15	19.40	39.69	18.39
Steel World India	CFO & Director's Son is the Proprietor	-	-	16.14	-
Steel Inox Private Limited	CFO & Director's Mother is a Director	2.43	6.78	-	-
Rutvij Stainless Private Limited	Additional Director is a Director	12.35	39.06	-	-
Ventana Speciality Private Limited	Additional Director is a Director	39.19	7.72	-	-
<b><i>Freight Charges Received</i></b>					
Kanungo Ferromet Private Limited	Father of Spouse of Additional Director is Interested	0.50	0.37	-	-
Steel World India		-	-	1.16	-
Steel Icon Stainless Private Limited	Whole-time director's Son is a Director	-	3.13	-	-
<b><i>Discount Recieved</i></b>					
Kanungo Ferromet Private Limited	Father of Spouse of Additional Director is Interested	2.75	-	-	-
<b><i>Conversion Charges Recieved</i></b>					
Steel Icon Stainless Private Limited	Whole-time director's Son is a Director	1.25	20.12	-	-
Steel Wire India	Whole-time director's Son is a Partner	-	0.78	-	-
Steel World India		1.38	-	2.38	-
Kanungo Ferromet Private Limited	Father of Spouse of Additional Director is Interested	-	62.26	32.75	21.98
Steel Forge India	CFO & Director's Son is the Proprietor	-	-	-	16.42
<b>5. Unsecured Loan Accepted</b>					
Shankarlal Deepchand Mehta	Managing Director	244.00	1,367.50	216.90	284.84
<b>6. Unsecured Loan Repaid</b>					
Shankarlal Deepchand Mehta	Managing Director	195.23	1,407.38	129.00	487.82
<b>7. Loan Given to Enterprise in which KMP or their relative can exercise significant influence</b>					
Steel Icon Stainless Private Limited	Whole-time director's Son is a Director	100.00	-	118.45	400.00

Name	Relationship	Period Ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Rajputana Bright Bars Private Limited (Formerly known as Rajputana Advisory Services Private Limited)	Managing Director's & Whole-time Director's are Director	-	-	-	0.22
Steel Inox Private Limited	CFO & Director's Mother is a Director	-	75.00	-	-
Rutvij Stainless Private Limited	Additional Director is a Director	-	415.00	-	-
Ventana Speciality Private Limited	Additional Director is a Director	-	1,490.00	-	-
<b>8. Balance Outstanding</b>					
<b>i. Unsecured Loan Payable</b>					
Shankarlal Deepchand Mehta	Managing Director (MD)	305.10	245.80	256.28	147.79
<b>ii. Unsecured Loan Receivable</b>					
Steel Icon Stainless Private Limited	Whole-time director's Son is a Director	122.32	22.12	535.72	-
Steel Inox Private Limited	CFO & Director's Mother is a Director	83.53	81.10	-	-
Rutvij Stainless Private Limited	Additional Director is a Director	462.50	450.15	-	-
Rajputana Bright Bars Private Limited (Formerly known as Rajputana Advisory Services Private Limited)	Managing Director's & Whole-time Director's are Director	-	-	0.91	0.87
Ventana Speciality Private Limited	Additional Director is a Director	1,536.13	1,496.94	-	-
<b>iii. Remuneration Payable</b>					
Babulal D. Mehta	Whole-time director (WTD)	3.74	-	24.89	20.20
Jayesh Pithva	Executive Director and Chief Financial Officer	3.74	-	50.39	28.56
Yashkumar Shankarlal Mehta	Additional Director- (w.e.f from 1st January 2024)	1.89	0.16	-	-
Shankarlal Deepchand Mehta	Managing Director (MD)	-	-	3.21	-
<b>iv. Salary Payable</b>					
Mahima Shankarlal Mehta	Director (up to 01th Sept. 2023)	3.24	0.69	-	-
Nihali Mehta	Daughter of Managing Director	2.54	10.48	-	-
Mohit Jayesh Pithva	Son of Director	3.07	15.54	3.00	-
<b>v. Trade Receivable</b>					
Surya Steel Center	Managing	16.93	-	18.51	32.28

Name	Relationship	Period Ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	Director's & Whole-time Director's Brother is a Proprietor				
Steel Wire India	Whole-time director's Son is a Partner	159.55	141.67	178.26	41.89
Rutvij Stainless Private Limited	Additional Director is a Director	9.27	9.78	(0.29)	16.00
Bhansali Bright Bars Private Limited	Additional Director is a Director	182.69	212.22	295.61	(306.51)
Ventana Speciality Private Limited	Additional Director is a Director	183.68	57.83	(18.64)	-
Neo Ferromet Private Limited	Father of Spouse of Additional Director is Interested	10.09	-	-	-
Steel Forge India		(0.05)	(0.05)	-	41.85
<b>vi. Trade Payable</b>					
Neo Ferromet Private Limited	Father of Spouse of Additional Director is Interested	40.81	-	-	-
Kanungo Ferromet Private Limited	Father of Spouse of Additional Director is Interested	539.32	615.75	520.75	321.44
<b>vii. Rent Payable</b>					
Hetal Jayesh Pithva	Wife of Director	10.42	10.42	6.63	4.01
<b>viii. Advance to Suppliers</b>					
Bhansali Bright Bars Private Limited	Additional Director is a Director	602.37	162.57	-	-
Steel Wire India	Whole-time director's Son is a Partner	70.62	70.62	-	-
Ventana Speciality Private Limited	Whole-time director's Son is a Partner	883.18	95.00	-	-

For further details of the related party transactions and as reported in the Restated Financial Statements, see "*Restated Financial Statements*" beginning on page 287.

### Financing Arrangements

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

### Details of price at which specified securities were acquired by our Promoters, members of the Promoter Group, Selling Shareholder and Shareholders with right to nominate directors or other rights in the last three years preceding the date of this Draft Red Herring Prospectus

None of the Promoters, members of the Promoter Group, Selling Shareholder and Shareholders acquired specified securities with the right to nominate directors or other rights in the last three years preceding the date of this Draft

Red Herring Prospectus. There are no Shareholders with right to nominate directors or other rights.

**Weighted average price at which the Equity Shares were acquired by our Promoters and Selling Shareholder in the one year preceding the date of this Draft Red Herring Prospectus**

Name of the Promoter	Number of equity shares acquired in the one year preceding the date of this Draft Red Herring Prospectus	Weighted average price per Equity Share (₹) <sup>^</sup>
Shankarlal Deepchand Mehta <sup>#</sup>	1,81,57,250	Nil
Babulal D. Mehta	37,04,681	Nil
Jayesh Natvarlal Pithva	30,61,247	Nil

<sup>\*</sup>As certified by Statutory Auditor by way of their certificate dated December 28, 2024.

<sup>#</sup>Also, a Selling Shareholder

<sup>^</sup>Equity Shares acquired in the last one year pursuant to Bonus Issue, transfer or transmission.

**Weighted average cost of acquisition of all shares transacted in (i) last one (1) year; (ii) last eighteen (18) months and (iii) last three (3) years preceding the date of this Draft Red Herring Prospectus**

Period	Weighted average cost of acquisition (in ₹)	Cap Price is 'X' times Weighted Average Cost of Acquisition <sup>**</sup>	Range of acquisition price: lowest price – highest price (in ₹)
Last one (1) year preceding the date of this Draft Red Herring Prospectus	-	[•]	[•]
Last eighteen (18) months preceding the date of this Draft Red Herring Prospectus	-	[•]	[•]
Last three (3) years preceding the date of this Draft Red Herring Prospectus	-	[•]	[•]

<sup>\*</sup>As certified by our Statutory Auditors pursuant to their certificate dated December 28, 2024

<sup>\*\*</sup>To be updated once the price band information is available

**Average Cost of Acquisition of Equity Shares by our Promoters and Selling Shareholder**

Name of the Promoter	Number of Equity Shares held	Average cost per Equity Share (₹)
Shankarlal Deepchand Mehta <sup>#</sup>	3,63,14,500	0.94
Babulal D. Mehta	54,01,226	1.37
Jayesh Natvarlal Pithva	37,98,914	1.72

<sup>\*</sup>As certified by Statutory Auditor by way of their certificate dated December 28, 2024.

<sup>#</sup>Also, a Selling Shareholder

**Details of Pre-IPO Placement**

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until grant of listing and trading permission by the Stock Exchanges.

**An Offer of equity shares for consideration other than cash in the last one year**

Except as set out below, our Company has not made an issue of equity shares for consideration other than cash in the last one year.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Name of allottees	Benefits accrued to our Company
November 06, 2024	34,458,829	10	N.A	Bonus issue	Allotment of 1,81,57,250 Equity Shares to Shankarlal Deepchand	Capitalization of reserves



Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Name of allottees	Benefits accrued to our Company
					Mehta, 16,96,545 Equity Shares to Babulal D Mehta, 8,04,457 Equity Shares to Jayesh Natvarlal Pithva, 10,04,068 Equity Shares to Bhaguben Babulal Mehta, 1,28,565 Equity Shares to Girish Babulal Mehta, 2,51,847 Equity Shares to Kalpesh Babulal Mehta, 78,357 Equity Shares to Pinky Jain, 7,16,124 Equity shares to Ramesh Deepchand Mehta, 10,95,000 to Nirmalaben Natvarlal Pithva, 5,84,000 Equity Shares to Hetal Jayesh Pithva, 4,25,600 Equity Shares to Mehta Babulal D HUF, 17,500 Equity Shares to Mangilal B. Sanghvi, 1,96,667 Equity Shares to Jayanti Mangilal Sanghvi, 13,333 Equity Shares to Meena Vikram Mehta, 3,52,313 Equity Shares to Kamla Motilal Mehta, 3,62,242 Equity Shares to Vikram Motilal Mehta, 2,29,584 Equity Shares to Rohiniben Ramesh Mehta, 3,01,330 Equity Shares to Rameshkumar D Mehta HUF, 1,81,292 Equity shares to Mahendra Motilal Mehta, 3,43,113 Equity Shares to Motilal Deepchand Mehta HUF, 13,333 Equity Shares to Teena Manish Sanghvi, 27,96,750 Equity Shares to Lohagar Developer Private Limited, 4,418 Equity Shares to Babulal Vishnoi, 17,217 Equity Shares to Satishkumar D Sanghvi, 2,25,000 Equity Shares to Jatin Vrajlal Shah, 2,25,000 Equity Shares to Kalpana J Shah, 1,00,000 Equity shares to Vijaykumar Omprakash Jethaliya, 2,00,000 Equity shares to Hitesh Roopchand Kanungo, 1,00,000 Equity shares to Pakshal Metal and Alloys, 75,000 Equity shares to Indu Pradeep Sanghvi,	

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Name of allottees	Benefits accrued to our Company
					50,000 Equity shares to Pradeep Gorakhchand Sanghvi, 50,000 Equity shares to Narpatchand Chhogalal Sanghvi, 924 Equity shares to Tejaram Kinaram Bishnoi, 25,000 Equity shares to Umesh N Sanghvi, 25,000 Equity shares to Nilam Akash Bokadia, 50,000 Equity shares to Shushila Ramesh Jain, 50,000 Equity shares to Damayanti Prakashkumar Jain, 50,000 Equity Shares to Vikram Kumar Jain, 50,000 Equity Shares to Pramesh Prafullchandra Parikh, 50,000 Equity Shares to Sumit Kumar Jain, 50,000 Equity Shares to Anju Kantilal Jain, 55,000 Equity Shares to Jainam Sayer Sayer Jain, 55,000 Equity Shares to Aishwarya Sayer Jain, 55,000 Equity Shares to Sayer Kaluchand Jain, 1,00,000 Equity Shares to Amarchand J Mehta, 1,50,000 Equity Shares to Vinod Babual Sanghvi, 1,50,000 Equity Shares to Rikhabchand Jawantraj Bakodia, 1,25,000 Equity Shares to Pooja Sandip Jain, 1,25,000 Equity Shares to Bhartiben Milapchand Jain, 2,50,000 Equity Shares to Sandeep Milapchand Jain, 2,50,000 Equity Shares to Ravi Milapchand Jain, 2,00,000 Equity Shares to Deepak Aarti Chandan, 1,00,000 Equity Shares to Sangitaben M Mehta, 1,00,000 Equity Shares to Chandrika R Mehta, 1,00,000 Equity Shares to Babulal S Mehta HUF, 2,00,000 Equity Shares to Manjula H Sanghvi, 5,00,000 Equity Shares to Narendra Chaudhry, 1,00,000 Equity Shares to Prince N Sanghvi, 1,00,000 Equity Shares to Jatin V Shah HUF, 1,00,000	

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Name of allottees	Benefits accrued to our Company
					Equity Shares to Laliy P Mehta, 90,000 Equity Shares to Deepika P Doshi, 1,00,000 Equity Shares to Bhavna C Doshi, 1,50,000 Equity Shares to Kavita Nilesh Chandan, 50,000 Equity Shares to Nilesh Hastimal Chandan, 1,07,000 Equity Shares to Kamala P Doshi.	

#### **Split/ Consolidation of equity shares in the last one year**

Our Company has not undertaken any split or consolidation of Equity Shares in the last one year as on the date of this Draft Red Herring Prospectus.

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

Our Company has not taken any exemption from complying with any provisions of the Securities Law from SEBI as on the date of this Draft Red Herring Prospectus.

## SECTION II –RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. Prospective 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. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this Section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or any other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or any part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

*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 implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this Section is derived from our Restated Financial Statements prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this Section in conjunction with “**Our Business**” on page 214, “**Industry Overview**” on page 176 and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 366 as well as other financial information contained herein. For capitalized terms used but not defined herein, see “**Definitions and Abbreviation**” on page 1.*

### **Materiality:**

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

- *Some risks may not be material individually but may be material when considered collectively;*
- *Some risks may have an impact which is qualitative though not quantitative; and*
- *Some risks may not be material at present but may have a material impact in the future.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this Section is derived from our financial statements under Ind AS, as restated in this Draft Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see “**Forward-Looking Statements**” on page 23.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “**Industry Report on Indian Stainless Steel**” dated December 24, 2024 prepared and issued by Dun & Bradstreet (“**D&B**”) (the “**D&B Report**”), which has been exclusively commissioned and paid for by our Company in connection with the Offer pursuant to an engagement letter dated May 23, 2024. D&B India is an independent agency which has no relationship with our Company, the Selling Shareholder, our Promoters and any of our Directors or KMPs or SMPs. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the D&B Report is available on the website of our Company at [www.rajputanastainless.com/](http://www.rajputanastainless.com/) until the Bid/Offer Closing Date.*

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

In this Draft Red Herring Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “Our Company”, “Rajputana” and “RSL” refer to Rajputana Stainless Limited.

## **INTERNAL RISK FACTORS**

- We derive a significant portion of our revenue from operations from our top 10 customers and we do not have long-term contracts with all of these customers. If one or more of such customers choose not to source their requirements from us or to terminate our contracts or purchase orders, our business, cash flows, financial condition and results of operations may be adversely affected.***

We derive the majority of our revenues from the manufacture and supply of our products domestically, through direct sales to Manufacturers and traders. Our top 10 customers whom we supply our products comprises of Manufacturers only. The table set forth below provides the revenue contribution and revenue contribution from sale of our products as a percentage of our total revenue from our top 10 customers, for three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

*(₹ in lakhs except for percentages)*

<b>Period</b>	<b>Revenue from operations</b>	<b>Revenue contribution of our top 10 customers</b>	<b>% Revenue contribution of our top 10 customers</b>
For the period ended June 30, 2024	20,528.03	9,087.76	44.27%
Fiscal 2024	90,980.80	38,164.09	41.95%
Fiscal 2023	94,767.44	41,972.57	44.29%
Fiscal 2022	76,641.70	36,255.25	47.30%

*Note: As certified by the Statutory Auditors through certificate dated December 29, 2024*

We have not entered into a contractual arrangement for supply of our products with all the customers and instead rely on purchase orders to govern the volume and other terms of our sales. We cannot assure you that we will be able to sell the quantities we have historically supplied to such customers. In the event our competitors’ products offer better margins to such customers or otherwise incentivize them, there can be no assurance that our customers will continue to place orders with us. Most of our transactions with our customers are typically on a purchase order basis without any commitment for a fixed volume of business. There can also be no assurance that our customers will place their orders with us on current or similar terms, or at all. Further, our customers could change their business practices or seek to modify the terms that we have customarily followed with them, including in relation to their payment terms. While we negotiate product prices and payment terms with our customers, in the event our customers alter their requirements, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows. In addition, our customers may also cancel purchase orders at short notice or without notice, which could have an impact on our inventory management. In the event of frequent cancellations of purchase orders, the same could have a material adverse effect on our business, financial condition, results of operations and cash flows.

While we believe that we have maintained good and long-standing relationships with our customers, for instance, our top five (5) customers have been associated with us for over 3 years, however, there can be no assurance that we will continue to have such long-term relationship with them. Significant dependence on a select and small group of customers may increase the potential volatility of our results of operations. We may continue to remain dependent upon our key customers for a substantial portion of our revenues.

During three month ended June 30, 2024 and Fiscal 2024, our largest customer accounted for 9.67 % and 8.94% of our revenues.

The loss of all or a significant portion of sales to any of our top 10 customers, for any reason including the loss of contracts or inability to negotiate favourable terms, failure to meet their quality or design specification, our inability to respond to change in market trends, economic changes, shortage of skilled labour, our disputes with these customers, adverse changes in their financial condition, insolvency or bankruptcy of these customers, decrease in their sales, any action undertaken by the government affecting business of these customers, etc. could have an adverse impact our business, financial condition, results of operations, and cash flows. Further, these customers may change their outsourcing strategy by replacing us with our competitors, or replacing our product with alternative products which we do not supply. Also, these customers may demand price reductions and we cannot assure you that we will be able to offset any reduction of prices to these customers with reductions in our costs.

While we have not encountered any loss of major customers during the three-month period ended June 30, 2024 and in the last three Fiscals, there can be no assurance that we would not lose any of our major customers in the future. Any loss of our major customers may reduce our sales and affect our estimates of anticipated sales, and may have an adverse effect on our business, results of operations, financial condition and cash flows. Also, see ***“Risk Factor - We derive the majority of sale from the domestic market and a significant portion of our domestic sales are derived from the states of Maharashtra, Gujarat & Uttar Pradesh. Any adverse developments in this market could adversely affect our business”*** on page 43 and ***“Risk Factor - Disruption in our relationships with third party traders, changes in their business practices, their failure to meet payment schedules could adversely affect our business, operating cash flows and financial condition”*** on page 48.

**2. *Our Manufacturing Facility and Proposed Facility is located in Gujarat and therefore our operation is highly vulnerable to regional conditions and economic downturns in the region.***

Our manufacturing facility is located at Halol Kalol Road, Kalol, Panchmahal, Gujarat, India. We propose to establish our Proposed Facility within the premise of our exiting Manufacturing Facility. We are dependent on our manufacturing facilities for the production of our products. Our business is vulnerable to regional conditions and economic downturns in the region. Any unforeseen events or circumstances that negatively affect this area could materially adversely affect our sales and profitability. In addition, our business may also be susceptible to regional natural disasters and other catastrophes, such as telecommunications failures, cyber-attacks, fires, riots, political unrest or terrorist attacks.

Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the local governments in this region could adversely affect operations at our manufacturing facility. Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods, droughts, or diseases heightened or particular to the region, may adversely impact the supply of raw material, end-products, local transportation and operations at our manufacturing facility. Such disruptions to supply would materially and adversely affect our business, profitability and reputation. Also, see ***“Risk Factor - Our existing manufacturing facility is critical to our business operations. The unexpected shutdown or slowdown of operations at our operational manufacturing facility could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition”*** on page 45.

**3. *We rely substantially on our top 10 suppliers of the raw materials and work-in-progress goods used in our manufacturing processes. Any shortages, delay or disruption in the supply of the raw materials we use in our manufacturing process may have a material adverse effect on our business, financial condition, results of operations and cash flows.***

The principal raw materials we use to manufacture our products include stainless steel scrap, mild steel scrap, oxygen, nitrogen, argon, ferro alloys including nickel, copper, molybdenum, ferro chrome, etc. Although, we enter into contracts with some of our suppliers for the uninterrupted supply of raw materials such as liquid oxygen, liquid nitrogen and liquid argon, natural gas, we cannot assure that we will be in a position to procure our raw materials in a timely manner. The uninterrupted supply of raw materials is fundamental to our business and our profit margins. The price and availability of these raw materials are

subject to market conditions which can be negatively affected by a number of factors beyond our control including interruptions in production by suppliers, suppliers' allocation of materials to other purchasers, industry trends, logistics issues, weather and natural disasters, commodity market fluctuations, changes in domestic as well as international government policies, regulatory changes, trade sanctions, etc.

We procure our raw materials, both from the domestic market and international market, depending upon the price and availability of raw materials. Our expenses towards purchase of raw materials for three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹16,602.04 lakhs, ₹73,680.99 lakhs, ₹75,513.48 lakhs and ₹63,750.03 lakhs comprising 80.87%, 80.99%, 79.68% and 83.18% of our revenue from operations, respectively. The following table sets forth a breakdown of our expense towards procurement of raw material, in absolute terms and as a percentage of total expense, for the periods indicated:

Particulars	As on June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	in ₹ in lakhs	% of Total Purchases	in ₹ in lakhs	% of Total Purchases	in ₹ in lakhs	% of Total Purchases	in ₹ in lakhs	% of Total Purchases
Import of goods	3,646.64	21.97%	26,226.49	35.59%	19,822.29	26.25%	4,608.01	7.23%
Indigenous goods Purchase	12,955.39	78.03%	47,454.50	64.41%	55,691.19	73.75%	59,142.01	92.77%
Total Purchases	16,602.04	100%	73,680.99	100%	75,513.48	100%	63,750.03	100%

Note: As certified by the Statutory Auditors through certificate dated December 29, 2024

The details of expenses incurred toward our top 5 and 10 suppliers of our Company for three month ended June 30, 2024, Fiscal 2024, Fiscal 2023, Fiscal 2022 are set out below:

Particulars		For the period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		in ₹ in lakhs	% to cost of material consumed	in ₹ in lakhs	% to cost of material consumed	in ₹ in lakhs	% to cost of material consumed	in ₹ in lakhs	% to cost of material consumed
Top 5 suppliers	5	3,384.57	19.85%	13,542.75	18.23%	13,422.77	17.93%	9,418.99	14.80%
Top 10 suppliers	10	5,437.04	31.88%	20,893.39	28.13%	22,320.83	29.82%	15,160.91	23.83%

Note: As certified by the Statutory Auditors through certificate dated December 29, 2024

For further information, see “**Our Business – Raw Materials**” on page 241.

There is no direct/ indirect relationship between our top suppliers and our Company, our Promoter, Directors and Promoter Group members. We depend on external suppliers for all the raw materials required and typically purchase raw materials on a purchase order basis and place such orders with them in advance based on our projected requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. The absence of long-term supply contracts with all suppliers subjects us to risks such as price volatility. Some part of our raw materials and consumables are also imported. Malaysia, UAE, South Korea, Hong Kong, U.S.A constituted the top 5 countries from which the raw materials were imported during the last three financial years. As a result, we continue to remain susceptible to the risks arising out of foreign exchange rate fluctuations as well as import duties, which could result in a decline in our operating margins.

If we cannot fully offset the increase in raw material prices with increase in the prices for our products,

we will experience lower profit margins, which in turn may have a material adverse effect on our results of operations, financial condition and ultimately lead to a liquidity crunch. In the absence of such contracts, we are also exposed to the risk of unavailability of raw materials in desired quantities and qualities, in a timely manner.

Although we have not faced significant disruptions in the procurement of raw materials during the three-month period ended June 30, 2024 and in the last three Fiscals, except during COVID-19 pandemic which temporarily affected our ability to source raw materials from certain vendors who were unable to transport raw materials to us. There can be no assurance that in future we will be able to procure the required quantities and quality of raw materials commensurate with our requirements.

There can also be no assurance that a particular supplier will continue to supply us with raw materials in the future. Any delay in supplying finished products to customers in accordance with the terms and conditions of the purchase orders, such as delivery within a specified time, as a result of delayed raw material supply, could result in the customer refusing to accept our products, which may have an adverse effect on our business and reputation. Further, we cannot assure you of our ability to enter into fresh agreements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner as well as the commitments to our customers, which may impact our business and profitability.

**4. We derive the majority of sale from the domestic market and a significant portion of our domestic sales are derived from the states of Maharashtra, Gujarat & Uttar Pradesh. Any adverse developments in this market could adversely affect our business.**

We derive the majority of sale from the domestic market. The following table sets forth a breakdown of our revenues from operations in India and our revenue from operations outside India, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

(in ₹ lakhs)

Particulars	For the period ended June 30, 2024	% to the total revenue	Fiscal 2024	% to the total revenue	Fiscal 2023	% to the total revenue	Fiscal 2022	% to the total revenue
Domestic Revenue	20,229.46	98.55%	90,494.47	99.47%	94,767.44	100%	76,641.70	100%
Export Revenue	298.57	1.45%	486.33	0.53%	-	-	-	-
<b>Total</b>	<b>20,528.03</b>	<b>100%</b>	<b>90,980.80</b>	<b>100%</b>	<b>94,767.44</b>	<b>100%</b>	<b>76,641.70</b>	<b>100%</b>

Note: As certified by the Statutory Auditors through certificate dated December 29, 2024

In India, we currently sell our products in thirteen (13) states and two (2) union territories through direct sales and our traders' network. We generate significant revenue from operations from the state of Maharashtra, Gujarat and Uttar Pradesh which amounts to 18,506.83 lakhs, 79,245.58 lakhs, 86,416.05 lakhs and 67,137.65 lakhs constituting 90.15 %, 87.10 %, 91.19 % and 87.60 % of total revenue from operations during the three-month ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. The table below sets forth our revenue from the identified Indian States for the years indicated:

Name of the States/Union Territories	For the three months period ended June 30,		For the Fiscals					
	Amount (₹ in lakhs)	% of total revenue from operations	2024	% of total revenue from operations	2023	% of total revenue from operations	2022	% of total revenue from operations
Andhra	37.59	0.18%	150.00	0.16%	119.58	0.13%	128.10	0.17%
Chhattisgarh	-	0.00%	-	0.00%	6.17	0.01%	-	0.00%



Name of the States/Union Territories	For the three months period ended June 30,		For the Fiscals					
			2024		2023		2022	
	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations
Dadra & Nagar Haveli and Daman & Diu	24.46	0.12%	848.77	0.93%	880.04	0.93%	1,079.56	1.41%
Delhi	73.02	0.36%	467.31	0.51%	1,199.96	1.27%	778.74	1.02%
Gujarat	7,748.31	37.75%	26,659.37	29.30%	23,732.80	25.04%	15,772.13	20.58%
Haryana	123.26	0.60%	3,296.36	3.62%	1,353.92	1.43%	6.02	0.01%
Karnataka	659.59	3.21%	1,983.79	2.18%	1,102.98	1.16%	1,368.92	1.79%
Madhya	23.59	0.11%	1,378.61	1.52%	781.61	0.82%	147.51	0.19%
Maharashtra	8,177.25	39.83%	39,962.48	43.92%	46,047.33	48.59%	39,842.91	51.99%
Punjab	65.76	0.32%	557.80	0.61%	468.67	0.49%	144.29	0.19%
Rajasthan	370.61	1.81%	1,224.94	1.35%	1,686.42	1.78%	5,243.05	6.84%
Tamil Nadu	30.44	0.15%	494.51	0.54%	728.65	0.77%	419.90	0.55%
Telangana	-	0.00%	-	0.00%	23.84	0.03%	28.69	0.04%
Uttar Pradesh	2,581.27	12.57%	12,623.73	13.88%	16,635.92	17.55%	11,522.61	15.03%
West Bengal	314.30	1.53%	846.80	0.93%	-0.44	0.00%	159.27	0.21%

Note: As certified by the Statutory Auditors through certificate dated December 29, 2024

Due to the geographic concentration of the sale of our products in the above stated states / regions specially in Maharashtra, Gujarat and Uttar Pradesh, our operations are susceptible to local and regional factors, such as economic and weather conditions, adverse social and political events, natural disasters, demographic changes, and other unforeseen events and circumstances. Consequently, any significant social, political or economic disruption, natural calamities or civil disruptions in these regions, changes in policies of the State or local governments or the Government of India or adverse developments related to competition in these regions, may adversely affect our business, results of operations, financial condition and cash flows. While we have not experienced any such instances which adversely impacted our business and results of operations during the three-month period ended June 30, 2024 and in the last three Fiscals, we cannot assure you that such instances will not arise in the future.

As part of our strategy, intend to further expand our international footprint. For details, see “**Our Business- Our Strategies**” on page 226. Accordingly, we may face additional risks with establishing and conducting operations in new geographic locations. Competing successfully in international markets may require additional resources due to the unique aspects of each geographic market. Some of our competitors in such markets may have greater resources which may make their products more competitive than ours. We cannot assure you that we will be able to grow our business in such new geographic markets. The risk involved in entering new markets and expanding operations may be higher than expected, and we may face significant competition in such markets. We have limited or no experience in such new markets. Our inability to grow our business in such additional geographic areas could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition. Also, see “**Risk Factor - We derive a significant portion of our revenue from operations from our top 10 customers and we do not have long-term contracts with all of these customers. If one or more of such customers choose not to source their requirements from us or to terminate our contracts or purchase orders, our business, cash flows, financial condition and results of operations may be adversely affected**” on page 40.

5. ***We derive a substantial portion of our revenue from the sale of our products and any loss of sales due to a reduction in demand for our products could adversely affect our business, financial condition, results of operations and cash flows. Further, our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.***

We majorly rely on revenue generated from the sale of our stainless-steel products such as rolled black bars, rolled bright bars, billets, flat bars, ingots, stainless-steel wire rods. If there is a significant shift in the demand for our products, or if our customers start relying on other suppliers for such products, or if better substitutes are available in the market, or if there is any significant change in technology for production of such products, it could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. While we have not experienced any material decline in the sale of our finished products during the three-month period ended June 30, 2024 and in the last three Fiscals, there is no assurance that we will not face any such decline in sale of our products in the future.

The table below sets forth the revenue generated from sale of our products as a percentage of our revenue from operations for the period detailed herein.

(₹ in lakhs except for percentages)

Products	Billet	Ingots	Rolled Black Bar	Flat & Patti	Rolled Bright Bar	Wire rods	Other Products (RCS, , SS Mill Scale)
During the three-month period ended June 30, 2024	3,377.31	645.20	12,158.67	853.33	2,599.18	373.44	27.90
% of Revenue from Operations	16.45%	3.14%	59.23%	4.16%	12.66%	1.82%	0.14%
Fiscal 2024	13,150.97	1,881.39	50,362.25	2,951.11	10,938.23	9,107.38	289.53
% of Revenue from Operations	14.45%	2.07%	55.35%	3.24%	12.02%	10.01%	0.32%
Fiscal 2023	16,331.97	3,077.67	50,703.11	4,588.18	8,999.65	7,174.14	734.35
% of Revenue from Operations	17.23%	3.25%	53.50%	4.84%	9.50%	7.57%	0.77%
Fiscal 2022	9,315.14	3,324.04	45,182.91	7,047.45	6,990.24	2,730.69	972.22
% of Revenue from Operations	12.15%	4.34%	58.95%	9.20%	9.12%	3.56%	1.27%

Note: Revenue from operations does not include revenue from other trading and job-work income

We propose to establish manufacturing of stainless-steel seamless pipes plant within the premise of our existing Manufacturing Facility from the Net Proceeds. The proposed facility will enable us to produce stainless-steel seamless pipes. For details, see “**Objects of the Offer**” on page 136. There can be no assurance that the products we propose to introduce will achieve market acceptance. We may be unable to anticipate changes in technology and regulatory standards in the future. As a result, we may not be able to successfully develop, engineer, and bring to market new and innovative and/or improved products or respond to evolving business requirements. Any failure to successfully manufacture and market new products could adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. Also see “**Risk Factor - Errors in forecasting demand for our products could result in failure to manage our inventory and misallocation of production capacity, which in turn, could lead to decreased efficiency, increased cost and lost opportunity which could have an adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition**” on page 63.

6. ***Our existing manufacturing facility is critical to our business operations. The unexpected shutdown or slowdown of operations at our operational manufacturing facility could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.***

We have a single operational manufacturing facility in Gujarat which is subject to operating risks. Our manufacturing facility and operations are subject to the following risks:

- forced or voluntary closure of our manufacturing facility, including as a result of regulatory actions;
- problems with supply chain continuity, including as a result of natural or man-made disasters at our manufacturing facility;
- manufacturing shutdowns, breakdown or failure of equipment, equipment performance below expected levels of efficiency, obsolescence of our equipment and production facility, industrial accidents and the need to comply with the directives of relevant government authorities;
- disruption in electrical power or water resources, fire and industrial accidents, natural calamities, which may entail significant repair and maintenance costs;
- labor disputes, strikes, lock-outs that may result in temporary shutdowns or manufacturing disruptions;
- any changes in the availability of power or water availability which impacts the entire region;
- failure of a supplier to provide us with the critical raw materials or components for an extended period of time, which could impact continuous supply;
- shortage of qualified personnel;
- changes in laws and regulations impacting our manufacturing facility; and
- any other incidents beyond our control.

Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. While we believe that we undertake measures as we consider adequate to minimize the possible risk to any significant operational problems at our manufacturing facility, there can be no assurance that our business, results of operations, profitability and margins, cash flows and financial condition will not be adversely affected by disruption caused by operational problems at our manufacturing facility.

The occurrence of any of above stated risks could affect our operations by causing production to shut down or slowdown. No assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on our results of operations and financial condition.

Any interruption in production may require significant and unanticipated capital expenditure to affect repairs, which could have a negative effect on profitability and cash flows. Any or all of these occurrences could result in the temporary or long-term closure of our manufacturing facility, severely disrupt our business operations and materially adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. While we have not experienced any major disruptions at our Manufacturing Facility during the three month period ended June 30, 2024 and in the last three Fiscals, we cannot assure you that there will not be any such disruptions in the future.

**7. *Our Company is yet to place orders for the equipment, plant and machinery for the Proposed Facility. Any delay in placing orders or procurement of such equipment, plant and machinery may delay the schedule of implementation and possibly increase the cost of commencing operations.***

As on date, we are engaged in the business of manufacturing of long and flat stainless-steel products comprising of billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. We propose to establish a stainless-steel seamless pipes production plant within the premise of our existing Manufacturing Facility and for the purpose of establishing the Proposed Facility, our Company intends to utilise a portion of Net Proceeds.

Our Company has received third party quotations for the equipment, plant and machinery proposed to be installed at the proposed expanded manufacturing facility. Although, we have identified the type of equipment, plant and machinery proposed to be purchased from the Net Proceeds, we are yet to place orders for the proposed equipment, plant and machinery amounting to approximately ₹934.02 lakhs, excluding taxes and installation and transportation charges. The cost of the proposed purchase of

equipment, plant and machinery is based on the quotations received from third party vendors and contractors and such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. For details, see "*Objects of the Offer*" on page 136. Also, see "*Risk Factor - We may face several risks associated with the Proposed Facility, which could hamper our growth, prospects, cash flows and business and financial condition*" on page 47.

We cannot assure that we will be able to procure the equipment, plant and machinery in a timely manner and at the same price at which the quotations have been received. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns in expanding the capacity of our Manufacturing Facility. Further, if we are unable to procure machinery and equipment from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the machinery and equipment which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

8. ***We may face several risks associated with the Proposed Facility, which could hamper our growth, prospects, cash flows and business and financial condition.***

We intend to utilize a portion of the Net Proceeds of the Offer to set up the Proposed Facility for manufacturing of stainless-steel seamless pipes within the premise of our Manufacturing Facility. For further details, see "*Object of the Offer*" at page 136.

During the process of establishing the Proposed Facility, we may face several difficulties such as cost overruns or delays for various reasons, including, but not limited to, our financial and market conditions, changes in business and strategy, competition, negotiation with vendors, variation in cost estimates including due to passage of time, incremental pre-operative expenses and other external factors such as changes in the business environment, receipt of regulatory approvals and interest or exchange rate fluctuations, which may not be within the control of our management. We cannot assure you that we will be able to implement the Proposed Facility without facing delays or time and cost overruns.

Any delay in the aforementioned establishing of the Proposed Facility, could lead to revenue loss for our Company. Further, our Proposed Facility may be subject to delays and other risks, which may be caused due to certain other unforeseen events, such as unforeseen engineering or technical problems, disputes with workers, unanticipated cost increases or changes in scope and delays in obtaining requisite government approvals and consents. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost and time over-runs and any loss of profits resulting from such delays, shortfalls and disruptions.

Further, the budgeted cost may prove insufficient to meet the requirements of the Proposed Facility due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favorable to us or at all. We cannot assure that we will be able to complete the aforementioned expansion in accordance with the proposed schedule of implementation and any delay in setting up such plant in a timely manner, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition.

We also cannot assure you that we will be able to receive the requisites approvals for the Proposed Facility in a timely manner. If we are not able to receive the required approvals at all or if there is a delay in receiving the same, all other operations, which are to be undertaken for the completion of the expansion might also be delayed or we may also be compelled to evaluate alternate locations for completion of Proposed Facility. The quotations for plant and machinery and civil works received by us from concerned vendors and contractors might expire and we may be compelled to purchase the same at a higher cost from the same or different vendors as the case may be. Our financial condition, results of operations and liquidity would be materially and adversely affected if the cost for the Proposed Facility materially exceeds such budgeted amounts. For further details, see "*Objects of the Offer*" and "*Risk Factor - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any*

*bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds” on pages 136 and 75.*

**9. *We may face several risks associated with the construction of the building of the Proposed Facility, which could hamper our growth, prospects, cash flows and business and financial condition.***

We intend to utilize a portion of the Net Proceeds amounting to approximately ₹575.00 lakhs for the construction of the project building forming a part of the Proposed Facility. For further details, see "*Objects of the Offer*" on page 136.

In construction of the Proposed Facility, we may encounter cost overruns or delays for various reasons including changes in design and configuration of the project building, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, start-up costs, EPC and non-EPC costs and other external factors which may not be within the control of our management. If the project building that we propose to set up is not completed in a timely manner, or at all, our business, prospects and results of operations may be adversely affected. Further, the budgeted cost may prove insufficient to meet the requirements of the Proposed Facility due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favourable to us or at all.

We cannot assure that we will be able to complete the project building forming part of the Proposed Facility in accordance with the proposed schedule of implementation and any delay in setting up project building in a timely manner, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition.

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

Our Company, Promoters and Director are parties to certain legal proceedings. These legal proceedings are pending at different stages before various courts, tribunals and forums. The outcomes of these legal proceedings are uncertain and could lead to adverse orders against our Company, Promoters and Directors. Legal expenses, regulatory challenges, and potential sanctions arising from these proceedings may put a strain on our financial resources and impact our profitability. In the event of adverse rulings in these proceedings or levy of penalties / fines by courts, tribunals and forums, our Company may need to make payments or make provisions for future payments. Furthermore, adverse publicity and negative perceptions associated with criminal litigations can affect our reputation, leading to potential loss of customer trust and business opportunities. It may also impact our ability to secure contracts, licenses, or permits required for our operations.

A summary of the pending criminal and tax proceedings and other material litigations involving our Company, Directors and Promoters has been provided below:

<b>Nature of Cases</b>	<b>Number of outstanding cases</b>	<b>Amount Involved*</b>
<b><i>Litigation involving our Company</i></b>		
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against our Company	Nil	Nil
Material civil litigation by our Company	1	25.00
Actions by statutory or regulatory Authorities	2	2,074.42
Direct and indirect tax proceedings	22	3,260.73
<b><i>Litigation involving our Directors (Other than Promoters)</i></b>		
Criminal proceedings against our Directors	Nil	Nil
Criminal proceedings by our Directors	Nil	Nil
Material civil litigation against our Directors	Nil	Nil
Material civil litigation by our Directors	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	1	0.0022

Nature of Cases	Number of outstanding cases	Amount Involved*
<b>Litigation involving our Promoter</b>		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	Nil	Nil
Material civil litigation against our Promoter	Nil	Nil
Material civil litigation by our Promoter	Nil	Nil
Actions by statutory or regulatory authorities	2	2,074.42
Direct and indirect tax proceedings	2	6.95

\*To the extent quantifiable.

We cannot assure that any of the aforementioned litigations will be settled in our favour, or that no further liability will arise out of these proceedings. Even if we are successful in defending such cases, we will be subjected to legal and other costs relating to defending such litigation, and such costs could be substantial. The amounts claimed in these proceedings have been disclosed to the extent ascertainable. All of the above ongoing matters could result in financial losses, reputational damage, and disruptions to our Company's business operations, in the event any adverse orders are passed against our Company/directors.

While we have not incurred any material penalties / fines due to any adverse rulings during the three month ended June 30, 2024 and in the last three (3) Fiscals, such payments or provisions may increase our expenses and current or contingent liabilities and also, adversely affect our reputation, business, financial condition and results of operation in future.

**11. Disruption in our relationships with third party traders, changes in their business practices, their failure to meet payment schedules could adversely affect our business, operating cash flows and financial condition.**

We derive majority of our revenues from the manufacture and supply of our products domestically through direct sales to Manufacturers and traders. Our top 10 customers whom we supply our products comprises of Manufacturers. As of June 30, 2024 and Fiscal 2024, our Manufacturers network comprises of 155 and 253 customers respectively rest of which are traders which comprise of 54 and 132 Traders respectively across the country. We typically do not enter into annual contracts or long-term contracts with such third-party traders for the sale of our products and therefore cannot assure that we would maintain historic level of relation with them. At times, we provide certain incentives to such traders by giving an upfront discount in case of bulk orders, extended credit period, etc. We believe that such traders serve as a source of market information for our products which aids us in knowing our competitors and market trends.

The table set forth below the details of the revenue contribution by direct sales to Manufacturers and traders network (excluding revenue from other income) during the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022;

(₹ in lakhs except for percentages)

Particulars	For the period ended June 30, 2024	% to the total revenue	Fiscal 2024	% to the total revenue	Fiscal 2023	% to the total revenue	Fiscal 2022	% to the total revenue
Revenue from sales to Manufacturers	16,997.94	82.81	76,472.21	84.05	75,231.88	79.38	61,330.57	80.03
Revenue from sales to Traders	3,530.051	17.19	14,508.58	15.95	19,535.55	20.62	15,311.13	19.97
<b>Total</b>	<b>20,528.03</b>	<b>100</b>	<b>90,980.80</b>	<b>100</b>	<b>94,767.44</b>	<b>100</b>	<b>76,641.70</b>	<b>100</b>

\*As certified by the Statutory Auditors, through certificate dated December 30, 2024.

As we rely on our traders' network for sale of our finished products, any one of the following events

could adversely impact or result in a decrease in our sale of products and consequently impact our business, results of operations, profitability and margins, cash flows and financial condition:

- failure to maintain relationships with our existing traders;
- disputes with our traders, including disputes regarding pricing, performance, quality or supply chain
- failure to establish relationships with new traders, on favourable terms or at all; and
- reduction, delay or cancellation of orders from our traders;

Further, our traders are susceptible to changing their business practices, such as the inventory levels they maintain, or may fail to meet payment schedules, causing us to revise or revoke the credit period extended to them. Further, our traders are not exclusive to us and we have not entered into any arrangements with them. Such traders also stock and sell products of multiple manufacturers, who could be our competitors. If the terms offered to such traders by our competitors are more favourable than those offered by us, our traders may choose to purchase products from them instead of us.

We cannot assure you that we will not lose any of our traders to our competitors, which may result in a material adverse effect on our business in regions where such traders conduct their business. Alternatively, if such traders are not able to maintain a strong network of retailers and fabricators or other end customers, our products may not attain as much reach as our competitors in the market. While we have not lost any of our critical trader during the three-month period ended June 30, 2024 and in the last three Fiscals, we cannot assure you that such loss will not occur in the future.

**12. *We have had negative cash flows from operating activities for the three months period ended on June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and may, in the future, experience similar negative cash flows***

We have experienced negative cash flows from operating activities for the three months period ended on June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 due to increase in inventories balance, which have been partly funded out of borrowings from banks. The following table sets forth certain information relating to our cash flows for the periods indicated below:

Particulars	For the period ended June 30, 2024	For year ended March 31,		
		2024	2023	2022
Net cash flow generated from/ (utilized in) operating activities (A)	445.18	3,148.96	2,510.35	(193.91)
Net cash flow generated from/ (utilized in) investing activities (B)	(102.52)	(647.58)	(1,309.70)	(598.77)
Net cash flow generated from/ (utilized in) financing activities (C)	(343.10)	(2,502.67)	(1,197.17)	788.43

(₹ in lakhs)

For further information, see “*Restated Financial Statements*” on page 287.

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. We cannot assure you that we will not experience negative cash flows in the future. As a result, our business, financial condition and results of operations could be materially and adversely affected.

***Net cash generated from/ used in Operating Activities***

• **In Financial Year 2021-22**

Net cash generated from operating activities was ₹ (193.91) Lakhs. This comprised of the profit before tax of ₹ 1,393.54 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 679.31 Lakhs. The resultant operating profit before working capital changes was ₹ 3046.21 Lakhs, which was primarily adjusted for changes in working capital requirements.



*Net cash generated from/ used in Investing Activities.*

- **Three months period ended June 30, 2024**

Net cash used in investing activities was ₹ (102.52) Lakhs, which primarily comprised of cash used for the fixed assets of ₹ (139.68) Lakhs.

- **In Financial Year 2023-24**

Net cash used in investing activities was ₹ (647.58) Lakhs, which primarily comprised of cash used for the fixed assets of ₹ (1059.99) Lakhs.

- **In Financial Year 2022-23**

Net cash used in investing activities was ₹ (1309.70) Lakhs, which primarily comprised of cash used for the fixed assets of ₹ (1926.25) Lakhs.

- **In Financial Year 2021-22**

Net cash used in investing activities was ₹ (598.77) Lakhs, which primarily comprised of cash used for the fixed assets of ₹ (501.86) Lakhs.

*Net cash generated from/ used in Financing Activities*

- **Three months period ended June 30, 2024**

Net cash inflow from financing activities was ₹ (343.10) Lakhs which predominantly was on account of payment of financial cost of ₹ (351.67) Lakhs and other financial liabilities cost of ₹ 5.55 Lakhs.

- **In Financial Year 2023-24**

Net cash inflow from financing activities was ₹ (2502.67) Lakhs which predominantly was on account of payment of financial cost of ₹ (1446.52) Lakhs and other financial liabilities cost of ₹ (1127.01) Lakhs.

- **In Financial Year 2022-23**

Net cash utilized in financing activities was ₹ (1197.17) Lakhs, which predominantly was on account of payment of financial cost of ₹ (1137.18) Lakhs.

**13. *Our business is a high volume-low margin business. Any disruption in our turnover or failure to regularly grow the same may have a material adverse effect on our business, results of operations and financial condition.***

Ours is a high-volume low margin business. Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products, we manufacture, sell and due to high competition, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to procurement of raw material and timely sales / order execution.

The table set forth below the details of the revenue from operation for three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

(in ₹ lakhs)

Parameter	For three month period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	20,528.03	90,980.80	94,767.44	76,641.70

The table set forth below the details of our Profit Before Tax (PBT) and Profit After Tax (PAT) margin.

Parameter	For three month period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
<b>Return Based</b>				
Return on Equity	9.27%	32.70%	34.62%	16.55%
Return on Capital Employed	9.44%	32.17%	25.72%	18.51%
<b>Margin Based</b>				
EBITDA Margin (%)	9.42%	6.53%	4.63%	3.95%
PAT Margin (%)	5.32%	3.48%	2.54%	1.13%

\*As certified by the Statutory Auditors, through certificate dated December 29, 2024.

As part of our growth strategy, we aim to improve our functional efficiency and expand our product portfolio and business operations. Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans or complete them within the timelines. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Due to the nature of our business involving low profit margins, sudden changes with respect to price movements in goods being traded or sudden ad hoc anomalies in business or operations could substantially affect our net bottom lines and hence, adversely affect our results of operations and financial conditions. For further details, see “*Management’s Discussions and Analysis of Financial Condition and Results of Operations*” on page 366”

14. ***We require working capital requirements for the Proposed Facility and may require additional financing to meet such requirements, which could have a material adverse effect on our results of operations, cash flows and financial condition.***

The Proposed Facility is expected to commence commercial operations in the Fiscal 2027. After commencement of the commercial projection for the Proposed Facility, we will be required to fund the working capital requirement. Our Company proposed to utilise ₹3,768.05 lakhs of the Net Proceeds towards funding its working capital requirements of the Proposed Facility.

On the basis of estimated working capital requirement Proposed Facility, and assumptions for such working capital requirements as detailed in the TEV Report from D&B India, our Board pursuant to its resolution dated December 28, 2024 has approved the projected working capital requirements of Proposed Facility for Fiscals 2027. The details of Proposed Facility estimated working capital requirements for the Fiscal 2027 is as provided below:

Particulars	FY27 (Projected)
<b>Current Assets</b>	
Raw Material Inventory	569.84
Consumables Inventory	94.72
WIP Inventory	200.29
FG Inventory	942.54
Debtors	1,960.66
Cash & cash equivalent	994.52

Particulars	FY27 (Projected)
Other current assets	142.68
<b>Total Current Assets (A)</b>	<b>4,905.25</b>
<b>Current Liabilities</b>	
Creditors under cc	-
Creditors under lc	-
<b>Total Current Liabilities (B)</b>	<b>-</b>
<b>Net Working Capital (A-B)</b>	<b>4,905.25</b>
<b>Sources of Funds</b>	
Short-term borrowings	-
Funds from IPO	3,768.05
Internal Cash accruals	1,137.20
<b>Total Means of Finance</b>	<b>4,905.25</b>

Source: TEV Report dated December 28, 2024

As certified by Statutory Auditors through their certificate dated December 30, 2024.

For details, see “*Objects of the Offer*” on page 136.

The said working capital requirement which are based on certain assumptions in relation to inter alia sales of stainless-steel seamless pipes in the future, the cost and holding periods of inventories of raw materials and finished goods as well as capacity utilization. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions. Accordingly, such working capital requirements may not be indicative of the actual requirements of proposed stainless steel seamless pipe unit and investors are advised to not place undue reliance on such estimates of future working capital requirements. Also see “*Risk Factor - We may face several risks associated with the Proposed Facility, which could hamper our growth, prospects, cash flows and business and financial condition*” on page 47.

15. *We are highly dependent on our skilled personnel for our day-to-day operations. The loss of or our inability to attract or retain such persons have a material adverse effect on our business performance.*

Our success in expanding our business will also depend, in part, on our ability to attract, retain and motivate skilled personnel. Competition for skilled personnel in our industry is intense. Our competitors may offer compensation and remuneration packages beyond what we are offering to our employees. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. Because of these factors, there is no assurance that we can effectively attract and retain sufficient number of skilled personnel to sustain our expansion plans, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

The following tables set forth the details of our permanent employees and their respective attrition rate of the years/period indicated:

Parameter	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Number of permanent employees	412	419	417
Total number of permanent employees who terminated their relationship with the Company	40	35	38
Attrition Rate (%)	9.71	8.34	9.10

Note: Attrition rate has been calculated as the number of permanent employees who have resigned during the period, divided by the number of permanent employees existing as of the beginning of the period and the numbers of permanent at end of the period.

Our inability to attract and retain skilled personnel may impact our production, day to day operations and in turn adversely impact our results of operations and financial results. Also see “*Risk Factor – We engage contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are*

*hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition” on page 62.*

**16. *Under-utilization of our production capacities could have an adverse effect on our business, future prospects and future financial performance.***

The following table sets forth certain information relating to the capacity utilization of our Manufacturing Facility calculated on the basis of total installed production capacity and actual production, as of and for the years/periods indicated herein:

Particulars	Installed Capacity				Actual Production (In MTPA)				Capacity Utilization# (%)			
	For three-month period ended June 30, 2024*	As on Fiscal 2024	As on Fiscal 2023	As on Fiscal 2022	For three-month period ended June 30, 2024	As on Fiscal 2024	As on Fiscal 2023	As on Fiscal 2022	For three-month period ended June 30, 2024	As on Fiscal 2024	As on Fiscal 2023	As on Fiscal 2022
Melting Capacity	12,000 MT	48000 MT	48000 MT	48000 MT	11807.89 MT	47979.05 MT	47993.43 MT	46911.62 MT	98.40	99.96	99.99	97.73
Rolling Capacity	9,000 MT	36000 MT	36000 MT	36000 MT	8951.18 MT	35327.16 MT	33469.97 MT	35923.38 MT	99.46	98.13	92.97	99.79
Bright Bar	1,500 MT	6000 MT	6000 MT	6000 MT	811.57 MT	3110.25 MT	3254.87 MT	4267.24 MT	54.10	51.84	54.25	71.12
Heat Treatment Facility	500 Tonnes	2000 Tonnes	2000 Tonnes	2000 Tonnes	500 Tonnes	2000 Tonnes	2000 Tonnes	2000 Tonnes	100	100	100	100
Oxygen plant	350 CuM	350 CuM	350 CuM	350 CuM	350 CuM	350 CuM	350 CuM	350 CuM	100	100	100	100
Nitrogen Plant	200CuM	200 CuM	200 CuM	200 CuM	200 CuM	200 CuM	200 CuM	200 CuM	100	100	100	100

\*Not Annualized and is only reflecting the capacity utilized for quarter ending June 30, 2024.

Capacity utilization is affected by availability of raw materials, demand for our products, customer preferences, our ability to manage our inventory and implement our growth strategy of improving operational efficiency and industry/ market conditions. In the event there is a decline in the demand for our products, or if we face prolonged disruptions at our manufacturing facility including due to interruptions due to any reason including disruption in the supply of electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to carry on the full capacity utilization of our existing or future manufacturing plants, resulting in operational inefficiencies which could have an adverse effect on our business, results of operations, financial condition and cash flows.

**17. *Our inability to collect receivables from our customers or default in payment by them could result in the reduction of our profits and affect our cash flows.***

Our operations involve extending credit for extended periods of time to our customers in respect of our products and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with our customers. While we have not adopted any credit policy, we typically operate on pre-sanctioned credit limits with customers and cannot guarantee that our customers will not default on their payments. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit, we extend to what is reasonable and based on an evaluation of each customer’s financial condition and payment history, we may still experience losses because of a customer being unable to pay. Any inability to collect receivables from our customers in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. During the three month period ended June 30, 2024 and in the Fiscals 2024, 2023 and 2022, our trade receivables were ₹11,029.09 lakh, ₹8,949.59 lakh, ₹10,668.73 lakh and ₹8,725.73 lakh

respectively, which represented 53.73%, 9.84%, 11.26% and 11.38% of our revenues from operations for such periods, respectively.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy of our customers and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements or default on their payment obligations to us. During the three-month period ended June 30, 2024 and in the Fiscals 2024, 2023 and 2022, our bad debts was nil. An increase in bad debts or in defaults by our customers may compel us to utilize greater amounts of our operating working capital and result in increased financing costs, thereby adversely affecting our results of operations and cash flows. Also see, “**Risk Factor - We derive a significant portion of our revenue from operations from our top 10 customers and we do not have long-term contracts with all of these customers. If one or more of such customers choose not to source their requirements from us or to terminate our contracts or purchase orders, our business, cash flows, financial condition and results of operations may be adversely affected**” on page 40 .

**18. We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.**

We enter into certain transactions with related parties in the ordinary course of our business and may continue to enter into related party transactions in the future. Our related party transactions include sales, purchase, expenses, interest expenses, unsecured loan accepted, unsecured loan repaid, other income, loan given to enterprise in which KMP or their relative can exercise significant influence among other things.

Our related party transactions, as a percentage of our revenue from operations, constituted 15.03% 15.79%, 8.83% and 10.91% in three-month period ended June 30, 2024, Fiscals 2024, 2023 and 2022, respectively. The transactions we may enter into with our related parties in the future could potentially involve conflicts of interest, which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority Shareholders and will not adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. While all such transactions have been conducted on an arm’s length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions, all related party transactions that we may enter into post-listing will be subject to an approval by our Audit Committee, our Board, or our Shareholders, as required under the Companies Act and the SEBI Listing Regulations.

The table below sets forth details of absolute sum of all related party transactions and the percentage of such related party transactions to our revenue from operations during the three-month period ended June 30, 2024 and in the last three Fiscals:

	(in ₹ lakhs, except percentage)			
Particulars	As at June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Absolute sum of all related party transactions*	3,084.78	14,366.42	8,366.53	8,364.49
Revenue from operations	20,528.03	90,980.80	94,767.44	76,641.70
Absolute sum of all related party transactions as a percentage of revenue from operations (%)	15.03%	15.79%	8.83%	10.91%

\*Absolute sum of all related party transaction is excluding any off-balance sheet items.  
As certified by the Statutory Auditor through certificate dated December 29, 2024.

For details of our related party transactions, see “**Summary of the Offer Document —Summary of related party transactions**” and “**Related Party Transactions**” on pages 29 and 384, respectively.

**19. We operate in a hazardous industry and are subject to certain business and operational risks consequent to our operations, such as, the manufacture, usage and storage of various hazardous substances which may adversely affect our business, results of operations and financial condition.**

Our operations are subject to various hazards associated with the production of special and alloy steels, such as the use, handling, processing, storage and transportation of scrap metal, alloys and gases, as well as accidents such as leakage or spillages. In addition, our employees operate heavy machinery at our Manufacturing Facility and accidents may occur while operating such machinery. These hazards can cause personal injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. As a result of past or future operations, claims for damages along with claims of injury by employees or from the public due to exposure, or alleged exposure, to the hazardous materials involved in our business may arise. Events like these could result in liabilities, or adversely affect our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance.

Although we attempt at all times to conduct our business with necessary safety and security precautions and maintain what we believe to be adequate insurance, there is a that any hazard including an accident may result in personal injury to our employees or other persons, destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/ or imposition of civil or criminal liabilities. In particular, if operations at our facility were to be disrupted as a result of any significant workplace accident, fire, explosion or other connected reasons, our financial performance would be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. During three months ending June 30, 2024 and in past three fiscals, we encountered spillage of molten steel during the transfer from the furnace which cause fire. Although there was no physical harm caused to our workers, we faced loss of stock in progress which we claimed under the insurance and the same was fully honoured. Any such event in future may cause interruptions in production may also increase our costs and reduce our sales and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, reputation, financial condition, results of operations, cash flows and prospects. Also see **“Risk Factor - Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability”** on page 72.

20. ***There may have been certain instances of irregularities, discrepancies and non-compliances with respect to certain corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties.***

As a Company, we are required to file different event based e-forms with the Ministry of Corporate Affairs (“MCA”) under the applicable provisions of the Companies Act, 2013. There were certain instances of secretarial non-compliances including delayed filing of different statutory e-forms inadvertently due to non-functionality of MCA or otherwise under the Companies Act, 2013 in our Company, such as (i) delay in filing of e-forms MGT-14 in the past; and (ii) delay in filing form MR-1 for filing return of appointment Shankarlal Deepchand Mehta and Babulal D. Mehta as KMP in year 2018. However, our Company has made all the requisite filings with payment of additional fees to the Ministry of Corporate Affairs, as applicable. While we shall endeavour to file the requisite e-forms within the prescribed timelines, there can be no assurance that there will be no delay in their filing in the future. Further, on certain occasions our Company had made inadvertent clerical / typographical errors includes recording the date of a few of the Board meetings in the Board Report and e-form MGT-7 filed for Fiscal ended on 2016 to 2022. The Company has obtained a legal opinion report with respect to the typographical error in Board Report and Form MGT-7 and it is opined that since the error is not a deliberate omission, the authorities may treat such erroneous filing as non-filing and may levy penalty as prescribed under section 134 and 92 of the Companies Act, 2013. While the penalty would not be material and we shall strive to avoid making typographical errors in future, we cannot assure you that we would not be subject to any penalties by regulatory authorities for aforesaid typographical error.

Further, we were converted into a public company in year 2007 and as a public company, under the provisions of the erstwhile Companies Act 1956 and Companies Act, 2013, we were required to undertake certain corporate governance related actions, which we have inadvertently not complied with, specifically with regard to appointment of necessary number of independent directors on our Board and

consequent non-compliance with the requirements of constitution / re-constitution of Audit Committee and Nomination and Remuneration committee, CSR related compliance, and vigil mechanism for certain period. With respect of the above non-compliances, as on date, we have taken corrective actions by appointment of necessary number of Independent Directors and constituted /reconstituted such committees in due compliance with the applicable laws and complying with the applicable policies. While in the past, we have not been subject to any penal action on account of the non-compliances, we cannot assure that we would not be subject to penal action in the future for such non-compliances.

In past, there has also been certain instances of non-compliances under Companies Act, such as (i) delay in appointment of CFO in accordance with the provisions of Section 203 of the CA, 2013 read with rules framed thereunder under which the Company was required to appoint a CFO from April 01, 2014. However, the appointment was made on March 15, 2019; (ii) delay in filling the vacancy of position of Company Secretary in accordance with the provisions of provisions section 383A of the erstwhile Companies Act, 1956 and Section 203 of the CA, 2013 read with rules framed thereunder, under which the Company was required to appoint a Company Secretary from May 1, 2013. However, the vacancy was filled with the appointment of new Company Secretary on March 5, 2020. Our Company has, therefore, *suo moto* filed separate compounding applications before the Hon'ble Regional Director, North-Western Region, Ahmedabad for compounding the penalties for the aforesaid non-compliances under the Companies Act and the same are pending as on date. While we have not been subject to any penalties by regulatory authorities, there can be no assurance that we would not be subject to such penalties or fines in the future. While we shall strive to comply with all the applicable regulatory requirements there can be no assurance that there will be no delays or non-compliances with the filing of certain documents in the future.

Further, our Company has not been able to trace e-form DIR-12 for regularisation of Jayesh Natvarlal Pithva as Director on May 27, 2007 and form 2 for Allotment of 10 equity share on March 31, 1996. We are also unable to trace the bank statements of the Company for the period before the year 2006 and in this regard, we have requested the concerned banks to share the bank statements. However, we have not received any positive response from such banks. Therefore, we have relied on the corporate records such as minutes of the meetings of the Company for ascertaining the details of the equity shares issued during such period. Further, We have been unable to trace the aforesaid e-form despite commissioning a detailed online and physical search at the RoC, through an independent practicing company secretary, to trace records and filings available with the RoC and accordingly intimation to RoC was sent regarding the untraceable forms. We cannot assure you that we will be able to trace the abovementioned secretarial record in the future. Although no regulatory action/ litigation is pending against us in relation to such untraceable secretarial records, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect.

**21. *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, financial condition and cash flows.***

While we have experienced growth and have expanded our operations over during the three month period ended June 30, 2024 and last three Fiscals and anticipate that we will continue to potentially grow and take advantage of market opportunities. For the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our profit after tax has grown from 869.70 lakhs in Fiscal 2022 to ₹3,162.89 lakhs in Fiscal 2024, registering a CAGR of ₹ 53.78% in last 3 years. 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. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy includes growing our product portfolio, strengthening our brand, deepening our penetration in existing markets and expanding our presence in select new territories and expanding our product portfolio by establishing the Proposed Facility. For further information, see “*Our Business – Strategies*” on page 226.

Our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to obtain raw materials at better prices, ability to compete effectively, ability to scaling up our operations, adhering to high quality and execution standards, our ability to expand our manufacturing capabilities and our presence in India as well as



globally, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our business, financial condition, results of operations and prospects. Our success in implementing our growth strategies may be affected by our ability to identify new market opportunities, develop products, increase our existing network of customers and ability to adapt to changes in the Indian or international regulatory environment applicable to us. Many of these factors are beyond our control and there can be no assurance that we will succeed in implementing our strategy. Any change in government policies and regulations including any ban imposed on a particular product by the respective governments, or any duties, pre-conditions or ban imposed by countries from where we source certain raw materials may have an adverse impact on our operations. In addition, there may be delays in the anticipated timing of activities related to such growth initiatives, strategies and operating plans; increased difficulty and cost in implementing these efforts; and the incurrence of other unexpected costs associated with operating the business. Any of these factors could adversely impact our results of operations. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected.

22. ***A portion of our revenues are denominated in foreign currencies and going forward, we intend to increase our export sales. As a result, we are exposed to foreign currency exchange risks which may adversely impact our results of operations currency exchange risks which may adversely impact our results of operations.***

We have exposure to foreign exchange-related risks since a portion of our revenue from operations are in foreign currencies. During three months period ended June 30, 2024 and Fiscal 2024, we exported our products to five (5) countries including UAE, USA, Poland etc. among others. Moreover, we have supplied samples of our products to International market of Korea and Thailand. The table set forth below details the export revenue earned by us;

<i>(in ₹ lakhs)</i>									
Particulars	For the period ended June 30, 2024	% to the total revenue	Fiscal 2024	% to the total revenue	Fiscal 2023	% to the total revenue	Fiscal 2022	% to the total revenue	
Export Revenue	298.57	1.45%	486.33	0.53%	-	-	-	-	

*Note: As certified by the Statutory Auditor through certificate dated December 29, 2024.*

Going forward, we intend to increase wallet share from export. Any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. Our inability to price our products at the applicable prices in the international markets, may affect the demand for our products and consequently have a material adverse effect on our results of operations and financial condition.

Further, in addition to the currency fluctuation risk, there are a number of risks in doing business abroad, where we have limited experience. These risks and challenges include risks with respect to different tax and regulatory environments (particularly with respect to the nature of our products), changes in social, political and economic conditions, the need to recruit personnel combining product skills and local market knowledge, obtaining the necessary clearances and approvals to set up business and competing with established players in these regions and cost structures in international markets, including those in which we operate, that are significantly different from those that we have experienced in India. Authorities in different jurisdictions may impose their own requirements or delay or refuse to grant approval, even when our product has already been approved in another country. In case we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for marketing new products.

Further, there may be certain developments in the industries in which our customers operate which in turn may have an impact on our sales from exports. There may be imposition of certain tariffs, quotas and other tariff and non-tariff trade barriers on our products in jurisdictions in which we operate or seek to sell our products and we may face trade restrictions in the jurisdictions we operate including the United States, among others. Additionally, there may be a prohibition on our exports to certain countries that may be included in the sanctions list maintained by the Government of India.

These risks may impact our ability to expand our exports in different regions and otherwise achieve our objectives relating to our export operations. Expansion into a market outside of our current operation could require significant capital expenditures and have a material effect on our capital structure. If we pursue an international expansion opportunity, we could face internal or external risks, including, without limitation compliance with multiple and potentially conflicting foreign laws and regulations, import and export limitations and limits on the repatriation of funds.

We may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we have business operations. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition. Furthermore, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. If we are unable to successfully develop or manage our international operations, it may limit our ability to grow our international business.

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

We may face an inherent business risk of exposure to product defects and subsequent liability claims if the use of any of our products results in personal injury or property damage, however, during the three months ended June 30, 2024 and past three fiscals we have not faced any liability claim for our products which has resulted in personal injury or property damage. The products manufactured by us need to comply with certain standards as prescribed by the Bureau of Indian Standards (BIS). We may not be able to meet regulatory relevant quality standards in India, or the quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. If any of our products do not meet regulatory standards or are defective, we may be, inter alia, (i) responsible for damages relating to any defective products, (ii) required to replace or recall such products or (iii) incur significant costs to defend any such claims.

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

24. ***In addition to our Manufacturing Facilities, we enter into arrangement with third-party manufacturers on job work basis and therefore, we are subject to risks associated with the third-party manufacturing processes.***

We enter into arrangements with third-party manufacturers who manufacture certain products such as

brightbars and wire rods on white label basis as per our requirements. In some cases, we also enter into formal agreements with such third-party manufacturers. We select and evaluate these third-party manufacturers based on certain criteria including the quality of products produced, reputation and delivery standards. If there are any delays or disruptions in the manufacturing facility of third-party manufacturers, our ability to deliver certain products may be affected. Any of our third-party manufacturers' failure to adhere to agreed timelines, technical specifications, quality, whether due to their inability to comply with, or obtain, regulatory approvals, or otherwise, may result in delays and disruptions to our supplies, increased costs, delayed payments for our products and damage to our reputation leading to an adverse effect on our results of operations.

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

Additionally, the use of third-party manufacturers is subject to certain risks, such as our inability to continuously monitor the quality, safety and manufacturing processes at such third-party manufacturing facility. While we have stipulated quality assurance and quality control standards for our third-party manufacturers, we cannot assure you that we will be able to maintain stipulated quality standards in respect of the products that such third-party

**25. *In the past one of our Independent Directors were subject to disqualification and default.***

In the past, one of our Independent Directors, Prashant B. Patel, was disqualified to act as a director in any company due to his directorship in a company, namely, Squad Management Services Private Limited, which had not filed its financial statements/annual returns with the concerned Registrar of Companies for continuous period of three (3) years in the past. Accordingly, Prashant B. Patel was disqualified to be a director in any company for the period commencing from November 1, 2016 to October 31, 2021. However, the disqualification ceased to exist as on date and the director identification number (DIN) of Prashant B. Patel was re-approved on December 1, 2019 (as per MCA Website).

**26. *We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations.***

The Indian steel industry is highly competitive.. We believe that the key competitive factors affecting our business include product quality, capacity creation and utilization, changes in manufacturing technology, logistics feasibility, workforce skill and productivity, operating costs, pricing power with large buyers, access to funding, the degree of regulation and access to a regular supply of raw materials. Maintaining or increasing our market share will depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including our ability to improve our manufacturing process and techniques, introduce new products, respond to pricing strategies of our competitors, and adapt to changes in technology and changes in customer preferences. We cannot assure prospective investors that we will be able to compete effectively against our current or emerging competitors with respect to each of these key competitive factors. Competition from global steel producers with expanded production capacities, new market entrants, introduction of backward integration by other players could result in significant price competition, declining margins and a reduction in revenue. For example, these companies may be able to negotiate preferential prices for certain products or receive discounted prices for bulk purchases of certain raw materials that may not be available to us.

In addition, our competitors may have lower leverage and/ or access to cheaper sources of funding. Larger competitors may also use their resources, which may be greater than ours, against us in a variety of ways, including by making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for our export products. The market is still highly fragmented, and if the trend towards consolidation continues, we could be placed in a disadvantageous competitive position relative to other steel producers and our business, results of operations, profitability and margins, cash flows and financial condition could be materially and adversely affected. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete.

Some of our local competitors may possess an advantage over us due to various reasons, such as specialization in production of value-added or niche products, stronger distribution network and greater presence in certain markets. While we are currently strategically located in Gujarat, any further entrants in the region with more resources or deeper relationships with distributors/customers compared to us could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition. Failure by us to compete effectively could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition. We may also face competition from new companies that are emerging which may attempt to obtain a share in our existing markets. Based on these factors, amongst other things, there can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or that increased competition with respect to our activities may not have an adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.

**27. *The surge in cheaper import is severely hurting the supply dynamics of domestic stainless-steel industry.***

According to D&B Report, increasing import is cited as major threat to stainless steel product domestic manufacturer. In Union-Budget 2021-22, the government announced revocation of CVD on imports of certain hot rolled and cold rolled stainless steel flat products originating or exported from China (uptill 30th September 2021) and subsequently extended it upto 31<sup>st</sup> Jan 2022. Moreover, the budget also announced the revocation of the provisional CVD on import of flat products of stainless steel, originating or exported from Indonesia. The detail review of the industry development over the last two three years also suggests a large part of import from Indonesia are being driven by the Chinese companies operating from Indonesia. China has been investing aggressively in Indonesia to scale up SS capacity and displace India as a second largest SS player in world. Indonesia total installed capacity stood at 5.5Mn tonnes, which was higher than India (5 Mn tonnes in 2021) and the country replaced India to become the second largest SS producer globally in 2021.

In addition, Indonesia's SS capacity is also 25 times more than their total annual domestic consumption requirement of just 0.2 MTPA which serve India as a fertile dumping ground for Indonesian SS flat product exports as Indonesia is a part of India's free trade agreement (FTA) with the Association of Southeast Asian Nations (ASEAN).

This surge in cheaper import is severely hurting the supply dynamics of domestic SS industry with underutilized domestic capacity which is dwindling somewhere near 60%. Majority of underutilized capacity is concentrated in MSME segment which contributes about 28% share (1.4 Mn Tonnes) in total SS capacity of India. Under-utilization of domestic capacity are adding its resulting woes to the domestic SS industry such as falling revenue, declining profitability, significant unemployment, bringing fresh investment at halt, turning many companies out of business, and converting many manufacturers into trader. As per recent insight from the President of Indian Stainless Steel Development Association (ISSDA), about 30-35% of medium and small businesses in the stainless-steel industry in Gujarat state which represents 80% of the MSMEs in the sector ceased their operation in Q2 FY 2024 due to heavy influx of cheaper Chinese imports.

Any unfavorable changes in the demand of domestically produced stainless steel, due to cheaper import, government policies affecting adversely the domestic manufacturers, as whole may adversely affect the steel industry and our business and results of operations.

**28. Any disruption or shortage of essential utilities could disrupt our manufacturing operations and increase our production costs, which could adversely affect our results of operations.**

We require power and fuel to operate our manufacturing facility and energy costs represent a key component of the production costs for our operations. We meet our power requirement for our Manufacturing Facility from state electricity board. We source our fuel requirements from third parties. Further, while we use groundwater, any shortage or non-availability of water could require us to arrange water supply from third party or may also result in temporary shut-down of a part, or all, of our operations.

Particulars	For the three month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expense	Amount (₹ in lakhs)	% of total expense	Amount (₹ in lakhs)	% of total expense	Amount (₹ in lakhs)	% of total expense
Power, water and fuel Charges	821.68	4.30%	3,361.46	3.85%	3,167.54	3.44%	3,125.10	4.14%

*Note: As certified by the Statutory Auditor through certificate dated December 29, 2024*

If our power, water or fuel costs were to continue to rise, or if our electricity supply arrangements were disrupted, our operations could be disrupted, and our profitability could decline. If the per unit cost of electricity is increased by the state electricity board where our manufacturing facility is located then our power cost will consequently increase. Inadequate electricity, and fuel could result in interruption or suspension of our production operations. In particular, any significant increase in the cost of electricity/diesel could result in an unexpected increase in production cost.

Frequent production shutdowns lead to increased costs associated with restarting production and corresponding loss of production, any of which would adversely affect our business, results of operations, profitability and margins, cash flows and financial condition. While we have not experienced any major interruptions to our power, fuel or water supplies in the three month period ended June 30, 2024 and last three Fiscals, we cannot assure you that interruptions would not occur due to any events unforeseen by us.

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

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our Existing Manufacturing Facility for the performance of non-core tasks. Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors. In the three month period ended June 30, 2024 and last three Fiscal, we have not faced any situation where we were required to fund their wages. However, we cannot assure that we would not face any such situation in future.

**30. The production of steel products is capital intensive, with long gestation periods.**

The production of steel is capital intensive, with a high proportion of fixed costs to total costs. We seek to maintain high capacity utilization at each of our Manufacturing Facility. Where capacity exceeds demand in the market, there is a tendency for the prices of the steel products to fall sharply if supply is largely maintained. Conversely, expansion of capacity requires long lead times so that, if demand grows strongly, prices increase rapidly, as unutilized capacity may be brought on line as quickly. With

increasing interest costs and high proportion of fixed costs to total costs leading to low-margins, the steel industry is faced with long gestation periods. Further, the Proposed Facility may require long lead times which may impact our business, results of operations, profitability and margins, cash flows and financial condition.

While we have taken steps to reduce operating costs in the past, we may be affected by significant price volatility, particularly in the event of excess production capacity in the global steel market and incur operating losses. Moreover, we cannot assure you that we would be able to achieve economies of scale by efficiently carrying out our operations. Any production overcapacity and oversupply in the steel industry would likely cause increased competition in steel markets which would likely lead to reduced profit margins for steel producers and would also likely have a negative effect on our ability to increase steel production in general. Our ability to recover the fixed costs incurred and reduce the period of gestation, depends on, among other factors, market demand and supply, new laws or regulations, developments in technology, retention of our customers, consolidation of our competitors, wars, natural disasters and other similar events and fluctuations in exchange rates. There can be no assurance that we will be able to continue to compete in such an economic environment or that a prolonged stagnation of the global economy or production overcapacity will not have a material adverse effect on our business, results of operations, financial condition or prospects. Also see ***“Risk Factor - We derive a substantial portion of our revenue from the sale of our products and any loss of sales due to a reduction in demand for our products could adversely affect our business, financial condition, results of operations and cash flows. Further, our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability”*** on page 44.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the Offer. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Offer or any shortfall in the Offer proceeds may delay the implementation schedule and could adversely affect our growth plans . For further details please refer to the chapter titled ***“Objects of the Offer”*** on page 136. Also see ***“We may face several risks associated with the Proposed Facility, which could hamper our growth, prospects, cash flows and business and financial condition”*** on page 47.

32. ***Errors in forecasting demand for our products could result in failure to manage our inventory and misallocation of production capacity, which in turn, could lead to decreased efficiency, increased cost and lost opportunity which could have an adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.***

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and manufacture and trade inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our business, results of operations, profitability and margins, cash flows and financial condition. We estimate our sales based on the forecast, demand and requirements and also on the customer specifications.

Natural disasters such as earthquakes, extreme climatic or weather conditions such as floods or droughts may adversely impact our inventory levels. In addition, disruptions to the delivery of product to our customers may occur for reasons such as poor handling, transportation bottlenecks, or labor strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products. To improve our line capability, we try to stock our inventory at our existing manufacturing facility. An

optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planned and actual sales could lead to potential excess inventory or out-of stock situations, either of which could have an adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.

**33. We do not own some of the Properties which we presently use for our business purpose.**


The premises, including our manufacturing facility and registered office are situated on owned premises. The following table sets forth details of our leased properties which we use for our business purpose, as of the date of this Draft Red Herring Prospectus:

Leased Properties and Location	Purpose	Lessor	Lease Amount	Period
Part of Land located at 502/P, Village Vanku, Taluka Abdasa, District Kutchh (Sub-Lease)	Set Up Windmill of 0.6 MW	Suzlon Gujarat Wind Park Limited	Rs.10,000/- Annum	Per 20 Years
Part of Land located at 195/P, Village Laxmivas, Taluka Maliya Miyana, Rajkot, Gujarat	Set Up Windmill of 1.50 MW	Sarjan Realities Limited	Rs.10,000/- Annum	Per 20 Years
Part of Land located at S. No. 104/p, Charopadi Nani, Taluka Abdasa, District Kutchh (Sub-Lease)	Set Up Windmill of 2.1 MW	Suzlon Gujarat Wind Park Limited	Rs. 10,000/- Annum	Per 20 Years
Land New Block No. 322, 324 to 326, Village Simratha, Taluka Amod, Jambusar Highway, District Baruch, Gujarat, India	Set Up Solar Captive Power Plant of 3 MW	KPI Green Energy Limited	Rs.14,25,000/- Annum	Per 25 Years
Office Room No. 22, 2 <sup>nd</sup> Floor, 22/23/25/27, Guruchayya Building, Girgaon, Mumbai. 400004	Administrative office	Mamta Girishkumar Jain	Rs. 37,500/- month	Per 12 Months

If we are unable to continue or renew such rental / lease arrangements on the same or similar terms or find alternate properties on lease on similar terms or at all, it may affect our business operations. For information relating to properties that we have leased, see “*Our Business – Property*” on page 244.

**34. We may fail to protect our intellectual property, including our designs and are susceptible to litigation for infringement of intellectual property rights in relation to such designs. This could materially and adversely affect our reputation, results of operations and financial condition.**

As on date of this Draft Red Herring Prospectus, our Company has made an application for registration of a trademark which is objected. The detail of trademark objected and pending for registration is set out as below;

Sr. No.	Particulars of Trademark	Class	Application Number	Status
1	 Rajputana Stainless Limited	6	6175861	Objected

If we are unable to register our trademark for any reasons including our inability to remove objections to



the trademark application, or if our unregistered trademark are registered in favour of or used by a third party in India or abroad, we may not be able to claim registered ownership of such trademark and consequently, we may not be able to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities, causing damage to our business prospects, reputation and goodwill. Apart from this, any failure to register or renew registration of our registered trademark may affect our right to use such trademark in future.

If our trademarks are improperly used, the value and reputation of our brand could be harmed. The measures we take to protect our intellectual property may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe upon our rights, which may have an adverse effect on our business, results of operations and financial condition.

**35. We are dependent on third-party transportation providers for the supply of materials for our manufacturing process and delivery of our finished products.**

Our success depends on the supply and transport of the raw material required to our manufacturing facility from suppliers and of our finished products from our manufacturing facility to our customers, which are subject to various uncertainties and risks. We use third-party transportation providers for the delivery of materials to manufacturing facility and our finished products to customers. Transportation strikes, if any, could have an adverse effect on supplies and deliveries to our customers and from our suppliers. Further, on account of the COVID-19 pandemic, operations of these third-party transportation providers were affected from time to time.

In addition, materials and components, as well as our products transported to customers, may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be a delay in delivery of materials and products which may also affect our business and results of operations negatively. In the event we fail to maintain a sufficient volume of materials and delivery of such materials to us is delayed, we may be unable to meet orders in a timely manner or at all. Any such inability may result in loss of sales opportunities that our competitors may capitalize on, thereby adversely affecting our business, financial condition, results of operations, and cash flows. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. Although we have not encountered any instances of material delays during three month ended June 30, 2024 and in the last three fiscals, we cannot assure you that we will not experience such delays in the future. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. The table below sets forth our transportation, freight, duty and handling charges as a percentage of our revenue from operations for the year/period indicated:

Particulars		For the three month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount (₹ in lakhs)	% of Revenue from Operations	Amount (₹ in lakhs)	% of Revenue from Operations	Amount (₹ in lakhs)	% of Revenue from Operations	Amount (₹ in lakhs)	% of Revenue from Operations
Transportation, Charges	Freight & Transportation	217.49	1.06	963.92	1.06	980.32	1.03	824.49	1.08
	Custom Clearing & Forwarding	97.50	0.47	589.84	0.65	436.43	0.46	103.44	0.13

*Note: As certified by the Statutory Auditor through certificate dated December 30, 2024.*

Additionally, if we lose one or more of our transportation providers, we may not be able to obtain terms as favourable as those we receive from the third party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our operating results. While we have

not encountered any instance in the past three years, we cannot assure you that such instance will not arise in the future. Further, if our transportation providers do not carry sufficient insurance coverage, any losses that may arise during the transportation process will have to be claimed under our insurance policies. There can be no assurance that we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and cash flows.

**36. We are exposed to credit risk from our customers and the recoverability of our trade receivables is subject to uncertainties.**

We generally extend a credit period to our customers, which exposes us to credit risk. The table below outlines specific details regarding our trade receivables and trade receivable turnover days for the indicated year/period:

Particulars	For three month period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Avg Trade Receivables (₹ lakhs)	9989.34	9809.16	9697.18	7026.55
Trade Receivable Turnover (in times)	2.05	9.28	9.77	10.91

*Note: As certified by the Statutory Auditor through certificate dated December 29, 2024*

A customer's ability to make timely payments depends on various factors, including general economic conditions and their cash flow situation, which are beyond our control. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. There is no guarantee that our customers will pay us promptly or at all, which may affect the recoverability of our trade receivables. Additionally, we may struggle to manage any bad debt resulting from delayed payments. During the three-month period ended June 30, 2024 and last three Fiscals, we have not experienced any bad debts. However, we cannot assure that we will not face any such situation in future.

Taking legal action against our customers to enforce their contractual obligations can be challenging, and there is no guarantee that we will receive a favorable judgment or that it will be issued in a timely manner. If any of our customers fail to fulfill their contractual commitments, or if they face insolvency or liquidation, it could negatively impact our financial condition and results of operations.

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

Our inventories for three months period ended on June 30, 2024 and last 3 (three) Fiscals are as follows:

Particulars	For the three month period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Inventories (in ₹ lakhs)	11,314.17	10,419.30	8,804.54	11,266.69
<b>Inventory turnover (in times)</b>	1.89	9.47	9.44	6.89

*\*Based on Average inventory*

*Note: As certified by the Statutory Auditor through certificate dated December 29, 2024.*

Our results of operations are dependent on our ability to effectively manage our inventory. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply situation and manufacture/ purchase additional inventory accordingly. If our management fails to anticipate expected

customer demand it could adversely impact the results of operations by causing either a shortage of inventory leading to loss of revenue and profits or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or purchase, we may be required to recycle our inventory, which would lead to loss of material, additional manufacturing costs and subsequently, an adverse impact on our revenue, profit and cash flows.

**38. *Our Company will not receive any proceeds from the Offer for Sale.***

The Offer comprises an Offer for Sale by the Selling Shareholder. The Selling Shareholder will receive the entire proceeds from the Offer for Sale (after deducting applicable Offer related expenses) and our Company will not receive any part of the proceeds of the Offer. For further information, see “*The Offer*” and “*Objects of the Offer*” on pages 87 and 136, respectively.

**39. *We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, any failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which are either received or applied for or are yet to be applied. Many of these approvals are subject to periodical renewal. Any failure to renew the approvals that may expire, or to apply for the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. We believe that we have obtained all the material licenses required for running our business and operations. However, in order to comply with various applicable local laws, we have made few applications for obtaining requisite approvals.

Sr. No.	Details of Application	Application number	Date of Application
1.	Application for receipt of NoC from Central Ground Water Authority for use of ground water	21-4/6279/GJ/IND/2020	May 23, 2024

We are in the process of making applications for such registrations as may be applicable under the local laws. For more details relating to licenses and approvals relating to our business, see “*Government and Other Statutory Approvals*” on page 395.

While, we have not had any material instances of failure to obtain, maintain or renew approvals, licenses, and registrations required to conduct our businesses in the past three months ended June 30, 2024 and three Fiscals, we cannot assure you that approvals, licenses and registrations will be successfully granted or renewed in a timely manner or at all in the future. We also cannot assure you that our approvals and consents will not be suspended or revoked in the future. Failure to obtain, maintain or renew the approvals, licenses and registrations required to operate our business could adversely affect our business, financial condition, cash flows and results of operations.

Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals which may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations. For more details relating to licenses and approvals relating to our business, see “*Government and Other Statutory Approvals*” on page 395 .

**40. Changing laws, rules and regulations and legal uncertainties, including the withdrawal of certain benefits or adverse application of tax laws, may adversely affect our business, prospects, results of operations and cash flows.**

In India, our business is governed by various laws and regulations including, amongst others, the Bureau of Indian Standards Act, 2016, the Indian Stamp Act, 1899, the Indian Registration Act, 1908, the Environment (Protection) Act, 1986, various laws relating to employment and the Consumer Protection Act, 1986, Factories Act 1948, Employees Provident Fund Scheme, 1952, Employees' State Insurance Act, 1948. For regulations and policies applicable to our Company, see "**Key Regulations and Policies**" beginning on page 247.

While we endeavour to comply with all the applicable laws, there can be no assurance that we will be in compliance at all times with such laws, regulations and the terms and conditions of any such consents or permits. If we violate or fail to comply adequately with these requirements, we could be fined or otherwise sanctioned by the relevant regulators.

As of date we are not under any obligation under Export Promotion Capital Goods. However, we derive benefits under Duty Drawback. As on three-month period ended June 30, 2024 and Fiscal 2024, we derived duty drawback benefit amounting to ₹ 2.16 lakhs and ₹7.45 lakhs, respectively. Any future amendments to these acts or schemes may affect our ability to claim benefits that we have historically benefited from, and such benefits may no longer be available to us. Such amendments would have an effect on our export revenue margins and profitability

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

The cost and availability of our capital depends on our credit ratings. The table below sets forth details of our Company's credit ratings during the three month ended June 30, 2024 and last three Fiscals:

Rating Agency	Instrument	Rating Assigned							
		As at June 30, 2024		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
CRISIL Ratings	Long term	CRISIL BBB/Stable	Date of Rating : April 5, 2024	CRISIL BBB/Stable	Date of Rating : October 11, 2023	CRISIL BBB-/Positive	Date of Rating : August 25, 2022	-	-
	Short term	CRISIL A3+		CRISIL A3+		CRISIL A3		-	-
Brickwork Ratings	Long term	-	-	-	-	-	-	BWR (Stable)	Date of Rating : July
	Short term	-		-		-		BWR A3	16, 2021

Credit ratings reflects the opinion of the rating agency on our management, track record, diversified clientele, increase in scale and operations and margins, medium term revenue visibility and operating cycle. While there has been no downgrading in our credit ratings in the three month ended June 30, 2024 and last three Fiscals, however, any revision or change in our credit ratings could increase borrowing costs, result in an event of default under our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows.

**42. We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.**

As of June 30, 2024, contingent liabilities disclosed in the notes to our audited and Restated Financial

Statements aggregated ₹5,362.45 lakhs. The following table sets forth our contingent liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 as per the Restated Financial Statements:

(₹ in Lakhs)				
Particulars	As at June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
<b>Contingent Liabilities</b>				
Central Sales Tax	1,445.43	1,445.43	1,445.43	1,445.43
Gujarat Value Added Tax	875.68	875.68	875.68	875.68
Goods and Service Tax	776.38	294.37	25.00	25.00
Central Excise Act	2,074.42	2,074.42	2,074.42	2,074.42
Income Tax	188.04	181.69	181.69	-
Industrial Dispute Act	2.50	2.50	2.50	2.50

If any of these contingent liabilities materialize, our financial condition and results of operation may be adversely affected. For details, please see “*Restated Financial Statements - Contingent Liabilities*” on page 339.

**43. *Failure to maintain the confidentiality of our technical knowledge could undermine our competitive advantage.***

Our employees possess extensive insights into our commercial decisions and business development strategies, which represent a significant asset that may not be sufficiently protected by employment agreements. Consequently, we cannot guarantee that this knowledge will remain confidential over time.

Despite taking reasonable precautions, both contractual and otherwise, there is still a risk that proprietary information could be leaked, either inadvertently or intentionally. Many employees have access to sensitive design and production information, and we cannot assure that this information will remain protected. Additionally, some employees may leave to join competitors, and while we will attempt to enforce confidentiality obligations outlined in our staff rules, we cannot ensure their successful enforcement.

Although we have not experienced any leaks during the three-month ended June 30, 2024 and in the past three Fiscals, any future exposure of our confidential technical information could harm our competitive position. If competitors are able to replicate or exploit our technology, it could be difficult and costly for us to seek legal protection. Therefore, any leakage of confidential information could adversely affect our business, operational results, financial condition, and future prospects.

**44. *The steel industry is cyclical in nature. The pricing in the steel industry is subject to market demand, volatility and economic conditions.***

Steel prices fluctuate based on a number of factors, such as the availability and cost of raw material, steel demand, worldwide production and capacity, fluctuation in the volume of steel imports / exports, transportation costs and various social and political factors. Low steel prices may adversely affect the results of operations of the industry, resulting in lower revenue and margins. We could also be affected by the introduction of or increase in the levy of import tariffs in India, or in the countries to which we export or plan to export our products, changes in trade agreements between countries, additional tariffs in the form of countervailing duty and anti-dumping duty on a number of items imported in India. Any such measure may have a material adverse effect on our results of operations and financial condition. In addition, the volatility, length and nature of business cycles affecting the steel and steel products industry may become increasingly unpredictable, and the recurrence of any major downturn in the industry may have a material adverse impact on our business, results of operations, profitability and margins, cash flows and financial condition.

45. ***We are subject to restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets. Any defaults could lead to acceleration of our repayment obligations, cross defaults under other financing agreements, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our cash flows, business, results of operations and financial condition.***

We have entered into agreements for secured short term and long-term borrowings with certain lenders. As on October 31, 2024, an aggregate of ₹13,576.53 lakhs was outstanding out of which ₹12,933.65 lakhs were secured borrowings from financial institutions. We also propose to pre-pay or repay certain amount of our unsecured loan of financial institutions from the Net Proceeds. For details, see “***Objects of the Offer***” on page 136. The credit facilities availed by us are secured by way of mortgage of fixed assets, hypothecation of current assets (both present and future), and personal guarantees given by some of our Promoters. For details, see “***Financial Indebtedness***” on page 363.

In case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered and the loans granted to us may be recalled with penal interest. This could severely affect our operations and financial condition. Our financing agreements include certain covenants that require us to obtain lender consents prior to carrying out certain corporate activities and entering into certain transactions, such as, incurring any additional borrowings, undertaking capital expenditure, diversifying business, advance or repay loans, effect any dividend pay-out in case of delays in debt servicing, effect any change in shareholding pattern and management control of the Company amongst others. In addition, any breach of financial or non-financial covenant may qualify as an event of default under financing agreements.

We cannot assure you that the lenders will not seek to enforce their rights in respect of any breach by us under our financing agreements. Any failure to comply with any condition or covenant under our financing agreements that is not waived by the lenders or is not otherwise cured by us, may lead to a termination of our credit facilities and/or acceleration of all amounts due under the relevant credit facility. Further, such breach and relevant actions by the lenders could also trigger enforcement action by other lenders pursuant to cross-default provisions under certain of our financing agreements. Further, if the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under the financing documents, thereby reducing the availability of cash for our operations. In addition, the lenders may enforce their security interest in certain of our assets. Moreover, during the period in which we are in default, we may face difficulties in raising further loans. Any future inability to comply with the covenants under our financing agreements or to obtain the necessary consents required thereunder may lead to termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such financing agreements and enforcement of any security provided. Any of these circumstances would have an adverse effect on our business, results of operation and financial condition. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lending banks, at their discretion. In the event, the lenders refuse to renew / enhance the credit facilities and/or cancel / suspend / reduce the said credit facilities and/or alter the terms and conditions to the derogation of our Company, then our existing operations as well as our future business prospects and financial condition may be severely affected.

46. ***The availability of counterfeit products, such as products passed off as our products by others, and any failure to protect or enforce our rights to own or use trademarks and brand name and identity could have an adverse effect on our business and competitive position.***

Our efforts to protect our intellectual properties may not be adequate, and our operations could be adversely affected. In particular, third parties could imitate our brand name or pass off their own products as ours, including registering trademarks that may be confused with ours, producing similar products or counterfeit or pirated products. As a result, our market share could be reduced due to replacement of demand for our products and deficiency in the quality of the similar or counterfeit products will adversely affect our goodwill and reputation. We may also have to incur significant costs to remedy or manage such situations. Any impact on our ability to continue to promote our brand or any significant damage to our brand’s image could materially and adversely affect our sales and profits. During the three-month period ended June 30, 2024 and the past three Fiscal, we have been made aware of an incident of sales

of counterfeit copies of our products. However, we cannot assure you that there can be no assurance that we will not encounter any issue relating to counterfeit and pirated products in the future. If such case arises in future, the time and attention required for defending such claims and complaints may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

**47. *We have availed unsecured loans from one of our Promoters that are recallable, at any time.***

Our Company has availed unsecured loans from one of our Promoters i.e. Shankarlal Deepchand Mehta, amounting to ₹114.88 lakhs as of October 31, 2024, that is repayable on demand, and which may be recalled by such lender at any time. We set out below the details of said unsecured loans in the table below:

<b>Name of Lender</b>	<b>Rate of interest as on October 31, 2024</b>	<b>Repayment terms</b>	<b>Amount outstanding as on October 31, 2024 (₹ in lakhs)</b>
Shankarlal Deepchand Mehta	Nil	Repayable on demand	114.88

*Note: As certified by the Statutory Auditor through certificate dated December 29, 2024.*

In the event that such lender seeks repayment of any such unsecured loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations. For further information on unsecured loans relating to our business and operations, see “**Financial Indebtedness**” on page 363.

**48. *Failure or disruption of our IT systems may unfavourably affect our business and operations.***

We have implemented certain information technology (“IT”) systems to cover key areas of our operations. We are dependent on technology in relation to security and financial accounting. We use modern software i.e. Tally Editlog 5.0, Relyon Payroll, Reylon Saral GST, Reylon TDS for our accounting and invoicing purpose, etc. We rely on our IT infrastructure to provide us with connectivity and data backup across our location and functions. We have taken necessary measures to ensure cyber security, data protection from virus attacks and hacking and disaster recovery servers and systems for data retrieval and business continuity. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, manage our creditors, debtors or otherwise conduct our normal business operations, which may increase our costs and otherwise affect our business operations.

**49. *Any delay in payment of statutory dues or non-payment of statutory dues in dispute may attract financial penalties from the respective government authorities, which may have an adverse impact on our financial condition and cash flows***

We have made timely payments of statutory dues, including Goods and Services Tax (GSTR-1 and GSTR-3B), Professional Tax, Employees' State Insurance (ESI), Employees' Provident Fund (EPF), and Income Tax (TDS) for the three months ended June 30, 2024, as well as for the preceding three fiscal years. To date, we have not received any notices from the relevant authorities regarding any defaults under applicable statutory provisions. However, due to the complexity of the laws and regulations governing our manufacturing operations, we cannot provide absolute assurance that we have fully complied with all statutory requirements. While we remain committed to ensuring compliance, any failure, whether current or in the future, may result in interest or penalties, which could adversely affect our business, financial condition, and operational results.

**50. *Our Promoters have provided personal guarantees as security for certain facilities availed by our Company. If these guarantees are revoked, we may be unable to procure alternative guarantees satisfactory to our lenders, which may adversely affect our business, results of operations, cash flows and financial condition***



Our Promoters, Shankarlal Deepchand Mehta and Babulal D. Mehta have provided personal guarantees as security for certain facilities availed by our Company. We have set out the details of such personal guarantees below.

(in ₹ lakhs)

Name of Lender	Type of borrowing/facility	of Amount Sanctioned / Guaranteed	Amount outstanding as on October 31, 2024
State Bank of India and IDBI Bank	Fund based Working capital	6,500.00	5,057.55
	Non-fund based Working capital	6,500.00	5172.48

For further details, see “**Financial Indebtedness**” on page 363. If any of the guarantees are revoked, our lenders may require alternative guarantees or cancel such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, results of operations, cash flows and financial condition may be adversely affected by the revocation of all or any of the guarantees provided by our Promoters Shankarlal Deepchand Mehta and Babulal D. Mehta, in connection with our Company’s borrowing.

**51. Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability.**

We maintain insurance cover for our inventory to cover all normal risks associated with operations of our business, including such as corporate cover, industrial all risk, public liability insurance, health insurance, burglary insurance, standard fire and special peril policy, workmen compensation policy. We may not have identified every risk and further may not be insured against every risk because such risks are either uninsurable or not insurable on commercially acceptable terms, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies such as COVID-19 and other pandemics, or due to the same being inadequate, could materially harm our cash flows, financial condition and future results of operations. We cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subjected to. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

During the three months ending June 30, 2024 and in past three Fiscals, we encountered spillage of molten steel during the transfer from the furnace which cause fire. Although there was no physical harm caused to our workers, we faced loss of stock in progress, which we claimed under the insurance and the same was fully honored. The details of insurance claimed made and honoured is set out as below;

Financial Year	Type of insurance	Name of insurance claim	Claimed Amount (in ₹ lakhs)	Amount honoured by insurance companies (in ₹ lakhs)
2021-22	Burglary insurance (fire)	Loss of Stock in progress	1.16	1.16
2022-23	Industrial all risk	Loss of Stock in progress	22.90	5.00
2022-23	Vehicle Insurance	Front Glass Break	0.08	0.08
2023-24	Industrial all risk	Loss of Stock in progress	44.83	20.36

*Note: As certified by the Statutory Auditor through certificate dated December 29, 2024*

Our Company’s insurance cover is ₹18,584.60 in respect of its gross block of property, plant and

equipment, capital work in-progress, investment properties and inventories which stood at ₹25,914.61 as on June 30, 2024. Consequently, our Company's insurance cover in respect of its gross block of property, plant and equipment, capital work in-progress and inventories as on June 30, 2024 stood at 71.71% approximately.

To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For details, see "***Our Business – Insurance***" on page 242.

Further, we do not obtain insurance coverage for our third-parties manufacturers engaged on job-work basis under arrangement for procurement of production outputs. We could suffer losses should any unforeseen incident such as fire, flood, and accidents affect facilities of our third-party contract manufacturers for which they may not be insured adequately or at all.

**52. *If we are unable to establish and maintain effective internal controls and compliance system, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

**53. *Our business is dependent on the performance of the industry in which we operate or the industries in which our products are used. Economic cyclicality, reduction in demand and availability of substitute materials in these industries, in India or globally, could adversely effect our business, results of operations, profitability and margins, cash flows and financial condition***

We are sensitive to the trends of the pipe and structural steel industry in which we operate and the industries in which our products are used, such as, seamless pipes, engineering, aerospace, forging, oil and gas, pump and shaft, defense automotive, aviation, precision engineering. When downturns occur in these sectors, we may experience decreased demand for our products, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects. A decline in our customers' business performance may also lead to a corresponding decrease in demand for our products. The volume and timing of sales to our customers may vary due to variation in demand for our customers products, their attempts to manage their inventory, design changes, changes in their product mix, availability of substitute products, manufacturing and growth strategy, and macroeconomic factors affecting the economy in general, and our customers in particular. Unfavourable industry conditions can also result in an increase in commercial disputes and other risks of supply disruption. While there has been no instance where demand for our products materially declined due to downturns in the relevant industries in which our products are used in the three month ended June 30, 2024 and last three Fiscals, we cannot assure you that such instance will not arise in the future

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

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the Industry Research Report on “*Industry Report on Indian Stainless Steel*” dated December 24, 2024 prepared and issued by D&B India, which has been exclusively commissioned and paid for by our Company in connection with the Offer pursuant to an engagement letter dated May 23, 2024. D&B India is an independent agency which has no relationship with our Company, our Promoters, Promoter group entities and any of our Directors or KMPs or SMPs.

Further, D&B Report is prepared based on information as of specific dates and may no longer be current or reflect current trends. Certain information in this Report is subject to limitations and is also based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources do not guarantee the accuracy, adequacy or completeness of the data. The D&B Report uses certain methodologies for market sizing and forecasting. Furthermore, the D&B Report is not a recommendation to invest/ disinvest in any company covered in the D&B Report. Accordingly, Investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the D&B Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the D&B Report before making any investment decision regarding the Offer. For further details, see “*Industry Overview*” on page 176.

**55. *None of the Directors of the Company have experience of being a director of a public listed company.***

The Directors of the Company do not have the experience of having held directorship of public listed company. Accordingly, they have limited exposure to management of affairs of the listed company which inter-alia entails several compliance requirements and scrutiny of affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, the Company will require to adhere strict standards pertaining to accounting, corporate governance and reporting that it did not require as an unlisted company. The Company will also be subject to the SEBI Listing Regulations, which will require it to file audited annual and unaudited quarterly reports with respect to its business and financial condition. If the Company experiences any delays, we may fail to satisfy its reporting obligations and/or it may not be able to readily determine and accordingly report any changes in its results of operations as promptly as other listed companies.

Further, as a publicly listed company, the Company will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of the

Company's disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, the Board of Directors of the Company may have to provide increased attention to such procedures and their attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

**56. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.***

We intend to use Net Proceeds from the Offer towards (a) Funding capital expenditure requirements for setting up of manufacturing facility for Stainless Steel Seamless Pipes to expand our product portfolio (b) Funding Working capital requirement for the Proposed Facility; and (c) Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company; and (d) general corporate purposes. For details of the objects of the Offer, see "**Objects of the Offer**" on page 136. The funding requirement and deployment of the Net Proceeds mentioned as a part of the Objects of the Offer are based on current circumstances of our business, prevailing market conditions, and are subject to changes. The estimates for the proposed expenditure are based on several variables, a significant variation in any one or a combination of which could have an adverse effect. Furthermore, the deployment of funds has not been appraised by any bank or financial institution.

We operate in a highly competitive and dynamic industry and we may have to revise our funding requirements and deployment from time to time on account of various factors beyond our control, such as availability of material, inflation, employment levels, demographic trends, changing customer preferences, increasing regulations or changes in government policies, our Board's analysis of economic trends and business requirements, competitive landscape, as well as general factors affecting our business, results of operations, financial condition and access to capital such as credit availability and interest rate levels.

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Furthermore, pending utilization of Net Proceeds towards the Objects of the Offer, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939, as may be approved by our Board. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds and there can be no assurance that we will earn significant interest income on, or that we will not suffer unanticipated diminution in the value of, such temporary deposits. Furthermore, various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

**57. *Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facility may adversely affect our production schedules, costs, revenue and ability to meet customer demand.***

The activities carried out at our manufacturing facility may be potentially dangerous to our employees. While we strive to provide a safe and healthy working environment in compliance with applicable standards and we believe that we may have adequate insurance including insurance coverage for accidents, there is a risk that an accident may occur at our manufacturing facility. An accident may result in personal injury to our employees, or the labour deployed at our manufacturing facility, destruction of property or equipment, manufacturing or delivery delays, environmental damage, or may lead to suspension of our operations and/or imposition of liabilities. While we have not encountered any fatalities or any major employee injuries during the three month period ended June 30, 2024 and last three Fiscals, however, any future accident may result in litigation, the outcome of which is difficult to assess or quantify, the cost to defend such litigation can be significant and our insurance may not be sufficient to

provide complete coverage. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, results of operations, financial condition, cash flows and future prospects.

- 58. *We are dependent on our Promoters for functioning of our business and we believe that our senior management team and other key managerial personnel are critical to our continued success and we may be unable to attract and retain such personnel in the future.***

Our performance depends largely on the efforts and abilities of our Promoters. For details, see “***Our Promoters and Promoter Group***” on pages 276. We believe that the inputs and experience of our Promoters/Directors are valuable for the growth and development of business and operations and the strategic directions taken by our Company. Our business and operations are led by our Promoters/Directors, who possess vast experience in the steel industry, the loss of whose services may adversely affect our business operations.

At the same time, our future success also substantially depends on the continued service and performance of the members of our senior management team and other key managerial personnel in our business for the management and running of our daily operations and the planning and execution of our business strategy. During the three-month period ended June 30, 2024 and past three Fiscals, we have not faced any significant attrition of our KMPs and SMPs.

However, there is intense competition for experienced senior management and other key managerial personnel with technical and industry expertise in the steel business and, if we lose the services of any of our senior management and other key managerial personnel 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. 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, cash flows, and results of operations.

- 59. *Changes in technology may affect our business by making our manufacturing facility or equipment less competitive or obsolete.***

Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Modernization and technology upgradation is essential to reduce costs and increase output. Our technology and machinery may become obsolete or may not be upgraded in a timely manner, hampering our operations and financial conditions and we may lose our competitive edge. The development and implementation of such technology and machinery entails technical and business risks. Further, the costs in upgrading our technology and modernizing the plant and machineries may be significant which could substantially affect our finances and operations. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to customer requirements or emerging industry standards. Changes in technology may make newer equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facility. If we are unable, for technical, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and results of operations could be adversely affected.

- 60. *Key challenges in the global steel industry such as global slowdown, availability of raw materials and price volatility, Trade barriers and environmental concerns and regulations that are beyond our control may have an adverse effect on our business and results of operations.***

We are dependent on domestic, regional and global economic and market conditions prevailing in the regions, from where our revenue from operations is generated. There have been periods of slowdown in the global economic growth due to the turbulence in the financial sector, geopolitical tensions, supply chain disruptions, tightening monetary policies, persistent inflation, and hikes in interest rates. The decline in economic activity may lead to a reduction in demand for our products may be adversely affected by an economic downturn in domestic and regional economies. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition.

Further, the availability of raw materials is critical in our industry. The raw materials we use are subject to price volatility and unavailability. Further our raw material supply and pricing may become volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. For instance, the prices were affected by the geopolitical tension between Russia and Ukraine. Therefore, we cannot assure that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms.

Moreover, any adverse change in policies, in terms of tariff and non-tariff barriers, import restrictions on trade, and export bans by governments worldwide, may hamper the growth of the steel industry, causing disruptions in trade globally and which may negatively impact our profitability.

We have to comply with rigid environmental regulations. We cannot assure you that in future our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition.

**61. *Our operations may be materially adversely affected by strikes, work stoppages or increased compensation demands by our employees.***

We are dependent on our workforce for carrying out our operations. Any Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any disruptions in our business operations due to disputes or other problems with our workforce during three months ended June 30, 2024 and in the past three Fiscals; however, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labor policies, and we may face the threat of labor unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

**62. *Our Company's Promoter Directors are at present involve and may enter into ventures that may lead to real or potential conflicts of interest with our business***

Our Promoter Directors of the Company, as on the date of this Draft Red Herring Prospectus, have interest in Rutvij Stainless Private Limited, Surya Steel, Steel Wire India, Steel Trade, Steel World India, Bhansali Bright Bar Private Limited, Steel Icon Stainless Private Limited, Kanungo Ferramet Private Limited and Steel Inox Private Limited which are authorized to undertake similar business. For details, see "**Promoter and Promoter Group**" on page 276. Further, the promoter directors or their said entities have not entered into any non-compete agreement with the Company. There can be no assurance that our Promoter directors or their said entities will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Thus, in future, conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter directors in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies or ventures in which our Promoter directors have interest, which could have a material adverse effect on our reputation, business, results of operations and financial condition.

**63. *Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We intend to use Net Proceeds from the Offer towards (a) Funding capital expenditure requirements for setting up of manufacturing facility for Stainless Steel Seamless Pipes to expand our product portfolio (b) Funding Working capital requirement for the Proposed Facility; and (c) Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company; and (d) general corporate purposes. For further details of the proposed objects of the Offer, see “*Objects of the Offer*” on page 136. At this stage, 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 competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders’ approval by way of a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders 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 or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, 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 by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

**64. *Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Offer, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

After completion of the Offer, our Promoters and Promoter Group will collectively own a majority of the Equity Shares of our Company. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our AoA. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**65. *Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.



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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. For details of our dividend history, see “***Dividend Policy***” on page 286.

67. ***Our Promoters, some of our Directors and some of our KMPs are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses.***

Our Promoters, some of our Directors and some of our KMPs are interested in our Company to the extent of their respective shareholding in our Company as well as to the extent of any dividends, bonus, other distributions on such Equity Shares, amount pending for repayment of unsecured loan amount, etc. For details, see “***Summary of Offer Document - Summary of Related Party Transaction***” on page 29. We cannot assure you that our Promoters, Directors and KMPs will exercise their rights as shareholders to the benefit and best interest of our Company. Further, our Promoters, Directors and KMPs holding Equity Shares may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Promoters, Directors and KMPs, other than reimbursement of expenses incurred or normal remuneration or benefits, see “***Our Management***” and “***Our Promoters and Promoter Group***” on pages 262 and 276, respectively.

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

Information relating to the installed capacity, actual production and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer, M/S JAS Associates, in his report dated November 26, 2024, in the calculation of our installed capacity, actual production and capacity utilization. Actual production levels and future capacity utilization rates may vary significantly from the estimated production capacities of our manufacturing facilities and historical capacity utilization rates. In addition, capacity utilization is calculated differently in different countries, industries and for the different kinds of products we manufacture. Undue reliance should therefore not be placed on our historical installed capacity, actual production and capacity utilization for our existing manufacturing facilities included in this Draft Red Herring Prospectus. See ***Business – Capacity and capacity utilization*** on page 236.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation and goodwill of our Company. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected. Although, we have not faced any such incidence in three months ended June 30, 2024 and past three Fiscals, we cannot assure that we would not face such incident in future.

**70. The average cost of acquisition of Equity Shares by our Promoters is lower than the issue price of the Equity Shares offered through the present Offer.**

The average cost of acquisition of Equity Shares of our Promoters is as follows:

Name of the Promoters	Number of Equity Shares held	Average cost of acquisition (in ₹ per Equity Share)
Shankarlal Deepchand Mehta	3,63,14,500	0.94
Babulal D. Mehta	54,01,226	1.37
Jayesh Natvarlal Pithva	37,98,914	1.72

*Note: As certified by the Statutory Auditor through certificate dated December 29, 2024.*

For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares of our Promoters in our Company, see “**Capital Structure**” on page 103.

**71. Our Company has during the preceding one year from the date of the Red Herring Prospectus have allotted Equity Shares at a price which is lower than the Offer Price.**

In the last 12 months, we have made allotment of Equity Shares through bonus issue to the Shareholders, which are given without any consideration. We cannot assure you that any issuance of Equity Shares made by our Company post completion of this Offer will be above the Offer Price or the prevailing market price of our Equity Shares. For further details see “**Capital Structure**” on page 103.

**72. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.**

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. Any sale of our Equity Shares by our Promoters or major shareholders or future equity issuances, by us may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date. While our Company is required to complete Allotment

pursuant to the Offer within 3 (three) Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

75. ***We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian retailing industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our restated financial statements as reported under applicable accounting standards disclosed elsewhere in this Prospectus. These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies.

76. ***Subsequent to the listing of the Equity Shares, we may be subject to surveillance measures, such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors***

Subsequent to the listing of the Equity Shares, we may be subject to Additional Surveillance Measures (“ASM”) and Graded Surveillance Measures (“GSM”) by the Stock Exchanges and the Securities and Exchange Board of India. These measures have been introduced to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market-based parameters such as high low-price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. A scrip is subject to GSM when the share price is not commensurate with the financial health and fundamentals of the company. Specific parameters for GSM include net worth, net fixed assets, PE, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

77. ***The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not

guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

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

The Offer Price of our Equity Shares will be determined by the book-building method. This price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Offer. For details, see “**Basis for Offer Price**” on page 159. The market price of our Equity Shares could be subject to significant fluctuations after the Offer and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price. Among the factors that could affect our share price include without limitation. The following:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

79. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

## **EXTERNAL RISK FACTORS**

80. *Significant differences exist between Ind AS and other accounting principles, such as US GAAP and International Financial Reporting Standards (“IFRS”), which investors may be more familiar with and consider material to their assessment of our financial condition.*

Our Restated Financial Statements have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on “**Reports in Company Prospectuses (Revised 2019)**” issued by the ICAI.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles.

US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Restated Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

**81. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in India is evolving and subject to change. Such changes in applicable law and policy in India, may adversely affect our business, financial condition, results of operations, performance and prospects in India, to the extent that we are not able to suitably respond to and comply with such changes.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

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

Under the Companies Act, 2013, a company having share capital and incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of our Equity Shares voting on such resolution.

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

**83. *Investors may not be able to enforce judgments obtained in foreign courts against us.***

We are a public limited company under the laws of India. All of our directors and officers are Indian nationals and all or a significant portion of the assets of all of the directors and officers and a substantial portion of our assets are located in India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgments against them obtained from courts outside India, including judgments predicated on the civil liability provisions of the United States federal securities laws.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in

respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the Reserve Bank of India to repatriate any amount recovered pursuant to the execution of the judgment.

- 84. *We are a public limited company under the laws of India. As a result, it may be difficult for investors to effect service of process outside India on us or on such directors or officers or to enforce judgments against them obtained from courts outside India, including judgments predicated on the civil liability provisions of the United States federal securities laws. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the infrastructure sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, and our business, prospects, financial condition and results of operations, in particular.

- 85. *We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on the BSE and the NSE, subject to the receipt of the final listing and trading approvals from the Stock Exchanges. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- political instability, terrorism, military conflict, epidemic or public health issues in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Instability in financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially

- acceptable terms and/or a timely basis.
- changes in India's tax, trade, fiscal or monetary policies; and
- other significant regulatory or economic developments in or affecting India or its logistics sector.

Moreover, a fall in the purchasing power of our customers, for any reason whatsoever, including rising consumer inflation, availability of financing to our customers, changing governmental policies and a slowdown in economic growth may have an adverse effect on our customers' revenues, savings and could in turn negatively affect their demand for our products. In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

**86. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation relative to developed countries in the recent past. Continued high rates of inflation may increase our expenses related to costs of raw material, rent, salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

**87. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers 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 falls 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 Rupee proceeds from a 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 authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**88. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

**89. *The occurrence of natural or man-made disasters may adversely affect our business, financial condition, results of operations and cash flows.***

The occurrence of natural disasters, including hurricanes, floods, tsunamis, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. The potential impact of a natural disaster on our results of operations and financial position is speculative and would depend on numerous factors. In addition, an outbreak of a communicable disease in India or in the particular region in which we have projects would adversely affect our business and financial conditions and the results of operations. We cannot assure prospective investors that such events will not occur in the future or that our business, financial condition, results of operations and cash flows will not be adversely affected.



**90. *Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

**91. *Rights of shareholders under Indian laws may be different from laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions under the Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as our shareholder than as a shareholder of an entity in another jurisdiction.

## SECTION III – INTRODUCTION

### THE OFFER

The following table summarizes the Offer details:

Particulars	Details of Equity Shares
Offer of Equity Shares by Our Company <sup>(1)</sup>	Offer of up to 2,25,00,000* Equity Shares of face value of ₹10/- each fully paid up for cash, at a price of ₹[●] per Equity share, aggregating ₹[●] lakhs
<i>of which</i>	
Fresh Issue <sup>(1)</sup>	Up to 1,90,00,000 Equity Shares, aggregating up to ₹[●] lakhs
Offer for Sale <sup>(2)</sup>	Up to 35,00,000 Equity Shares, aggregating up to ₹[●] lakhs
The Offer consists of:	
<b>A) QIB Portion</b> <sup>(2)(3)(4)(5)(7)</sup>	Not more than [●]* Equity Shares, aggregating up to ₹ [●] lakhs
<i>Of which:</i>	
(i) Anchor Investor Portion <sup>(3)(6)</sup>	Up to [●]* Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●]* Equity Shares
<i>Of which:</i>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●]* Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●]* Equity Shares
<b>B) Non – Institutional Portion</b> <sup>(6)</sup>	Not less than [●]* Equity Shares, aggregating up to ₹ [●] lakhs
<i>Of which:</i>	
(a) One-third of the Non-Institutional Portion available for allocation to Bidders with an application size more than ₹2,00,000 and up to ₹10,00,000	[●]* Equity Shares
(b) Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹10,00,000	[●]* Equity Shares
<b>C) Retail Portion</b> <sup>(6)</sup>	Not less than [●]* Equity Shares, aggregating up to ₹ [●] lakhs
<b>Pre and Post-Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	6,89,17,658 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net proceeds	For details about the use of Net Proceeds, please see “ <i>Objects of the Offer</i> ” on page 136.

\*Subject to finalisation of the Basis of Allotment.

**Notes:**

- (1) The Offer has been authorized by a resolution of our Board dated December 3, 2024 and has been authorized by a special resolution of our Shareholders, dated December 5, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to its resolution dated December 3, 2024.
- (2) The Selling Shareholder has specifically confirmed that the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. The details of such authorisations are provided below:

Name of the Selling Shareholder	Maximum number of Equity Shares offered in the Offer for Sale	Date of consent letter	Date of board resolutions recording the consent of Selling Shareholder
Shankarlal Deepchand Mehta	Up to 35,00,000	December 2, 2024	December 3, 2024
(3)	<p>Our Company may, in consultation with the BRLM allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. The QIB portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the Net QIB Portion. 5% of the Net QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion (excluding Anchor Investor Portion) will be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids having being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please see “Offer Procedure” on page 425.</p>		
(4)	<p>Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Offer, the Equity Shares will be allocated in the manner specified in “Terms of the Offer” on page 413.</p>		
(5)	<p>Subject to valid Bids being received at or above the Offer 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, as applicable, at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange, subject to applicable laws.</p>		
(6)	<p>Allocation to Bidders in all categories, other than Anchor Portion, Retail Individual Portion and Non-Institutional Portion, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹2.00 lakhs and up to ₹10.00 lakhs, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹10.00 lakhs and the unsubscribed portion in either of the above sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The Allocation to each Non-Institutional Investor shall not be less than the minimum application size viz. ₹2.00 lakhs, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis, in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, please see “Offer Procedure” on page 425.</p>		
(7)	<p>SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹5.00 lakhs shall use UPI. Individual Investors bidding under the Non-Institutional Portion for more than ₹2.00 lakhs and up to ₹5.00 lakhs, using the UPI Mechanism, shall provide their UPI ID the Bid cum Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.</p>		

For further details, including grounds for rejection of bids, please see “Terms of the Offer”, “Offer Structure” and “Offer Procedure” on pages 413, 421, and 425 respectively.

## SUMMARY FINANCIAL STATEMENTS

### RESTATEMENT OF ASSETS AND LIABILITIES

*(all amounts are in ₹ lakhs, unless otherwise stated)*

Particulars	Note No.	As at June 30, 2024	As at March 31 <sup>st</sup> , 2024	As at March 31, 2023	As at March 31, 2022
<b>I. ASSETS</b>					
<b>(1) <u>Non - current assets</u></b>					
(a) Property, Plant and Equipment	2	6,995.74	7,039.01	5,258.52	5,497.17
(b) Intangible assets	2	7.18	7.02	13.74	21.52
(c) Capital Work In Progress	3	6.78	2.82	1,548.23	66.79
(d) Financial assets					
(i) Others Financial assets	4	18.16	19.02	493.73	6.68
(e) Deferred tax assets (net)		-	-	-	-
(f) Other non - current assets	5	102.20	118.59	103.36	100.27
<b>Total Non - current assets -A</b>		<b>7,130.05</b>	<b>7,186.46</b>	<b>7,417.58</b>	<b>5,692.43</b>
<b>(2) <u>Current assets</u></b>					
(a) Inventories	6	11,314.17	10,419.30	8,804.54	11,266.69
(b) Financial assets					
(i) Investments	7	89.33	18.71	105.59	445.24
(ii) Trade receivables	8	11,029.09	8,949.59	10,668.73	8,725.62
(iii) Cash and cash equivalents	9	3.32	3.76	5.05	1.58
(iv) Bank balances other than cash and cash equivalents	10	1,168.49	934.47	712.47	619.80
(c) Other current assets	11	6,370.91	4,889.12	2,019.69	1,359.00
<b>Total Current assets - B</b>		<b>29,968.88</b>	<b>25,214.96</b>	<b>22,316.07</b>	<b>22,417.93</b>
<b>Total Assets (C=A+B)</b>		<b>37,098.93</b>	<b>32,401.42</b>	<b>29,733.64</b>	<b>28,110.36</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>(1) <u>Equity</u></b>					
(a) Equity Share capital	12	3,445.88	3,445.88	3,445.88	3,445.88
(b) Other Equity	13	8,875.84	7,781.05	4,670.73	2,329.84
<b>Total Equity - D</b>		<b>12,321.72</b>	<b>11,226.94</b>	<b>8,116.61</b>	<b>5,775.72</b>
<b><u>Liabilities</u></b>					
<b>(2) <u>Non - current liabilities</u></b>					
(a) Financial liabilities					

Particulars		Note No.	As at June 30, 2024	As at March 31 <sup>st</sup> , 2024	As at March 31, 2023	As at March 31, 2022
(i)	Long Term Borrowings	14	1,839.34	1,937.75	2,481.11	3,389.43
(ii)	Other Financial Liabilities	15	13.89	8.34	1,135.35	0.74
(b)	Deferred Tax Liability (net)	16	667.50	695.70	700.57	1,073.20
(C)	Provisions	17	268.26	258.61	180.96	173.77
	<b>Total Non - current liabilities - E</b>		<b>2,788.99</b>	<b>2,900.41</b>	<b>4,497.98</b>	<b>4,637.15</b>
<b><u>Current liabilities</u></b>						
(3)	Financial liabilities					
(a)	Financial liabilities					
(i)	Short Term Borrowings	18	6,129.78	6,037.99	5,501.43	5,794.89
(ii)	Trade payables	19				
a)	Total outstanding dues of micro and small enterprises		4,283.26	1,612.83	813.49	457.59
b)	Total outstanding dues of creditors others than micro and small enterprises		9,423.02	8,722.44	8,940.74	10,216.24
(b)	Provisions	20	1,618.24	1,216.71	952.81	521.94
(c)	Other current liabilities	21	533.92	684.10	910.58	706.83
	<b>Total Current liabilities - F</b>		<b>21,988.22</b>	<b>18,274.07</b>	<b>17,119.05</b>	<b>17,697.49</b>
	<b>Total Equity and Liabilities (G=D+E+F)</b>		<b>37,098.93</b>	<b>32,401.42</b>	<b>29,733.64</b>	<b>28,110.36</b>

## RESTATED STATEMENT OF PROFIT AND LOSS

*(all amounts are in ₹ lakhs, unless otherwise stated)*

Particulars	Note No.	Period Ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
<b>Incomes</b>					
I. Revenue from operations	22	20,528.03	90,980.80	94,767.44	76,641.70
II. Other income	23	108.26	569.45	301.62	151.29
<b>III. Total Income ( I+II)</b>		<b>20,636.29</b>	<b>91,550.25</b>	<b>95,069.06</b>	<b>76,792.99</b>
<b>IV. Expenses:</b>					
a Cost of materials consumed	24	17,054.43	74,278.29	74,854.55	63,633.17
b Purchase of Traded Goods		-	-	-	-
c Changes in inventories of finished goods and work in progress	25	(1,345.29)	(2,261.22)	3,040.95	(298.36)
d Employee benefits expense	26	555.42	2,144.81	1,816.94	1,487.39
e Finance costs	27	351.67	1,446.52	1,137.18	1,102.95
f Depreciation and amortization expense	2	178.83	831.64	691.25	679.31
g Other expenses	28	2,329.20	10,877.95	10,670.42	8,795.00
<b>Total expenses (IV)</b>		<b>19,124.26</b>	<b>87,318.00</b>	<b>92,211.30</b>	<b>75,399.46</b>
<b>V. Profit before Exceptional Items and Tax (III-IV)</b>		<b>1,512.03</b>	<b>4,232.26</b>	<b>2,857.76</b>	<b>1,393.54</b>
VI Exceptional Items		-	-	-	-
<b>VII Profit / (Loss) Before Tax (V+VI)</b>		<b>1,512.03</b>	<b>4,232.26</b>	<b>2,857.76</b>	<b>1,393.54</b>
<b>VII Tax expense:</b>		1,934.27			
<b>I</b>					
a Current tax		380.55	1,055.73	827.07	417.84
b MAT Credit		-	-	-	125.36
c Deferred tax		(29.34)	13.63	(373.77)	(19.37)
d Income tax relating to earlier years		69.44	-	-	-
		<b>420.64</b>	<b>1,069.36</b>	<b>453.30</b>	<b>523.83</b>
<b>IX. Profit for the year</b>		<b>1,091.39</b>	<b>3,162.89</b>	<b>2,404.46</b>	<b>869.70</b>
<b>X. Other comprehensive income</b>					
<b>(i) Items that will not be reclassified to profit or loss</b>					
Remeasurement of the defined benefit plans		(0.09)	(73.69)	6.92	27.79
Income tax relating to these items		0.02	18.55	(1.74)	(9.71)
<b>(ii) Items that will be reclassified to profit or loss</b>					
Remeasurement of Fair Value Investments		4.62	0.21	(2.41)	66.94
Income tax relating to these items		(1.16)	(0.05)	0.61	(23.39)
<b>Total other comprehensive income, net of tax</b>		<b>3.40</b>	<b>(54.98)</b>	<b>3.37</b>	<b>61.63</b>
<b>XI. Total comprehensive income for the year</b>		<b>1,094.78</b>	<b>3,107.91</b>	<b>2,407.84</b>	<b>931.33</b>
<b>XII. Earnings per equity share</b>					
(Nominal value per share Rs. 10/-)					
- Basic (Rs.)		<b>1.58</b>	<b>4.59</b>	<b>3.49</b>	<b>1.26</b>
- Diluted (Rs.)		<b>1.58</b>	<b>4.59</b>	<b>3.49</b>	<b>1.26</b>

## RESTATED STATEMENT OF CASH FLOWS

*(all amounts are in ₹ lakhs, unless otherwise stated)*

Particulars	Period Ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
<b>A. Cash flow from Operating activities</b>				
<b>Net profit before tax</b>	<b>1,512.03</b>	<b>4,232.26</b>	<b>2,857.76</b>	<b>1,393.54</b>
<b>Adjustments for :</b>				
Depreciation and amortisation expense	178.83	831.64	691.25	679.31
Profit/Loss on Sale of Fixed Assets	-	(1.77)	-	(0.05)
Profit/Loss on sale of investments	-	(73.52)	(117.20)	-
Amount Reclassified to P & L	-	2.41	(66.94)	-
Interest Income	(103.16)	(250.04)	(162.11)	(129.54)
Finance Costs	351.67	1,446.52	1,137.18	1,102.95
<b>Operating profit before working capital changes</b>	<b>1,939.37</b>	<b>6,187.51</b>	<b>4,339.95</b>	<b>3,046.21</b>
<b>Adjustments for :</b>				
(Increase)/Decrease In Trade Receivables	(2,079.50)	1,719.14	(1,943.11)	(3,398.15)
(Increase)/Decrease In Inventories	(894.87)	(1,614.76)	2,462.15	(274.55)
(Increase)/Decrease In Other Current Assets	(1,283.52)	(2,843.65)	(412.15)	68.24
(Increase)/Decrease In Other Bank Balances	(234.02)	(222.01)	(92.67)	118.91
(Increase)/Decrease in Others Financial Assets	0.87	474.70	(487.05)	(0.70)
(Increase)/Decrease in Other Non - Current Assets	16.40	(15.23)	(3.10)	21.90
Increase/(Decrease) In Trade Payables	3,371.01	581.04	(919.61)	964.43
Increase/(Decrease) In Other Current Liabilities	(150.19)	(226.48)	203.76	(263.47)
Increase/(Decrease) In Provisions	20.90	(38.45)	28.56	37.88
<b>Cash (used)/generated from operating activities before taxes</b>	<b>706.46</b>	<b>4,361.82</b>	<b>3,176.73</b>	<b>320.70</b>
Direct taxes paid	261.28	1,212.86	666.39	514.60
<b>Net cash (used)/generated from operating activities (A)</b>	<b>445.18</b>	<b>3,148.96</b>	<b>2,510.35</b>	<b>(193.91)</b>
<b>B. Cash flow from Investing activities</b>				
Purchase Of Property, Plant And Equipment, Intangible Assets And Investment Property	(139.68)	(1,059.99)	(1,926.25)	(501.86)
Profit/Loss on Sale of Fixed Assets	-	1.77	-	0.05
Profit/Loss on Sale of Investments	-	73.52	117.20	-
Purchase/Sale of Investments	(66.00)	87.09	337.24	(226.50)
Interest Received	103.16	250.04	162.11	129.54
<b>Net cash from/(used in) investing activities (B)</b>	<b>(102.52)</b>	<b>(647.58)</b>	<b>(1,309.70)</b>	<b>(598.77)</b>
<b>C. Cash flow from Financing activities</b>				
Increase/(Decrease) in Other Financial Liabilities	5.55	(1,127.01)	1,134.61	(4.44)
Increase/(Decrease) in Long Term Borrowings	(98.41)	(543.37)	(908.32)	1,776.38
Increase/(Decrease) in Provision	9.64	77.66	7.18	(4.34)

Particulars	Period Ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Increase/(Decrease) in Short Term Borrowings	91.78	536.57	(293.47)	123.78
Finance Costs	(351.67)	(1,446.52)	(1,137.18)	(1,102.95)
<b>Net cash used in financing activities (C )</b>	<b>(343.10)</b>	<b>(2,502.67)</b>	<b>(1,197.17)</b>	<b>788.43</b>
<b>Net cash (used)/generated during the year (A+B+C)</b>	<b>-0.44</b>	<b>(1.30)</b>	<b>3.48</b>	<b>(4.25)</b>
Cash and cash equivalents (Opening balance)	3.76	5.05	1.58	5.83
<b>Cash and cash equivalents (Closing balance)</b>	<b>3.32</b>	<b>3.76</b>	<b>5.05</b>	<b>1.58</b>



## GENERAL INFORMATION

### Registered Office

#### Rajputana Stainless Limited

213, Madhwas

Halol Kalol Road, Kalol

Panchmahal, Gujarat – 389 330, India

**Telephone:** +91 63 5816 4770

**Email Id:** [compliance@rajputanastainless.com](mailto:compliance@rajputanastainless.com)

**Website:** [www.rajputanastainless.com](http://www.rajputanastainless.com)

### Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

**Registration number:** 015331

**Corporate identity number:** U27109GJ1991PLC015331

### Registrar of Companies

Our Company is registered with the RoC, Ahmedabad at the following address:

#### Registrar of Companies

ROC Bhavan

Opp Rupal Park Society

Behind Ankur Bus Stop

Naranpura, Ahmedabad -380 013

Gujarat, India

**Telephone:** +91 079 2743 8531

### Our Board of Directors

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	DIN	Address
<b>Shankarlal Deepchand Mehta</b> <i>Chairman and Managing Director</i>	02656381	5 Pratishta Bungalows, Opp Mayur Apartment, Near Javahar Soc, R V Desai Road, Vadodara – 390 001, Gujarat, India
<b>Babulal D. Mehta</b> <i>Whole-time Director</i>	02656396	A/1704, Shreepati Jewels, 17 <sup>th</sup> Floor, Plot No 370, Pimpalwadi, T.G. Marg, Girgoan, Mumbai – 400 004, Maharashtra, India
<b>Jayesh Natvarlal Pithva</b> <i>Executive Director</i>	01531196	103 Parshva Kunj, Malaviya Road, Vile Parla East, Mumbai – 400 057, Maharashtra, India
<b>Kushal Kamlesh Brahmshatriya</b> <i>Independent Director</i>	06558832	204 Anvayaa, Opp Torent Power Station, Vejalpur, Makaraba, (Ahmedabad City), Ahmedabad – 380 051, Gujarat, India
<b>Nikita Ronak Mehta</b> <i>Independent Director</i>	10625486	D-503, ICB Flora, behind Vodafon Tower, S.G. Highway, Gota, Chandoliya (Ahmedabad City), Ahmedabad – 382 481, Gujarat, India
<b>Prashant B. Patel</b> <i>Independent Director</i>	03633382	51, Hariom Villa, Lal Gebi Ashram, Ghuma, Daskroi, Ahmedabad – 380 058, Gujarat, India

For further details of our Directors, please see “*Our Management*” on page 262.

## **Company Secretary and Compliance Officer**

Richa Sanjeev Prashar is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

213, Madhwas  
Halol Kalol Road, Kalol  
Panchmahal, Gujarat – 389 330, India  
**Telephone:** +91 63 5816 4770  
**Email Id:** [compliance@rajputanastainless.com](mailto:compliance@rajputanastainless.com)

## **Investor Grievances**

**Investors may contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLM.**

All Offer-related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary(ies) in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications and grievances of ASBA Bidders.

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

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

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

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address

of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

#### **Book Running Lead Manager**

##### **Nirbhay Capital Services Private Limited**

201, Maruti Crystal,  
Opp. Rajpath Club, S.G. Road  
Ahemdabad – 380 054, Gujarat, India  
**Telephone** : +91-79-48970649  
**Email**: kunjal@nirbhaycapital.com  
**Website**: [www.nirbhaycapital.com](http://www.nirbhaycapital.com)  
**Investor Grievance E-mail**: ipo@nirbhaycapital.com  
**Contact Person**: Kunjal Soni  
**SEBI Registration No.:** INM000011393

#### **Statement of responsibilities**

Nirbhay Capital Services Private Limited is the sole Book Running Lead Manager to the Offer and all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

#### **Legal Counsel to the Offer**

##### **Vidhigya Associates, Advocates**

105, A Wing, Kanara Business Centre  
Ghatkopar East, Mumbai – 400 075  
Maharashtra, India  
**Telephone**: +91 84240 30160  
**Email**: [rahul@vidhigyaassociates.com](mailto:rahul@vidhigyaassociates.com)  
**Contact Person**: Rahul Pandey

#### **Registrar to the Offer**

##### **KFin Technologies Limited**

Selenium Tower-B, Plot No. - 31& 32, Gachibowli  
Financial District, Nanakramguda  
Serilingampally, Hyderabad – 500 032, Telangana, India  
**Telephone**: +91 40 6716 2222 / 1800 309 4001  
**Email**: [rsl.ipo@kfintech.com](mailto:rsl.ipo@kfintech.com)  
**Website**: [www.kfintech.com](http://www.kfintech.com)  
**Investor Grievance Email**: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
**Contact Person**: M.Murali Krishna  
**SEBI Registration No.:** INR000000221

#### **Statutory Auditors to our Company**

##### **M/s Ruparel & Bavadiya, Chartered Accountants**

Level-3, 320 - Kanha Capital  
Above HDFC Bank, Opp. Hotel Express  
R.C. Dutt Road, Alkapuri  
Vadodara – 390 008, Gujarat, India  
**Tel**: +91 93745 13682  
**Email**: [kdruparel@cakdruparel.com](mailto:kdruparel@cakdruparel.com)  
**ICAI Firm Registration Number**: 126260W  
**Peer Review Number**: 015292  
**Contact Person**: P.N. Bavadiya

## Changes in the Auditors

Except as stated below, there have been no changes in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Name of Auditor	Address and E-mail	Date of Appointment/ Cessation	Reason
M/s Ruparel & Bavadiya, Chartered Accountants	5 <sup>th</sup> Floor, Samir Building, Kothi Char Rasta, Vadodara – 390 001, Gujarat, India	November 30, 2021	Appointment as Statutory Auditors for 5 Years i.e. Fiscal 2022 to Fiscal 2026
<i>Firm Registration Number: 126260W</i>	<i>Email: <a href="mailto:kdruparel@cakdruparel.com">kdruparel@cakdruparel.com</a></i>		
<i>Peer Review No.: 15292</i>			
M/s Ruparel & Bavadiya, Chartered Accountants	5 <sup>th</sup> Floor, Samir Building, Kothi Char Rasta, Vadodara – 390 001, Gujarat, India	May 31, 2021	Appointment on account of Casual Vacancy for the Financial Year 2020-21
<i>Firm Registration Number: 0126260W</i>	<i>Email: <a href="mailto:kdruparel@cakdruparel.com">kdruparel@cakdruparel.com</a></i>		
<i>Peer Review No.: 015292</i>			
Rakesh K Chauhan & Associates	207, Samarpan Complex, Tegor Road, Near J. P. Tower, Rajkot – 360 001, Gujarat, India	May 5, 2021	Resignation due to preoccupation
<i>Firm Registration Number: 121989W</i>	<i>Email: <a href="mailto:rkchohanca@gmail.com">rkchohanca@gmail.com</a></i>		

## Bankers to our Company

### State Bank of India, IFB Baroda Branch

IFB Baroda Branch  
4<sup>th</sup> Floor Mid-Town Building  
Jetapur Road, Vadodara  
**Contact person:** AGM & Relationship Manager  
**Telephone:** +91 265 231 2093  
**E-mail:** [rm3.ifbbrd@sbi.co.in](mailto:rm3.ifbbrd@sbi.co.in)  
**Website:** [www.sbi.co.in](http://www.sbi.co.in)

### IDBI Bank Limited, MCG Ahmedabad

IDBI Complex, Off C G Road  
Nr. Lal Bungalow, Ahmedabad 380 009  
**Contact person:** AGM & Relationship Manager  
**Telephone:** +91 736 607 2764  
**E-mail:** [divya\\_shah@idbi.co.in](mailto:divya_shah@idbi.co.in), [hemu\\_agarwal@idbi.co.in](mailto:hemu_agarwal@idbi.co.in)  
**Website:** [www.idbibank.in](http://www.idbibank.in)

## Bankers to Offer, Escrow Collection Bank, Public Offer Bank, Refund Bank and Sponsor Bank

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

## **Syndicate Members**

The Syndicate Members will be appointed prior to filing of the Red Herring Prospectus with the RoC.

## **Designated Intermediaries**

### **Self-Certified Syndicate Banks**

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

### **SCSBs and mobile applications enabled for UPI Mechanism**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, Retail Individual Bidders bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, 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.

### **Syndicate SCSB Branches**

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

### **Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx)? and [www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively, 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 websites of the Stock Exchanges at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx)? and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm) respectively, as updated from time to time.

## **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?) and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

## **Grading of the Offer**

No credit agency registered with SEBI has been appointed for grading for the Offer.

## **Expert**

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

Our Company has received written consent dated December 27, 2024 from M/s Ruparel & Bavadiya, Chartered Accountants, 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 in their capacity as our Statutory Auditors, and in respect of (i) examination report, dated December 11, 2024 on our Restated Financial Statements in this Draft Red Herring Prospectus (ii) Statement of Special Tax Benefits dated December 28, 2024 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated November 26, 2024, from JAS Associates, Independent Chartered Engineer, 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 in his capacity as the Independent Chartered Engineer.

However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning under the U.S. Securities Act, as amended (the "**U.S. Securities Act**").

The above-mentioned consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

## **Monitoring Agency**

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency for monitoring the utilisation of Gross Proceeds prior to filing of the Red Herring Prospectus with the RoC, as the proposed Offer exceeds ₹10,000.00 lakhs.

Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Gross Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilized. Our Company will disclose and continue to disclose details of all monies utilized out of the Offer till the time any part of the Gross Proceeds remains unutilized, under an appropriate head in the balance sheet of our Company. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Gross Proceeds that have not been utilized, if any, of such currently unutilized Gross Proceeds. Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and also make other disclosures as may be required until such time as the Gross Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Offer from the objects of the Offer as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Offer from the objects of the Offer as

stated above.

### **Appraising Entity**

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

For details, see “*Risk Factors - Our funding requirements and the deployment of Net Proceeds are based on management estimates and have not been independently appraised. Any variation in the utilisation of Net Proceeds of the Fresh Issue as disclosed in this Draft Red Herring Prospectus shall be subject to compliance requirements, including prior shareholders’ approval*” on page 75.

### **Credit Rating**

As the Offer is only of Equity Shares, credit rating is not required.

### **Debenture trustees**

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

### **Green Shoe Option**

No green shoe option is contemplated under the Offer.

### **Filing of this Draft Red Herring Prospectus**

A copy of this Draft Red Herring Prospectus has been uploaded on the SEBI Intermediary Portal at <https://siportal.sebi.gov.in>, in accordance with regulation 25 (8) of SEBI ICDR Regulations and SEBI Master Circular dated June 21, 2023 and shall be submitted to SEBI on [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in) in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD”. It will also be filed with SEBI at the following address:

#### **Securities and Exchange Board of India**

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

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

### **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band which will be decided by our Board, as applicable, in consultation with the BRLM, and the minimum Bid lot, which will be decided by our Board and the Selling Shareholder, in consultation with the BRLM, and if not disclosed in the Red Herring Prospectus, will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of [●] (a Gujarati daily newspaper, Gujarati being the regional language newspaper of Gujarat where our Registered Office is located), at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Board and the Selling Shareholder in consultation with the BRLM, after the Bid/ Offer Closing Date. For further details, see “*Offer Procedure*” on page 425.

**All Bidders (other than Anchor Investors) shall mandatorily participate in this Offer only through the**



ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or Sponsor Bank, as the case may be. In addition to this, the UPI Bidders may participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bid/ Offer Period. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. Pursuant to SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, all individual investors applying in initial public offerings whose application amount is up to ₹5.00 lakhs shall use UPI Mechanism. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹2.00 lakhs and up to ₹5.00 lakhs, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders 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. RIBs bidding in the Retail Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Offer Period. Except for Allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

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

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

For further details on the method and process of Bidding, see “*Offer Procedure*” and “*Offer Structure*” on pages 425 and 421, respectively.

### **Illustration of Book Building Process and Price Discovery Process**

For an illustration of the Book Building Process and the price discovery process, see “*Terms of the Offer*” and “*Offer Procedure*” on pages 413 and 425, respectively.

### **Underwriting Agreement**

After the determination of the Offer Price, but prior to allocation of Equity Shares and filing of the Prospectus with the RoC, our Company and the Selling Shareholder will enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer, who shall be merchant bankers or stock-brokers registered with SEBI. The extent of underwriting obligations and the Bids to be underwritten by BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the



following number of Equity Shares:

*(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. Specific details below have been intentionally left blank and will be filled in before, and this portion will be applicable upon the execution of the Underwriting Agreement and filing of the Prospectus with the RoC, as applicable)*

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

The abovementioned amounts are provided for indicative purposes only and would be decided after the pricing and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

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

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement.

## CAPITAL STRUCTURE

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

(in ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
<b>A. AUTHORIZED SHARE CAPITAL</b>			
	10,00,00,000 Equity Shares of face value of ₹10 each	1,00,00,00,000	-
<b>B. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>			
	6,89,17,658 Equity Shares of face value of ₹10 each	68,91,76,580	-
<b>C. PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**</b>			
	Offer of up to 2,25,00,000 Equity Shares of face value of ₹10 each aggregating to ₹[●]	[●]	[●]
	<i>Of which:</i>		
	<i>Fresh Issue of up to 1,90,00,000 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] Lakhs</i>	[●]	[●]
	<i>Offer for Sale of up to 35,00,000 Equity Shares of face value of ₹ 10 each aggregating to ₹[●] Lakhs by the Selling Shareholder<sup>^</sup></i>	[●]	[●]
<b>D. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER*</b>			
	[●] Equity Shares of face value ₹10 each	[●]###	-
<b>E. SECURITIES PREMIUM ACCOUNT</b>			
	Before the Offer		-
	After the Offer		[●]

\* Details to be included upon finalization of Offer Price

\*\* For details in relation to the changes in the authorised share capital of our Company, see “History and Certain Corporate Matters – Amendments to our Memorandum of Association” on page 257.

# The Offer has been authorised by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated December 3, 2024 and December 5, 2024, respectively. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to its resolution dated December 3, 2024.

^ The Selling Shareholder confirms that the Offered Shares have been held by such Selling Shareholder for a period of at least one year prior to filing of this Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. The Selling Shareholder has confirmed and approved its participation in the Offer for Sale as set out below:

S. No.	Selling Shareholder	Number of Equity Shares offered in the Offer for Sale##	Date of consent letter	Date of board resolutions recording the consent of Selling Shareholder
1.	Shankarlal Deepchand Mehta	Up to 35,00,000	December 2, 2024	December 3, 2024

## Subject to finalization Basis of Allotment.

### Notes to Capital Structure

#### I. Share Capital History of our Company

Our Company has only one class of share capital i.e., Equity Shares of face value of ₹10 each. 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.

- Equity Share Capital**

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
April 2, 1991	20	100	100	Cash	Subscription to MOA <sup>(1)</sup>	20	2,000	Allotment of 10 Equity Shares each to Ram Saran Tambi and Omprakash Agarwal
November 13, 1992	700	100	100	Cash	Further Allotment	720	72,000	Allotment of 100 Equity Shares each to Arun Singhel, Varun Singhel, Pankaj Singhel and Baldev Singhel and 300 Equity Shares to Omprakash Agarwal
March 29, 1993	14,280	100	100	Cash	Further Allotment	15,000	1,500,000	Allotment of 3,090 Equity Shares to Omprakash Agarwal, 1,000 Equity Shares each to Sushil Agarwal, Mayadevi and Laxmanbhai Contractor, 1,120 Equity Shares to Ram Saran Tambi, 1,400 Equity Shares to Baldev Kumar Sethi, 660 Equity Shares to Arun Singhel, 840 Equity Shares to Varun Singhel, 400 Equity Shares to Pankaj Singhel, 500 Equity Shares to Tamanna Singhel, 800 Equity Shares to Satya Prakash Singhel, 2,000 Equity Shares to Bhailabhai Patel and 470 Equity Shares to Mangturam Agarwal
March 31, 1996	10	100	100	Cash	Further Allotment	15,010	1,501,000	Allotment of 2 Equity Shares each to Anita Agarwal, Keshori Devi Agarwal, Kusum Agarwal, Rajesh Kumar Agarwal and Sunita Agarwal*
March 24, 2001	27,637	100	100	Cash	Further Allotment	42,647	4,264,700	Allotment of 6,000 Equity Shares to Babulal D. Mehta, 3,000 Equity Shares to Bhaguben Babulal Mehta, 2,150 Equity Shares to Deepchand Mehta, 2,000 Equity Shares to Hetal Pithva and Bhupendra Doshi each, 2,450 Equity Shares to Jeevraj Mehta, 4,000 Equity Shares to Rohini Mehta, 5,000 Equity Shares to Shankarlal

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
								Deepchand Mehta and 1,037 Equity Shares to Tejaram Kinaram Bishnoi
March 31, 2004	36,650	100	100	Cash	Further Allotment	79,297	7,929,700	Allotment of 1,500 Equity Shares to Babulal D. Mehta, 480 Equity Shares to Bhaguben Babulal Mehta, 4,320 Equity Shares to Deepchad Javat raj Mehta, 1,000 Equity Shares to Bhupendra Doshi, 3,000 Equity Shares to Mehta Babulal D. HUF, 2,000 Equity Shares to Biharilal Gopichand Jain, 2698 Equity Shares to Jeevraj Goma ji Mehta, 1,000 Equity Shares to Deepchand Javat raj Mehta HUF, 1,500 Equity Shares to Gopichand Jain, 700 Equity Shares to Javerimal A Barad, 102 Equity Shares to Javerimal Gomaji Mehta (HUF), 2,800 Equity Shares to Kamala Motilal Mehta, 1,500 Equity Shares to Ladhuram S. Jain, 1,000 Equity Shares to Laxmanbhai, 350 Equity Shares to Mangilal V. Sanghvi, 3,800 Equity Shares to Motilal Deepchand Mehta, 2,000 Equity Shares to Nirmalaben Natvarlal. Pithva, 3,000 Equity Shares to Ramesh Deepchand Mehta, 500 Equity Shares to Surajmal P. Doshi and 3,400 Equity Shares to Vikram Motilal Mehta
March 31, 2005	26,240	100	100	Cash	Further Allotment	1,05,537	10,55,370	Allotment of 10,361 Equity Shares to Bhupendra J Doshi, 2,000 Equity Shares to Shankarlal Deepchand Mehta, 2,650 Equity Shares to Motilal Deepchand Mehta, 2,000 Equity Shares to Ramesh Deepchand Mehta, 500 Equity Shares to Vikram Motilal Mehta, 3,000 Equity Shares to Motilal Deepchand Mehta HUF, 430 Equity Shares to Natvarlal Pithva, 1,500

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
								Equity Shares to Babulal D. Mehta, 1,000 Equity Shares to Champalal Deepchand Mehta and 2,799 Equity Shares to Hitesh Kumar Doshi
March 31, 2005	25,000	100	200	Cash	Further Allotment	130,537	13,053,700	Allotment of 25,000 Equity Shares to Ashok Kumar Jain
March 31, 2006	46,492	100	300	Cash	Further Allotment	177,029	17,702,900	Allotment of 38,716 Equity Shares to Shankarlal Deepchand Mehta, 60 Equity Shares to Vikram Motilal Mehta, 4,350 Equity Shares to Babulal D. Mehta, 2,616 Equity Shares to Bhaguben Babulal Mehta and 750 Equity Shares to Jayanti M. Sanghavi
March 19, 2007	10,000	100	300	Cash	Further Allotment	187,029	18,702,900	Allotment of 10,000 Equity Shares to Shankarlal Deepchand Mehta
September 29, 2007	Pursuant to its shareholders' resolution dated September 29, 2007, each Equity Share of our Company of face value of ₹100 each was split into 10 Equity Shares of face value of ₹10 each. Therefore, the issued, paid-up and subscribed share capital of our Company was sub-divided from ₹18,702,900 divided into 187,029 Equity Shares of ₹100 each into ₹18,702,900 divided into 1,870,290 Equity Shares of ₹10 each							
March 31, 2008	371,050	10	100	Cash	Further Allotment	2,241,340	22,413,400	Allotment of 1,000 Equity Shares to Ramesh Deepchand Mehta (HUF), 10,300 Equity Shares to Jayesh Pithva (Proprietor R Magan Lal & Company), 29,650 Equity Shares to Ramesh Deepchand Mehta, 20,750 Equity Shares to Motilal D. Mehta, 200 Equity Shares to Vikram Motilal Mehta, 35,000 Equity Shares to Chandi Mata Management Private Limited, 15,000 Equity Shares to Elegance Trade & Holiday Private Limited, 20,000 Equity Shares to Gallore Suppliers Private Limited, 1,500 Equity Shares to Pinky P. Jain, 3,000 Equity Shares to Simpro Vanijya Private Limited, 10,000 Equity Shares to Sitala Timber Private Limited, 37,500 Equity Shares to Sparsh Hotels Private Limited, 40,000 Equity Shares to Subhrekha Vyapar

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
								Private Limited, 68,000 Equity Shares to Taral Vincom Private Limited, 30,000 Equity Shares to Vairavi Electricals Private Limited, 15,000 Equity Shares to Warner Metallic Private Limited, 29,150 Equity Shares to Shankar Mehta (Proprietor of Yash Steel Centre) and 5,000 Equity Shares to Babulal D. Mehta (HUF)
August 31, 2008	255,000	10	100	Cash	Further Allotment	2,496,340	24,963,400	Allotment of 50,000 Equity Shares to Acclaim Trading Private Limited, 10,000 Equity Shares to Basukinath Design Private Limited, 20,000 Equity Shares to Buniyad Chemical Limited, 10,000 Equity Shares to Echolac Vinimay Private Limited, 25,000 Equity Shares each to Elegance Trade & Holdings Private Limited and Gallore Suppliers Private Limited, 20,000 Equity Shares to Shubhrekha Vyapar Private Limited, 10,000 Equity Shares to Slow Sound Plastics Private Limited, 30,000 Equity Shares to Sparsh Hotels Private Limited, 50,000 Equity Shares to Talend Infoways Limited and 5,000 Equity Shares to Telestar Packaging Private Limited
October 15, 2008	3,324,991	10	10	Cash	Further Allotment	5,821,331	58,213,310	Allotment of 135,830 Equity Shares to Babulal D. Mehta, 96,011 Equity Shares to Bhaguben Babulal Mehta, 59,266 Equity Shares to Ramesh Kumar Deepchand Mehta, 33,884 Equity Shares to Babulal N. Bishnoi and 3,000,000 Equity Shares to Shankarlal Deepchand Mehta
February 15, 2009	8,731,996	10	N.A	N.A	Bonus issue	14,553,327	145,533,270	Allotment of 75,000 Equity Shares to Acclaim Trading Private Limited, 15,030 Equity Shares to Anita Agarwal, 3,75,000

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
								Equity Shares to Ashok Kumar Jain, 4,03,995 Equity Shares to Babulal D. Mehta, 52,500 Equity Shares to Mehta Babulal D. (HUF), 50,825 Equity Shares to Babulal N. Bishnoi, 14,100 Equity Shares to Baldev Kumar Sethi, 15,000 Equity Shares to Basukinath Design Private Limited, 2,35,457 Equity Shares to Bhaguben Babulal Mehta, 30,000 Equity Shares to Bhailalbhai Ranchodbhai Patel, 2,00,415 Equity Shares to Bhupendra J Doshi, 30,000 Equity Shares to Biharilal Gopalchand Jain, 30,000 Equity Shares to Buniyad Chemical Limited, 15,000 Equity Shares to Champalal Jain, 52,500 Equity Shares to Chandimata Management Private Limited, 97,050 Equity Shares to Deepchand J Mehta, 15,000 Equity Shares to Deepchand J Mehta HUF, 15,000 Equity Shares to Echolac Vinimay Private Limited, 60,000 Equity Shares to Elegance Trade & Holiday Private Limited, 67,500 Equity Shares to Gallore Suppliers Private Limited, 22,500 Equity Shares to Gopichand S Jain, 30,000 Equity Shares to Hetal Jayesh Pethva, 41,985 Equity Shares to Hitesh Kumar Doshi, 10,500 Equity Shares to Javerimal Barad, 11,250 Equity Shares to Jayanti M. Sanghvi, 15,450 Equity Shares to Jayesh Pithva, 77,220 Equity Shares to Jeevraj Mehta, 1,530 Equity Shares to Jeevraj Mehta HUF, 42,000 Equity Shares to Kamala Motilal Mehta, 30 Equity Shares to Keshori Devi Agarwal, 30 Equity Shares to

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
								Kusum Agarwal, 22,500 Equity Shares to Ladhuram S Jain, 15,000 Equity Shares to Laxmanbhai PContractor, 15,000 Equity Shares to Laxman Jain, 5,250 Equity Shares to Mangilal Sanghvi, 7,050 Equity Shares to Mangturam Agarwal, 1,27,875 Equity Shares to Motilal Mehta, 45,000 Equity Shares to Motilal Deepchand Mehta (HUF), 6,450 Equity Shares to Natvarlal Pithva, 30,000 Equity Shares to Nirmalaben N. Pithva, 78,000 Equity Shares to Omprakash Agarwal, 16,800 Equity Shares to Omprakash Agarwal, 2,250 Equity Shares to Pinky P Jain, 15,000 Equity Shares to Pradeep Agarwal, 30 Equity Shares to Rajesh Kumar Agarwal, 8,550 Equity Shares to Ram Saran Tambi, 1,19,475 Equity Shares to Rameshbhai Mehta, 90,399 Equity Shares to Rameshbhai Mehta HUF, 60,000 Equity Shares to Rohini Mehta, 8,79,465 Equity Shares to Shankarlal Deepchand Mehta, 45,00,000 Equity Shares to Shankarlal Deepchand Mehta Prop Yash Steel Centre,s 4,500 Equity Shares to Simpro Vanijya Private Limited, 15,000 Equity Shares to Sitala Timber Private Limited, 15,000 Equity Shares to Slow Sound Plastics Private Limited, 1,01,250 Equity Shares to Sparsh Hotels Private Limited, 90,000 Equity Shares to Subhrekha Vyapar Private Limited, 30 Equity Shares to Sunita Agarwal, 7,500 Equity Shares to Surajmal P. Doshi, 15,000 Equity Shares to Sushil Agarwal, 75,000 Equity



Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
								Shares to Talent Infoways Limited, 1,02,000 Equity Shares to Taral Vincom Private Limited, 15,555 Equity Shares to Tejaram Kinaram Bishnoi, 7,500 Equity Shares to Telestar Packaging Private Limited, 45,000 Equity Shares to Vairavi Electricals Private Limited, 10,500 Equity Shares to Varun Singhel, 59,700 Equity Shares to Vikram Motilal Mehta, 22,500 Equity Shares to Warner Metalic Private Limited.
March 30, 2009	992,875	10	40	Cash	Further Allotment	15,546,202	155,462,020	Allotment of 8,750 Equity Shares to Motilal D. Mehta, 13,000 Equity Shares to Motilal Deepchand Mehta (HUF), 3,125 Equity Shares to Pinky Jain, 37,500 Equity Shares each to Simpro Vanijya Private Limited, Achi Financial & Management Consultants Private Limited, Olender Mefgr & Credit Private Limited and Radiant Mercantile Private Limited, 50,000 Equity Shares each to Slow Sound Plastice Private Limited, Sugam Commoddeal Private Limited and Tuticorin Terxim Private Limited, 100,000 Equity Shares to Telestar Packaging Private Limited, 3,000 Equity Shares to Girish Babulal Mehta, 2,500 Equity Shares to Kalpesh Babulal Mehta, 25,000 Equity Shares to M.S.V. Fiscal Services Private Limited, 87,500 Equity Shares to Swastick Financial and Commercial Services Private Limited, 62,500 Equity Shares to Shublxmi Barter Private Limited, 225,000 Equity Shares to Param Poly Pack Private Limited and 162,500 Equity Shares to Achievers Trading

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
March 31, 2009	135,000	10	100	Cash	Further Allotment	15,681,202	156,812,020	Private Limited Allotment of 25,000 Equity Shares to Taral Vincom Private Limited and Barsopurti Exim Private Limited each, 50,000 Equity Shares to Basukinath Design Private Limited, 15,000 Equity Shares to Avantika Paper Private Limited, and 20,000 Equity Shares to CRM Systems Private Limited
May 15, 2009	243,750	10	40	Cash	Further Allotment	15,924,952	159,249,520	Allotment of 6,250 Equity Shares to Motilal D. Mehta, 62,500 Equity Shares to Bahar Paper Private Limited, Balram Vinimay Private Limited and Good Faith Cement Private Limited each, and 50,000 Equity Shares to Sukant Steel Private Limited
March 27, 2012	15,924,952	10	N.A	N.A	Bonus issue	31,849,904	318,499,040	Allotment of 9,441,213 Equity Shares to Shankarlal Deepchand Mehta, 720,013 Equity Shares to Babulal D. Mehta, 215,500 Equity Shares to Jayesh Pithva, 478,166 Equity Shares to Bhaguben Babulal Mehta, 292,000 Equity Shares to Hetal Jayesh Pithva, 100,000 Equity Shares to Rohiniben R. Mehta, 212,800 Equity Shares to Mehta Babulal D. (HUF), 145,000 Equity Shares to Kamala M. Mehta, 396,412 Equity Shares to Motilal D. Mehta, 358,062 Equity Shares to Rameshbhai D. Mehta, 275,500 Equity Shares to Nirmalaben Natvarlal Pithva, 152,000 Equity Shares to Vikram M. Mehta, 272,000 Equity Shares to Natvarlal V. Pithva, 154,000 Equity Shares to Motilal Deepchand Mehta (HUF), 87,500 Equity Shares to Jayantilal M. Sanghavi, 150,665 Equity Shares to Rameshbhai D. Mehta, 6,875 Equity Shares to Pinky Jain, 48,500 Equity Shares to Girish

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
								Babulal Mehta, 107,750 Kalpesh Babulal Mehta, 81,200 Equity Shares to Mahendra M. Mehta, 12,962 Equity Shares to Tejaram Kinaram Bishnoi, 2,123,375 Equity Shares to Lohagar Developer Private Limited, 84,709 Equity Shares to Babulal N. Bishnoi and 8,750 Equity Shares to Mangilal V. Sanghavi
March 22, 2014	2,608,925	10	15	Cash	Further Allotment	34,458,829	344,588,290	Allotment of 1,980,000 Equity Shares to Rajputana Advisory Private Limited, 13,333 Equity Shares each to Meena Vikram Mehta and Teena Jain, 33,333 Equity Shares to Vikram Mehta, 112,186 Equity Shares to Babulal D. Mehta, 47,736 Equity Shares to Bhaguben Babulal Mehta, 31,565 Equity Shares to Girish Kumar Babulal Mehta, 17,217 Equity Shares to Hitesh C. Bhansali, 36,347 Equity Shares to Kalpesh Kumar Babulal Mehta, 57,942 Equity Shares to Kamala Motilal Mehta, 18,892 Equity Shares to Mahendra Motilal Mehta, 35,113 Equity Shares to Motilal D. Mehta (HUF), 4,371 Equity Shares to Motilal D. Mehta, 66,790 Equity Shares to Natvarlal Pithava, 64,607 Equity Shares to Pinky Pravin Kumar Jain, 29,584 Equity Shares to Rohini Ramesh Kumar Mehta, 24,908 Equity Shares to Vikram Motilal Mehta and 21,667 Equity Shares to Jayanti M. Sanghvi
November 6, 2024	34,458,829	10	N.A	N.A	Bonus issue	68,917,658	689,176,580	Allotment of 1,81,57,250 Equity Shares to Shankarlal Deepchand Mehta, 16,96,545 Equity Shares to Babulal D Mehta, 8,04,457 Equity Shares to Jayesh Natvarlal Pithva, 10,04,068 Equity Shares to Bhaguben Babulal

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
								Mehta, 1,28,565 Equity Shares to Girish Babulal Mehta, 2,51,847 Equity Shares to Kalpesh Babulal Mehta, 78,357 Equity Shares to Pinky Jain, 7,16,124 Equity Shares to Ramesh Deepchand Mehta, 10,95,000 to Nirmalaben Natvarlal Pithva, 5,84,000 Equity Shares to Hetal Jayesh Pithva, 4,25,600 Equity Shares to Mehta Babulal D HUF, 17,500 Equity Shares to Mangilal B. Sanghvi, 1,96,667 Equity Shares to Jayanti Mangilal Sanghvi, 13,333 Equity Shares to Meena Vikram Mehta, 3,52,313 Equity shares to Kamla Motilal Mehta, 3,62,242 Equity Shares to Vikram Motilal Mehta, 2,29,584 Equity Shares to Rohiniben Ramesh Mehta, 3,01,330 Equity Shares to Rameshkumar D Mehta HUF, 1,81,292 Equity shares to Mahendra Motilal Mehta, 3,43,113 Equity Shares to Motilal Deepchand Mehta HUF, 13,333 Equity Shares to Teena Manish Sanghvi, 27,96,750 Equity Shares to Lohagar Developer Private Limited, 4,418 Equity Shares to Babulal Vishnoi, 17,217 Equity Shares to Satishkumar D Sanghvi, 2,25,000 Equity Shares to Jatin Vrajlal Shah, 2,25,000 Equity Shares to Kalpana J Shah, 1,00,000 Equity shares to Vijaykumar Omprakash Jethaliya, 2,00,000 Equity shares to Hitesh Roopchand Kanungo, 1,00,000 Equity shares to Pakshal Metal and Alloys, 75,000 Equity shares to Indu Pradeep Sanghvi, 50,000 Equity shares to Pradeep Gorakhchand Sanghvi, 50,000 Equity Shares to Narpatchand Chhogalal Sanghvi, 924

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
								Equity Shares to Tejaram Kinaram Bishnoi, 25,000 Equity Shares to Umesh N. Sanghvi, 25,000 Equity Shares to Nilam Akash Bokadia, 50,000 Equity shares to Shushila Ramesh Jain, 50,000 Equity shares to Damayanti Prakashkumar Jain, 50,000 Equity Shares to Vikram Kumar Jain, 50,000 Equity Shares to Pramesh Prafullchandra Parikh, 50,000 Equity Shares to Sumit Kumar Jain, 50,000 Equity Shares to Anju Kantilal Jain, 55,000 Equity Shares to Jainam Sayer Sayer Jain, 55,000 Equity Shares to Aishwarya Sayer Jain, 55,000 Equity Shares to Sayer Kaluchand Jain, 1,00,000 Equity Shares to Amarchand J Mehta, 1,50,000 Equity Shares to Vinod Babual Sanghvi, 1,50,000 Equity Shares to Rikhabchand Jawantraj Bakodia, 1,25,000 Equity Shares to Pooja Sandip Jain, 1,25,000 Equity Shares to Bhartiben Milapchand Jain, 2,50,000 Equity Shares to Sandeep Milapchand Jain, 2,50,000 Equity Shares to Ravi Milapchand Jain, 2,00,000 Equity Shares to Deepak Aarti Chandan, 1,00,000 Equity Shares to Sangitaben M Mehta, 1,00,000 Equity Shares to Chandrika R Mehta, 1,00,000 Equity Shares to Babulal S Mehta HUF, 2,00,000 Equity Shares to Manjula H Sanghvi, 5,00,000 Equity Shares to Narendra Chaudhry, 1,00,000 Equity Shares to Prince N Sanghvi, 1,00,000 Equity shares to Jatin V Shah HUF, 1,00,000 Equity Shares to Laliy P Mehta, 90,000 Equity Shares to

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Name of allottees
								Deepika P Doshi, 1,00,000 Equity Shares to Bhavna C Doshi, 1,50,000 Equity Shares to Kavita Nilesh Chandan, 50,000 Equity Shares to Nilesh Hastimal Chandan, 1,07,000 Equity Shares to Kamala P Doshi

\* Our Company has been unable to trace a copy of the form filing in relation to this allotment. We have, accordingly, relied on alternate records such as minutes of the meetings of the Board of Directors, register of members and share ledgers.

Also see, "Risk Factors – There may have been certain instances of irregularities, discrepancies and non-compliances with respect to certain corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties" on page 56.

- **Preference Share Capital**

As on the date of this Draft Red Herring Prospectus, our Company does not have any preference share capital.

- **Secondary transactions of Equity Shares**

The details of secondary transactions of Equity Shares by our Promoters, Selling Shareholder and members of the Promoter Group are set forth in the table below:

Date of transfer Equity Shares	Number of Equity Shares transferred	Details of Transferor	Details of Transferee	Nature of Transaction	Face value per equity share (₹)	Transfer price per equity share (₹)	Nature of consideration
September 20, 2009	40,438	Deep Chand J. Mehta	Shankarlal Deepchand Mehta	Transmission	10	N.A.	N.A.
September 20, 2009	6,250	Deep Chand J. Mehta (HUF)	Shankarlal Deepchand Mehta	Transmission	10	N.A.	N.A.
September 20, 2009	40,438	Deep Chand J. Mehta	Babulal D. Mehta	Transmission	10	N.A.	N.A.
September 20, 2009	6,250	Deep Chand J. Mehta (HUF)	Babulal Deepchand Mehta	Transmission	10	N.A.	N.A.
September 20, 2009	40,437	Deep Chand J. Mehta	Motilal D Mehta	Transmission	10	N.A.	N.A.
September 20, 2009	6,250	Deep Chand J. Mehta (HUF)	Motilal D Mehta	Transmission	10	N.A.	N.A.
September 20, 2009	40,437	Deep Chand J. Mehta	Ramesh D Mehta	Transmission	10	N.A.	N.A.
September 20, 2009	6,250	Deep Chand J. Mehta (HUF)	Ramesh D Mehta	Transmission	10	N.A.	N.A.
September 30, 2009	14,750	Galore Suppliers Private Limited	Ramesh D Mehta	Transfer	10	10.00	Cash
September 30, 2009	3,750	Achi Financial & Management	Ramesh D Mehta	Transfer	10	10.00	Cash

Date of transfer Equity Shares	Number of Equity Shares transferred	Details of Transferor	Details of Transferee	Nature of Transaction	Face value per equity share (₹)	Transfer price per equity share (₹)	Nature of consideration
		Consultants Private Limited					
September 30, 2009	31,250	Shublaxmi Barter Private Limited	Ramesh D Mehta	Transfer	10	10.00	Cash
September 30, 2009	62,500	Balram Vinimay Private Limited	Ramesh D Mehta	Transfer	10	10.00	Cash
September 30, 2009	31,500	Jeevraj G Mehta	Kalpesh B Mehta	Transfer	10	10.00	Cash
September 30, 2009	18,750	Gopi Chand S Jain	Kalpesh B Mehta	Transfer	10	10.00	Cash
September 30, 2009	25,000	Sitala Timber Private Limited	Kalpesh B Mehta	Transfer	10	10.00	Cash
September 30, 2009	3,750	Achi Financial & Management Consultants Private Limited	Kalpesh B Mehta	Transfer	10	10.00	Cash
September 30, 2009	50,000	Sugam Commodeal Private Limited	Motilal D Mehta (HUF)	Transfer	10	10.00	Cash
September 30, 2009	15,250	Swastick Financial and Commercial Services Private Ltd	Motilal D Mehta	Transfer	10	10.00	Cash
September 30, 2009	26,250	Chandimata Management Private Limited	Motilal D Mehta	Transfer	10	10.00	Cash
September 30, 2009	80,100	Chandimata Management Private Limited	Motilal D Mehta	Transfer	10	10.00	Cash
September 30, 2009	17,500	Varun Singhal	Vikram M Mehta	Transfer	10	10.00	Cash
September 30, 2009	25,000	Laxman Bhai P Contractor	Vikram M Mehta	Transfer	10	10.00	Cash
September 30, 2009	10,000	Swastick Financial and Commercial Services Private Limited	Vikram M Mehta	Transfer	10	10.00	Cash
September 30, 2009	12,963	Tejaram Kinaram Bishnoi	Bhaguben B Mehta	Transfer	10	10.00	Cash
September 30, 2009	1,275	Jeevraj G Mehta	Bhaguben B Mehta	Transfer	10	10.00	Cash
September 30, 2009	25,000	MSV Fiscal Services Private Limited	Bhaguben B Mehta	Transfer	10	10.00	Cash

Date of transfer Equity Shares	Number of Equity Shares transferred	Details of Transferor	Details of Transferee	Nature of Transaction	Face value per equity share (₹)	Transfer price per equity share (₹)	Nature of consideration
September 30, 2009	9,000	Olender Mefgr & Credit Private Limited	Bhaguben B Mehta	Transfer	10	10.00	Cash
September 30, 2009	37,500	Radiant Mercantile Private Limited	Bhaguben B Mehta	Transfer	10	10.00	Cash
September 30, 2009	35,000	Chandimata Management Private Limited	Kamalaben M Mehta	Transfer	10	10.00	Cash
September 30, 2009	40,000	Elegance Trade & Holdings Private Limited	Kamalaben M Mehta	Transfer	10	10.00	Cash
September 30, 2009	83,000	Galore Suppliers Private Limited	Natvarlal Pitva	Transfer	10	10.00	Cash
September 30, 2009	40,000	Acclaim Trading Private Limited	Natvarlal V Pitva	Transfer	10	10.00	Cash
September 30, 2009	10,000	Echolac Vinimay Private Limited	Natvarlal V Pitva	Transfer	10	10.00	Cash
September 30, 2009	72,000	Slow Sound Plastics Private Limited	Natvarlal V Pitva	Transfer	10	10.00	Cash
September 30, 2009	56,250	Param Poly Pack Private Limited	Natvarlal V Pitva	Transfer	10	10.00	Cash
September 30, 2009	33,000	Simpro Vanijaya Private Limited	Nirmalaben N Pithva	Transfer	10	10.00	Cash
September 30, 2009	70,000	Taral Vincom Private Limited	Nirmalaben N Pithva	Transfer	10	10.00	Cash
September 30, 2009	45,000	Taral Vincom Private Limited	Nirmalaben N Pithva	Transfer	10	10.00	Cash
September 30, 2009	56,250	Param Poly Pack Private Limited	Nirmalaben N Pithva	Transfer	10	10.00	Cash
September 30, 2009	21,250	Achiever Trading Private Limited	Nirmalaben N Pithva	Transfer	10	10.00	Cash
September 30, 2009	17,500	Sparsh Hotels Private Limited	Hetal Pithva	Transfer	10	10.00	Cash
September 30, 2009	22,500	Acclaim Trading Private	Hetal Pithva	Transfer	10	10.00	Cash



Date of transfer Equity Shares	Number of Equity Shares transferred	Details of Transferor	Details of Transferee	Nature of Transaction	Face value per equity share (₹)	Transfer price per equity share (₹)	Nature of consideration
September 30, 2009	59,000	Limited Basukinath Design Private Limited	Hetal Pithva	Transfer	10	10.00	Cash
September 30, 2009	50,000	Buniyad Chemical Limited	Hetal Pithva	Transfer	10	10.00	Cash
September 30, 2009	15,000	Echolac Vinimay Private Limited	Hetal Pithva	Transfer	10	10.00	Cash
September 30, 2009	3,000	Slow Sound Plastics Private Limited	Hetal Pithva	Transfer	10	10.00	Cash
September 30, 2009	60,000	Achiever Trading Private Limited	Hetal Pithva	Transfer	10	10.00	Cash
September 30, 2009	15,000	Warner Metalic Private Limited	Hetal Pithva	Transfer	10	10.00	Cash
September 30, 2009	45,500	Vairavi Electricals Private Limited	Girish B Mehta	Transfer	10	10.00	Cash
September 30, 2009	1,00,000	Talent Infoways Limited	Babu Lal D Mehta HUF	Transfer	10	10.00	Cash
September 30, 2009	25,300	Telestar Pacakaging Private Limited	Babu Lal D Mehta HUF	Transfer	10	10.00	Cash
September 30, 2009	14,250	Ram Sharan Tambi	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	1,30,000	Om Prakash Agarwal	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	23,500	Baldev kumar Agarwal	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	25,000	Sushil kumar Agarwal	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	11,750	Mangtu Ram Agarwal	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	50,000	Bhailal bhai Ranchodbhai Patel	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	50	Sunita Agarwal	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	50	Kusum Agarwal	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash

Date of transfer Equity Shares	Number of Equity Shares transferred	Details of Transferor	Details of Transferee	Nature of Transaction	Face value per equity share (₹)	Transfer price per equity share (₹)	Nature of consideration
September 30, 2009	25,050	Anita Agarwal	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	50	Rajeshkumar Agarwal	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	25,000	Pradeep Agarwal	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	50	Keshoridevi Agarwal	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	12,000	Vairavi Electricals Private Limited	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	23,000	Taral Vincom Private Limited	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	61,000	Subhrekha Vyapar Private Limited	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	28,000	Om Prakash Agarwal	Shankarlal Deepchand Mehta	Transfer	10	10.00	Cash
September 30, 2009	1,51,250	Sparsh Hotels Private Limited	Jayesh Natvarlal Pithva	Transfer	10	10.00	Cash
September 30, 2009	22,500	Warner Metallic Private Limited	Jayesh Natvarlal Pithva	Transfer	10	10.00	Cash
September 30, 2009	16,000	Basukinath Design Private Limited	Jayesh Natvarlal Pithva	Transfer	10	10.00	Cash
September 30, 2009	8,750	Vairavi Electrical Private Limited	Jayantilal Mangilal Sanghvi	Transfer	10	10.00	Cash
September 30, 2009	10,000	Tuticorin Terxim Private Limited	Jayantilal Mangilal Sanghvi	Transfer	10	10.00	Cash
September 30, 2009	50,000	Sukant Steel Private Limited	Jayantilal Mangilal Sanghvi	Transfer	10	10.00	Cash
September 30, 2009	4,450	Subhrekha Vyapar Private Limited	Mahendra Motilal Mehta	Transfer	10	10.00	Cash
September 30, 2009	14,250	Oleander Manufacturers and Credit Private Limited	Mahendra Motilal Mehta	Transfer	10	10.00	Cash
September 30, 2009	62,500	Bahar Paper Private	Mahendra Motilal	Transfer	10	10.00	Cash

Date of transfer Equity Shares	Number of Equity Shares transferred	Details of Transferor	Details of Transferee	Nature of Transaction	Face value per equity share (₹)	Transfer price per equity share (₹)	Nature of consideration
September 25, 2012	5,67,000	Limited Shankarlal Deepchand Mehta	Mehta Rajputana Advisory Services Private Limited	Transfer	10	13.40	Cash
March 31, 2014	1,44,333	Shankarlal Deepchand Mehta	Babulal D. Mehta	Transfer	10	15.00	Cash
March 31, 2014	3,06,667	Shankarlal Deepchand Mehta	Jayesh Natvarlal Pithva	Transfer	10	11.74	Cash
March 31, 2014	5,00,000	Shankarlal Deepchand Mehta	Rajputana Advisory Services Private Limited	Transfer	10	10.00	Cash
September 23, 2020	7,92,824	Motilal Deepchand Mehta	Shankarlal Deepchand Mehta	Transmission	10	NA	NA
May 31, 2024	4,371	Motilal Deepchand Mehta	Kamalaben Motilal Mehta	Transmission	10	NA	NA
June 15, 2024	66,790	Natvarlal Vithal Pithva	Jayesh Natvarlal Pithva	Transmission	10	NA	NA
November 18, 2024	20,08,136	Bhaguben Babulal Mehta	Babulal D Mehta	Transfer of Equity Shares by way of Gift	10	NA	NA
November 18, 2024	21,90,000	Nirmalaben Natvarlal Pithva	Jayesh Natvarlal Pithva	Transfer of Equity Shares by way of Gift	10	NA	NA

## II. Issue of shares for consideration other than cash or out of revaluation of reserves

Except as set out below, our Company has not issued any Equity Shares for consideration other than cash or out of revaluation of reserves at any time since incorporation.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Name of allottees	Benefits accrued to our Company
February 15, 2009	8,731,996	10	N.A	Bonus issue	Allotment of 75,000 Equity Shares to Acclaim Trading Private Limited, 15,030 Equity Shares to Anita Agarwal, 375,000 Equity Shares to Ashok Kumar Jain, 403,995 Equity Shares to Babulal D. Mehta 52,500 Equity Shares to Mehta Babulal D. (HUF), 50,825 Equity Shares to Babulal N. Bishnoi, 14,100 Equity	Capitalization of reserves

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Name of allottees	Benefits accrued to our Company
					Shares to Baldev Kumar Sethi, 15,000 Equity Shares to Basukinath Deisgn Private Limited, 235,457 Equity Shares to Bhaguben Babulal Mehta, 30,000 Equity Shares each to Bhailalbhai Ranchodbhai Patel, Biharilal Gopalchand Jain and Buniyad Chemical Limited, 200,415 Equity Shares to Bhupendra J. Doshi, 15,000 Equity Shares each to Champalal Jain, Deepchand J. Mehta and Echolac Vinimay Private Limited, 52,500 Equity Shares to Chandimata Management Private Limited, 97,050 Equity Shares to Deepchand J. Mehta, 60,000 Equity Shares to Elegance Trade & Holiday Private Limited, 67,500 Equity Shares to Gallore Suppliers Private Limited	
March 2012	27, 15,924,952	10	N.A	Bonus issue	Allotment of 9,441,213 Equity Shares to Shankarlal Deepchand Mehta, 720,013 Equity Shares to Babulal D. Mehta, 215,500 Equity Shares to Jayesh Pithva, 478,166 Equity Shares to Bhabuben Babulal Mehta, 292,000 Equity Shares to Hetal Jayesh Pithva, 100,000 Equity Shares to Rohiniben R. Mehta, 212,800 Equity Shares to Mehta Babulal D. (HUF), 145,000 Equity Shares to Kamala M. Mehta, 396,412 Equity Shares to Motilal D. Mehta, 358,062 Equity Shares to Rameshbhai D. Mehta, 275,500 Equity Shares to Nirmalaben Natvarlal Pithva, 152,000 Equity Shares	Capitalization of reserves

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Name of allottees	Benefits accrued to our Company
					to Vikram M. Mehta, 272,000 Equity Shares to Natvarlal V. Pithva, 154,000 Equity Shares to Motilal Deepchand MEhta (HUF), 87,500 Equity Shares to Jayantilal M. Sanghavi, 150,665 Equity Shares to Rameshbhai D. Mehta, 6,875 Equity Shares to Pinky Jain, 48,500 Equity Shares to Girish Babulal Mehta, 107,750 Kalpesh Babulal Mehta, 81,200 Equity Shares to Mahendra M. Mehta, 12,962 Equity Shares to Tejaram Kinaram Bishnoi , 2,123,375 Equity Shares to Lohagar Developer Private Limited, 84,709 Equity Shares to Babulal N. Bishnoi and 8,750 Equity Shares to Mangilal V. Sanghavi	
November 6, 2024	34,458,829	10	N.A	Bonus issue	Allotment of Capitalization of 1,81,57,250 Equity reserves Shares to Shankarlal Deepchand Mehta, 16,96,545 Equity Shares to Babulal D Mehta, 8,04,457 Equity Shares to Jayesh Natvarlal Pithva, 10,04,068 Equity Shares to Bhaguben Babulal Mehta, 1,28,565 Equity Shares to Girish Babulal Mehta, 2,51,847 Equity Shares to Kalpesh Babulal Mehta, 78,357 Equity Shares to Pinky Jain, 7,16,124 Equity shares to Ramesh Deepchand Mehta, 10,95,000 to Nirmalaben Natvarlal Pithva, 5,84,000 Equity shares to Hetal Jayesh Pithva, 4,25,600 Equity Shares to Mehta Babulal D HUF, 17,500 Equity Shares to Mangilal B. Sanghvi, 1,96,667 Equity Shares	

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Name of allottees	Benefits accrued to our Company
					to Jayanti Mangilal Sanghvi, 13,333 Equity shares to Meena Vikram Mehta, 3,52,313 Equity shares to Kamla Motilal Mehta, 3,62,242 Equity Shares to Vikram Motilal Mehta, 2,29,584 Equity Shares to Rohiniben Ramesh Mehta, 3,01,330 Equity Shares to Rameshkumar D Mehta HUF, 1,81,292 Equity Shares to Mahendra Motilal Mehta, 3,43,113 Equity Shares to Motilal Deepchand Mehta HUF, 13,333 Equity Shares to Teena Manish Sanghvi, 27,96,750 Equity Shares to Lohagar Developer Private Limited, 4,418 Equity Shares to Babulal Vishnoi, 17,217 Equity Shares to Satishkumar D Sanghvi, 2,25,000 Equity Shares to Jatin Vrajlal Shah, 2,25,000 Equity Shares to Kalpana J Shah, 1,00,000 Equity Shares to Vijaykumar Omprakash Jethaliya, 2,00,000 Equity Shares to Hitesh Roopchand Kanungo, 1,00,000 Equity Shares to Pakshal Metal and Alloys, 75,000 Equity Shares to Indu Pradeep Sanghvi, 50,000 Equity Shares to Pradeep Gorakhchand Sanghvi, 50,000 Equity Shares to Narpachand Chhogalal Sanghvi, 924 Equity Shares to Tejaram Kinaram Bishnoi, 25,000 Equity Shares to Umesh N Sanghvi, 25,000 Equity Shares to Nilam Akash Bokadia, 50,000 Equity Shares to Shushila Ramesh Jain, 50,000	

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Name of allottees	Benefits accrued to our Company
					Equity Shares to Damayanti Prakashkumar Jain, 50,000 Equity Shares to Vikram Kumar Jain, 50,000 Equity Shares to Pramesh Prafullchandra Parikh, 50,000 Equity Shares to Sumit Kumar Jain, 50,000 Equity Shares to Anju Kantilal Jain, 55,000 Equity Shares to Jainam Sayer Sayer Jain, 55,000 Equity Shares to Aishwarya Sayer Jain, 55,000 Equity Shares to Sayer Kaluchand Jain, 1,00,000 Equity Shares to Amarchand J Mehta, 1,50,000 Equity Shares to Vinod Babual Sanghvi, 1,50,000 Equity Shares to Rikhabchand Jawantraj Bakodia, 1,25,000 Equity Shares to Pooja Sandip Jain, 1,25,000 Equity Shares to Bhartiben Milapchand Jain, 2,50,000 Equity Shares to Sandeep Milapchand Jain, 2,50,000 Equity Shares to Ravi Milapchand Jain, 2,00,000 Equity Shares to Deepak Aarti Chandan, 1,00,000 Equity Shares to Sangitaben M Mehta, 1,00,000 Equity Shares to Chandrika R Mehta, 1,00,000 Equity Shares to Babulal S Mehta HUF, 2,00,000 Equity Shares to Manjula H Sanghvi, 5,00,000 Equity Shares to Narendra Chaudhry, 1,00,000 Equity Shares to Prince N Sanghvi, 1,00,000 Equity shares to Jatin V Shah HUF, 1,00,000 Equity Shares to Laliy P Mehta, 90,000 Equity Shares to Deepika P Doshi, 1,00,000 Equity Shares	

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Name of allottees	Benefits accrued to our Company
					to Bhavna C Doshi, 1,50,000 Equity Shares to Kavita Nilesh Chandan, 50,000 Equity Shares to Nilesh Hastimal Chandan, 1,07,000 Equity Shares to Kamala P Doshi.	

### III. Issue of Equity Shares pursuant to schemes of arrangement

Our Company has not allotted any Equity Shares pursuant to a scheme of amalgamation approved under Section 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

### IV. Issue or transfer of Equity Shares under employee stock option schemes

The Company does not have any employee stock option schemes under which any equity shares of the Company is granted. Accordingly, no Equity Shares have been issued or transferred by our Company pursuant to the exercise of any employee stock options.

### V. Issue of shares at a price lower than the Offer Price in the last year

The Offer Price for the Equity Shares is ₹[●]. For details of the allotments made in the last one year, see “*Capital Structure – Share Capital History of Our Company – Equity Share capital*” beginning on page 103 of this Draft Red Herring Prospectus.



## Shareholding Pattern of our Company

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number 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)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights					Total as a % of (A+B + C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)
								Class: Equity Shares	Class: Others	Total								
(A)	Promoters and Promoter Group	19	5,39,05,040	-	-	5,39,05,040	78.21	5,39,05,040	-	5,39,05,040	78.21	-	-	-	-	-	5,39,05,040	
(B)	Public	46	1,50,12,618	-	-	1,50,12,618	21.79	1,50,12,618	-	1,50,12,618	21.79	-	-	-	-	-	1,50,12,618	
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total (A+B+C)</b>	<b>65</b>	<b>6,89,17,658</b>	<b>-</b>	<b>-</b>	<b>6,89,17,658</b>	<b>100.00</b>	<b>6,89,17,658</b>	<b>-</b>	<b>6,89,17,658</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,89,17,658</b>	

## Other details of shareholding of our Company

As on the date of the filing of this Draft Red Herring Prospectus, our Company has 65 Shareholders.

Set forth below are the details of the build-up of our Promoters' shareholding in our Company since incorporation:

Date of allotment/acquisition/transfer	Number of Equity Shares allotted/transferred	Face value per Equity Share (₹)	Issue Price/Consideration per Equity Share (₹)	Nature of consideration	Nature of allotment/transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹)*	% of Post-Issue capital (₹)
<b>Shankarlal Deepchand Mehta</b>								
March 24, 2001	5,000	100	100	Cash	Further Allotment	5,000	Negligible	[●]
March 31, 2005	2,000	100	100	Cash	Further Allotment	7,000	Negligible	[●]
March 31, 2006	38,716	100	300	Cash	Further Allotment	45,716	Negligible	[●]
March 19, 2007	10,000	100	300	Cash	Further Allotment	55,716	Negligible	[●]
September 29, 2007	Pursuant to its shareholders' resolution dated September 29, 2007, each Equity Share of our Company of face value of ₹100 each was split into 10 Equity Shares of face value of ₹10 each. Therefore, the 55,716 Equity Shares held by Shankarlal Deepchand Mehta of face value ₹100 each were sub-divided into 557,160 Equity Shares of ₹10 each							
March 31, 2008	29,150	10	100	Cash	Further Allotment	5,86,310	0.85	[●]
October 15, 2008	30,00,000	10	10	Cash	Further Allotment	35,86,310	5.20	[●]
February 15, 2009	53,79,465	10	N.A.	N.A.	Bonus issue	89,65,775	13.00	[●]
September 20, 2009	46,688	10	N.A.	N.A.	Transmission of 40,438 Equity Shares from Deep Chand J. Mehta and 6,250 Equity Shares from Deepchand J. Mehta (HUF)	90,12,463	13.07	[●]
September 30, 2009	428,750	10	10	Cash	Transfer of 14,250 Equity Shares from Ram Sharan Tambi, 130,000 Equity Shares from Om Prakash Agarwal, 23,500 Equity Shares from Baldev Kumar Sethi, 25,000 Equity Shares each from Sushil Kumar Agarwal and Pradeep Agarwal, 50,000 Equity Shares from Bhailabhai Ranchodbhai Patel, 11,750 Equity Shares from Mangtu Ram Agarwal, 50 Equity Shares each from	94,41,213	13.69	[●]

Date of allotment/acquisition/transfer	Number of Equity Shares allotted/transferred	Face value per Equity Share (₹)	Issue Price/Consideration per Equity Share (₹)	Nature of consideration	Nature of allotment/transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹)*	% of Post-Issue capital (₹)
					Rajesh Kumar Agarwal, Sunita Agarwal, Kusum Agarwal and Keshori Devi Agarwal, 25,050 Equity Shares from Anita Agarwal, 28,000 Equity Shares from Om Prakash Agarwal, 61,000 Equity Shares from Subhrekha Vyapar Private Limited, 23,000 Equity Shares from Taral Vincom Private Limited and 12,000 Equity Shares from Vaitravi Electricals Private Limited			
March 27, 2012	9,441,213	10	N.A.	N.A.	Bonus issue	1,88,82,426	27.39	[●]
September 25, 2012	(5,67,000)	10	13.4	Cash	Transfer of Equity Shares to Rajputana Advisory Services Private Limited	1,83,15,426	26.57	[●]
March 31, 2014	1,44,333	10	15.00	Cash	Transfer of 144,333 Equity Shares to Babulal D. Mehta	1,81,71,093	26.36	[●]
March 31, 2014	3,06,667	10	11.74	Cash	Transfer of 306,667 Equity Shares to Jayesh Pithva	1,78,64,426	25.92	[●]
March 31, 2014	5,00,000	10	10.00	Cash	Transfer of 500,000 Equity Shares to Rajputana Advisory Services Private Limited	1,73,64,426	25.19	[●]
September 23, 2020	7,92,824	10	N.A.	N.A.	Transmission of Equity Shares from Motilal Deepchand Mehta	1,81,57,250	26.34	[●]
November 06, 2024	1,81,57,250	10	N.A.	N.A.	Bonus Issue	3,63,14,500	52.69	[●]
<b>Sub-total (A)</b>	<b>3,63,14,500</b>						<b>52.69</b>	<b>[●]</b>
<b>Babulal D Mehta</b>								
March 24, 2001	6,000	100	100	Cash	Further Allotment	6,000	Negligible	[●]
March 31, 2004	1,500	100	100	Cash	Further Allotment	7,500	Negligible	[●]

Date of allotment/acquisition/transfer	Number of Equity Shares allotted/transferred	Face value per Equity Share (₹)	Issue Price/Consideration per Equity Share (₹)	Nature of consideration	Nature of allotment/transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹)*	% of Post-Issue capital (₹)	
March 31, 2005	1,500	100	100	Cash	Further Allotment	9,000	Negligible	[●]	
March 31, 2006	4,350	100	300	Cash	Further Allotment	13,350	Negligible	[●]	
September 29, 2007	Pursuant to its shareholders' resolution dated September 29, 2007, each Equity Share of our Company of face value of ₹100 each was split into 10 Equity Shares of face value of ₹10 each. Therefore, the 13,350 Equity Shares held by Babulal D. Mehta of face value ₹100 each were sub-divided into 133,500 Equity Shares of ₹10 each								
October 2008	15,	135,830	10	10	Cash	Further Allotment	2,69,330	0.39	[●]
February 2009	15,	403,995	10	N.A.	N.A.	Bonus issue	6,73,325	0.97	[●]
September 20, 2009	20,	46,688	10	N.A.	N.A.	Transmission of 40,438 Equity Shares from Deep Chand J. Mehta and 6,250 Equity Shares from Deep Chand J. Mehta (HUF)	7,20,013	1.04	
March 27, 2012		720,013	10	N.A.	N.A.	Bonus issue	14,40,026	2.09	[●]
March 22, 2014		112,186	10	15	Cash	Further Allotment	15,52,212	2.25	[●]
March 31, 2014		144,333	10	15	Cash	Transfer of Equity Shares from Shankarlal Deepchand Mehta	16,96,545	2.46	[●]
November 2024	06,	16,96,545	10	N.A.	N.A.	Bonus Issue	33,93,090	4.92	[●]
November 2024	18,	20,08,136	10	N.A.	N.A.	Transfer of Shares from Bhaguben Babulal Mehta by way of Gift	54,01,226	7.84	[●]
<b>Sub-total (B)</b>		54,01,226						7.84	[●]
<b>Jayesh Natvarlal Pithva</b>									
March 31, 2008		10,300	10	100	Cash	Further Allotment	10,300	Negligible	[●]
February 2009	15,	15,450	10	N.A.	N.A.	Bonus issue	25,750	Negligible	[●]
September 2009	30,	189,750	10	10	Cash	Transfer of 151,250 Equity Shares from Sparsh Hotels Private Limited, 22,500 Equity Shares from Warner Metalic Private Limited and 16,000 Equity Shares from Basukinath Design Private Limited	2,15,500	0.31	[●]
March 27, 2012		215,500	10	N.A.	N.A.	Bonus issue	431,000	0.62	

Date of allotment/acquisition/transfer	Number of Equity Shares allotted/transferred	Face value per Equity Share (₹)	Issue Price/Consideration per Equity Share (₹)	Nature of consideration	Nature of allotment/transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹)*	% of Post-Issue capital (₹)
March 31, 2014	3,06,667	10	11.74	Cash	Transfer of Equity Shares from Shankarlal Deepchand Mehta	7,37,667	1.07	
June 15, 2024	66,790		N.A.	N.A.	Transmission of Equity Shares from Natvarlal Vithal Pithva	8,04,457	1.17	
November 06, 2024	8,04,457	10	N.A.	N.A.	Bonus Issue	16,08,914	2.33	[●]
November 18, 2024	21,90,000	10	N.A.	N.A.	Transfer of Equity Shares from Nirmalaben Natvarlal Pithva by way of Gift	37,98,914	5.51	[●]
<b>Sub-total (C)</b>	37,98,914						5.51	[●]
<b>Total (A + B + C)</b>	<b>4,55,14,640</b>						<b>66.04</b>	<b>[●]</b>

\*The figures in the row have been rounded-off to the closest decimal.

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%)*
1.	Shankarlal Deepchand Mehta	3,63,14,500	52.69
2.	Babulal D. Mehta	54,01,226	7.84
3.	Jayesh Natvarlal Pithva	37,98,914	5.51
4.	Lohagar Developer Private Limited	55,93,500	8.12
5.	Hetal Jayesh Pithva	11,68,000	1.69
6.	Rameshkumar Deepchand Mehta	14,32,248	2.08
7.	Vikramkumar Motilal Mehta	7,24,484	1.05
8.	Kamalaben Motilal Mehta	7,04,626	1.02
9.	Mehta Babulal D HUF	8,51,200	1.24
10.	Narendra Motaji Choudhary	10,00,000	1.45
<b>Total</b>		<b>5,69,88,698</b>	<b>82.69</b>

\*Rounded off to the closest decimal

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) <sup>*</sup>
1.	Shankarlal Deepchand Mehta	3,63,14,500	52.69
2.	Babulal D. Mehta	54,01,226	7.84
3.	Jayesh Natvarlal Pithva	37,98,914	5.51
4.	Lohagar Developer Private Limited	55,93,500	8.12
5.	Hetal Jayesh Pithva	11,68,000	1.69
6.	Rameshkumar Deepchand Mehta	14,32,248	2.08
7.	Vikramkumar Motilal Mehta	7,24,484	1.05
8.	Kamalaben Motilal Mehta	7,04,626	1.02
9.	Mehta Babulal D. (HUF)	8,51,200	1.24
10.	Narendra Motaji Choudhary	10,00,000	1.45
<b>Total</b>		<b>5,69,88,698</b>	<b>82.69</b>

*\*Rounded off to the closest decimal*

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of one year prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) <sup>*</sup>
1.	Shankarlal Deepchand Mehta	1,81,57,250	52.69
2.	Babulal D Mehta	16,96,545	4.92
3.	Jayesh Natvarlal Pithva	7,37,667	2.14
4.	Bhaguben Babulal Mehta	10,04,068	2.91
5.	Nirmalaben Natvarlal Pithva	10,95,000	3.81
6.	Mehta Babulal D. (HUF)	4,25,600	1.24
7.	Ramesh Deepchand Mehta	7,16,124	2.08
8.	Hetal Jayesh Pithva	5,84,000	1.69
9.	Rajputana Advisory Services Private Limited	30,47,000	8.84
10.	Kamla Motilal Mehta	3,47,942	1.01
11.	Vikram Motilal Mehta	3,62,242	1.05
12.	Lohagar Developer Private Limited	42,46,750	12.32
<b>Total</b>		<b>3,24,20,188</b>	<b>94.08</b>

*\*Rounded off to the closest decimal*

Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) <sup>*</sup>
1.	Shankarlal Deepchand Mehta	1,81,57,250	52.69
2.	Babulal D. Mehta	16,96,545	4.92
3.	Jayesh Natvarlal Pithva	7,37,667	2.14
4.	Bhaguben Babulal Mehta	10,04,068	2.91
5.	Nirmalaben Natvarlal Pithva	10,95,000	3.18
6.	Mehta Babulal D. HUF	4,25,600	1.24
7.	Ramesh Deepchand Mehta	7,16,124	2.08
8.	Hetal Jayesh Pithva	5,84,000	1.69
9.	Rajputana Advisory Services Private Limited	30,47,000	8.84
10.	Kamla Motilal Mehta	3,47,942	1.01
11.	Vikram Motilal Mehta	3,62,242	1.05
12.	Lohagar Developer Private Limited	42,46,750	12.32
<b>Total</b>		<b>3,24,20,188</b>	<b>94.08</b>

\*Rounded off to the closest decimal

### The aggregate shareholding of the Promoters and Promoter group

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Pre-Offer Equity Share capital (%)*	Percentage of the Post-Offer Equity Share capital (%)
<b>Promoters</b>				
1.	Shankarlal Deepchand Mehta	3,63,14,500	52.69	[●]
2.	Babulal D Mehta	54,01,226	7.84	[●]
3.	Jayesh Natvarlal Pithva	37,98,914	5.51	[●]
4.	Yashkumar Shankarlal Mehta	-	-	[●]
<b>Promoter Group</b>				
5.	Jayantilal Mangilal Sanghvi	3,93,334	0.57	[●]
6.	Kalpesh Babulal Mehta	5,03,694	0.73	[●]
7.	Hetal Jayesh Pithva	11,68,000	1.69	[●]
8.	Rameshkumar Deepchand Mehta	14,32,248	2.08	[●]
9.	Mahendra Motilal Mehta	3,62,584	0.53	[●]
10.	Pinky Pravinkumar Jain	1,56,714	0.23	[●]
11.	Girish Babulal Mehta	2,57,130	0.37	[●]
12.	Motilal D Mehta HUF	6,86,226	1.00	[●]
13.	Rohini Rameshkumar Mehta	4,59,168	0.67	[●]
14.	Mangilal Bachraj Sanghvi	35,000	0.05	[●]
15.	Vikramkumar Motilal Mehta	7,24,484	1.05	[●]
16.	Meena Vikramkumar Mehta	26,666	0.04	[●]
17.	Rameshkumar D. Mehta HUF	6,02,660	0.87	[●]
18.	Kamalaben Motilal Mehta	7,04,626	1.02	[●]
19.	Mehta Babulal D HUF	8,51,200	1.23	[●]
20.	Teena Manish Sanghvi	26,666	0.04	[●]
<b>Total</b>		<b>5,39,05,040</b>	<b>78.21</b>	[●]

\*Rounded off to the closest decimal

### The number of specified securities purchased or sold by the Promoter Group and/ or by the Directors of our Company and their relatives in the preceding six months.

Except as set out below, none of the members of our Promoter Group, our Promoters, our Directors, or any of their respective relatives, as applicable, have purchased or sold any securities of our Company during the period of six (6) months immediately preceding the date of this Draft Red Herring Prospectus.

Date of transfer of Equity Shares	Number of Equity Shares transferred	Details of transferor	Details of transferee	Nature of transaction	Face value per equity share (₹)*	Transfer price per equity share (₹)	Nature of consideration
May 31, 2024	4,371	Motilal Deepchand Mehta	Kamalaben Motilal Mehta	Transmission	10	NA	NA
June 15, 2024	66,790	Natvarlal Vithal Pithva	Jayesh Natvarlal Pithva	Transmission	10	NA	NA
November 18, 2024	20,08,136	Bhaguben Babulal Mehta	Babulal D Mehta	Transfer of Equity Shares by way of Gift	10	NA	NA
November 18, 2024	21,90,000	Nirmalaben Natvarlal Pithva	Jayesh Natvarlal Pithva	Transfer of Equity Shares by way of Gift	10	NA	NA

## Details of lock-in

Shankarlal Deepchand Mehta, Babulal D. Mehta, Jayesh Natvarlal Pithva and Yashkumar Shankarlal Mehta are the Promoters of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013. Accordingly, in terms of Regulation 14(1) of the SEBI ICDR Regulations, the said Promoters have complied with the requirement of minimum promoter's contribution in this Offer and in terms of Regulation 16(1)(a) the following Equity Shares are locked in for a period of three years pursuant to the Offer.

Name of Promoters	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Issue / Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>	<b>[•]</b>				<b>[•]</b>	<b>[•]</b>	<b>[•]</b>	

The shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of 1 year from the date of Allotment.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

In this connection, please note that:

The Equity Shares issued for Promoter's contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction, (ii) Equity Shares resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of minimum Promoter's contribution.

The minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being issued to the public in the Offer.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters is pledged or any other form of encumbrance.

All the Equity Shares held by our Promoters are in dematerialised form.

Further, our Company has not been formed by conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or limited liability partnership. Pursuant to Regulation 20 of the SEBI ICDR Regulations, details of locked-in Equity Shares will be recorded by relevant depositories.

Pursuant to Regulation 21 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions or a systemically important NBFC or a housing finance company as collateral security for loans granted by such scheduled commercial bank or public financial institution or systemically important NBFC or housing company, provided that specified conditions under the SEBI ICDR Regulations are complied with. However, the relevant lock-in period shall continue pursuant to the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.



Pursuant to Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 16 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter of our Company and the Equity Shares held by any persons other than our Promoters, which are locked-in in accordance with Regulation 17 of the SEBI ICDR Regulations, may be transferred to and among such other persons holding specified securities that are locked in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

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

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

Except for the allotment of Equity Shares pursuant to the Offer, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, undersubscription etc., as the case may be.

Our Company, our Directors and the Book Running Lead Manager have no existing buy-back arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

All Equity Shares offered pursuant to the Offer 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. Further, our Promoters have not pledged any of the Equity Shares that they hold in our Company.

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.

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

No person connected with the Offer, including, but not limited to, the Book Running Lead Manager, the members of the Syndicate, our Company and Directors shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an Application.

There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Except as set out below, our Company is in compliance with the Companies Act, 2013, to the extent applicable, with respect to issuance of Equity Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus.

Our Company is unable to trace the Form 2 filed for allotment of 10 Equity Shares on March 31, 1996. The Company also made an application to the RoC to procure a copy of the Form 2 from the records of the RoC. However, the Form

Our Company shall ensure that all transactions in securities by the promoter and promoter group between the date of filing of the draft offer document or offer document, as the case may be, and the date of closure of the Offer shall be reported to the stock exchange(s), within twenty-four hours of such transactions.

## OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue of up to 1,90,00,000\* Equity Shares of face value of ₹10 each, aggregating to ₹[●] lakhs by our Company and an Offer for Sale of upto 35,00,000 Equity Shares of face value of ₹10 each aggregating to ₹[●] lakhs\* by the Selling Shareholder.

*\*Subject to finalisation of Basis of Allotment*

### Offer for Sale

The proceeds of the Offer for Sale shall be received by the Selling Shareholder. Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholder will be entitled to the Offer Proceeds, to the extent of the Equity Shares offered by him in the Offer, net of his respective share of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. Also see, “**Risk Factor - Our Company will not receive any proceeds from the Offer for Sale**” on page 67.

For further details of the Offer for Sale, see “**The Offer**” on page 87.

### The Fresh Issue

Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Funding capital expenditure requirements for setting up of manufacturing facility for Stainless Steel Seamless Pipes to expand our product portfolio (“**Proposed Facility**”);
2. Funding Working capital requirement for the Proposed Facility;
3. Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company; and
4. General corporate purposes.

(Collectively referred to as “**Objects**”)

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company’s visibility and brand image and creation of a public market for our Equity Shares in India.

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Offer.

### Net Proceeds

The details of the proceeds of the Fresh Issue are summarized in the table below:

			<i>(₹ in lakhs)</i>
Sr. No.	Particulars	Estimated Amount*	
1.	Gross proceeds (A)		[●]
2.	Less: Offer Related Expenses to be borne by our Company** (B)		[●]
3.	Net proceeds from the Fresh Issue after deducting the Offer related expenses to be borne by our Company (“ <b>Net Proceeds</b> ”) (A-B)		[●]

*\*Subject to finalisation of Basis of Allotment*

*\*\*For details with respect to sharing of fees and expenses amongst our Company and the Selling Shareholder, please refer to the heading “**Objects of the Offer - Offer Related Expenses**” at page 154.*

### Utilization of Net Proceeds and Schedule of Deployment

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

(₹ in lakhs)

Particular	Total Estimated Cost	Amount already deployed	Amount which will be financed from Net Proceeds	Estimated Utilisation of Net Proceeds	
				Fiscal 2026	Fiscal 2027
Funding capital expenditure requirements in relation to the setting up of the Proposed Facility	1,831.54 <sup>(1)</sup>	-	1,831.54 <sup>(1)</sup>	1,831.54	-
Funding Working capital requirement for the Proposed Facility	3,768.05 <sup>(3)</sup>	-	3,768.05 <sup>(3)</sup>	-	3,768.05
Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company;	7,650.00	-	7,650.00	7,650.00	-
General corporate purposes <sup>(2)(4)</sup>	[●]	-	[●]	[●]	[●]
<b>Total</b>	[●]	-	[●]	[●]	[●]

1) Total estimated cost as per TEV Report dated December 28, 2024 in respect of the Proposed Facility.

2) To be finalised upon determination of Offer Price and updated in the Prospectus prior to filing with the RoC.

3) Total working capital requirement for the Proposed Facility is as per TEV Report dated December 28, 2024

4) The amount to be utilized for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations from vendors and contractors, and other commercial and technical factors. However, our Company has obtained the TEV Report from D&B India, for the Proposed Facility & related working capital requirement and the BRLM has relied upon such TEV Report for ascertaining the fund requirements and deployment of funds in respect of the Proposed Facility and its working capital requirement forming part of the Objects of the Fresh Issue. Such fund requirements and deployment of funds have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the Proposed Facility, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscals being not undertaken in its entirety, the remaining Net Proceeds shall be utilized in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilized for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) timely completion of the Offer; (iv) market conditions outside the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Our Company may also utilise any portion of the Net Proceeds, towards the aforementioned Objects of the Offer, ahead of the estimated schedule of deployment specified above.

### Means of Finance

The fund requirements for all the Objects set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1) (e) the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means

of finance, excluding the amount to be raised through the Fresh Issue or through existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

## **Details of the Objects**

### **1. Funding capital expenditure requirements in relation to the setting up of the Proposed Facility**

As on date of this Draft Red Herring Prospectus, we are engaged in the business of manufacturing of long and flat stainless-steel products comprising of billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. We primarily operate through our existing Manufacturing Facility located at Halol Kalol Road, Kalol, Panchmahal Gujarat. The existing manufacturing facility is situated on a land admeasuring the total area of 35,196.98 sq. m approximately. In our existing Manufacturing Facility, we have an open industrial purpose land, which is at present, being vacant and normally used by our company to store its one of the raw materials i.e. scrap at its receipt time in the premises on need basis. As part of our growth strategy, we aim to expand our manufacturing operations in form of forward integration and product portfolio by utilising the part of the said vacant land by setting up a stainless-steel seamless pipes manufacturing facility having installed capacity of 9,600 MTPA, within the premise of our existing manufacturing facility.

The basic raw material required for manufacturing of stainless-steel seamless pipes is rolled bar, which is being presently manufactured by the Company in its existing manufacturing facility. This forward integration initiatives would enable us to produce stainless-steel seamless pipes using raw materials manufactured in-house and will ultimately result in operational efficiency, reducing product costs, controlling supply of raw materials and monitoring the quality of our products, thus giving us a competitive advantage and allow us to achieve economies of scale. The proposed integrated set up will also reduce delivery timelines of the products derived at the Proposed Facility which will allow us to service our customers faster, leads to higher operating margins. For further details see, “**Our Business - Our Strategies**” on page 226 .

Further the proposed manufacturing plant of stainless-steel seamless pipes would also allow us to either sell the; (i) intermediate product i.e. mother pipes to other pipe manufacturing Company engaged in pilgering of mother pipes; or (ii) sell the finished product i.e. seamless pipes which find its application in varied industries. The total estimated cost of the Proposed Facility is ₹1,831.54 Lakhs which entirely met from the Net Proceeds for the capital expenditure requirements for setting up the Proposed Facility.

As per the TEV Report, some common areas where stainless steel seamless pipes are used include:

- *Oil and Gas Industry:* Stainless steel seamless pipes are extensively used in the oil and gas industry for various applications such as drilling, production, transportation, and refining. They are resistant to corrosion, high temperatures, and pressure, making them suitable for offshore and onshore oil rigs, pipelines, and refineries.
- *Chemical and Petrochemical Industry:* Stainless steel seamless pipes are widely employed in chemical plants and petrochemical refineries where they are exposed to aggressive chemicals and high temperatures. They are resistant to corrosion and can handle corrosive fluids, making them suitable for transporting chemicals, acids, and other corrosive substances.
- *Power Generation:* Stainless steel seamless pipes are used in power plants, both conventional and nuclear, for applications such as steam generation, heat exchangers, and condenser systems. They offer excellent resistance to high temperatures and pressure, making them ideal for handling hot water, steam, and other fluids in power generation processes.
- *Food and Beverage Industry:* Stainless steel seamless pipes are commonly used in the food and beverage industry, particularly in hygienic applications. They are corrosion-resistant and easy to clean, making them suitable for transporting food products, beverages, and dairy products. They are also used in breweries, wineries, and food processing plants.
- *Pharmaceutical Industry:* Stainless steel seamless pipes find application in the pharmaceutical industry, where hygiene and cleanliness are crucial. They are used for transporting pharmaceutical ingredients, chemicals, and fluids in a sterile environment. Stainless steel pipes meet the industry's strict requirements for corrosion resistance and cleanliness.

- *Automotive Industry:* Stainless steel seamless pipes are used in the automotive industry for various applications, including exhaust systems, catalytic converters, and fuel delivery systems. They offer high heat resistance, corrosion resistance, and durability, making them suitable for withstanding harsh operating conditions.
- *Construction and Architecture:* Stainless steel seamless pipes are used in architectural structures, such as bridges, stadiums, and high-rise buildings. They provide structural integrity, corrosion resistance, and an aesthetically pleasing appearance. Stainless steel pipes can also be found in plumbing systems and HVAC (Heating, Ventilation, and Air Conditioning) installations.

As per the TEV Report, few factors which suggests growing domestic demand for stainless steel pipes and tubes are;

- The consumption of stainless-steel seamless pipes and tubes has grown from 80,626 MT in 2011-12 to 2,14,654 MT in 2023-24, aligning with the overall growth in consumption.
- Close to 18,000 MT extruded pipes were imported from China last year. However, in order to protect the domestic market, the Government of India has presently imposed import restriction and Anti-Dumping Duties on import of certain types of steel from China.
- India’s strategic position under the China +1 strategy enhances its role as a global stainless-steel supplier, driven by competitive costs and robust export infrastructure
- ‘Make in India’ campaign, PLI Schemes for specialty steel, and the Smart Cities Mission, has increased and is expected to amplify demand of stainless-steel pipes in construction, automotive, and infrastructure sectors.

We believe that the proposed manufacturing facility of seamless pipe would widen the market for the Company as it will increase Company’s product portfolio and hence customer base. This will further also help the Company in mitigating the offtake risk. Also, see “**Risk Factor – We may face several risks associated with the Proposed Facility, which could hamper our growth, prospects, cash flows and business and financial condition**” on page 47.

#### **Estimated Cost for the Proposed Facility**

The total estimated cost of the Proposed Facility is ₹1,831.54 lakhs. The total cost of the Proposed Facility has been estimated by our management in accordance with our business plan, current and valid quotations received from the vendors and contractors as well as TEV Report dated December 28, 2024 and other commercial and technical factors approved by our Board of Directors pursuant to its meeting dated December 28, 2024. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

Quotations received from the vendors included in the said TEV Report and as mentioned below have been taken into account by D&B India. However, we have not entered into any definitive agreements with any of vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries or at the same costs. The quantity of machinery to be purchased will be based on management estimates and our business requirements for successful implementing and commencing the Proposed Facility. Our Company shall have the flexibility to deploy such machinery according to the business requirements of our Company and based on estimates of our management. The list of machinery provided is based on the current estimates & there can be variations in the cost at the actual ordering of the said machinery. Apart from this, there can be variations in the nature of machinery depending upon the business requirements at the time of actual procurement. As a result the list of machineries will undergo change. Hence there can be addition of new machineries or deletion from existing list. The detailed break-down of estimated cost as per the TEV Report is set forth below:

(₹ in lakhs)	
Particulars	Estimated Cost*
Land Cost	Nil
Civil & Structural Work	575.00
Plant & Machinery	934.02

Particulars	Estimated Cost*
Miscellaneous Fixed Assets	105.02
Pre-operative Expenses	161.00
Contingency	56.49
<b>Total Proposed Facility Cost</b>	<b>1,831.54</b>

\*Rounded off to the closes decimal

We will place orders for the assets and services as per the schedule of implementation for the Proposed Facility. For risk relating to the same, see “**Risk Factor - Our Company is yet to place orders for the equipment, plant and machinery for the Proposed Facility. Any delay in placing orders or procurement of such equipment, plant and machinery may delay the schedule of implementation and possibly increase the cost of commencing operations**” on page 46.

We do not intend to purchase any second-hand or used Machineries in relation to this Object.

Further, the Promoters, Promoter Group Entities, Directors, Key Managerial Personnel, Senior Management Personnel and the Group Company do not have any interest in the proposed acquisition of the machineries or in the entity from whom we have obtained quotations in relation to purchase of the machinery as mentioned above and our Company has confirmed that such entities do not form part of our Promoter Group or Group Company.

**a) Land Cost**

We propose to establish the Proposed Facility on the vacant parcel of land within the premises of our existing manufacturing facility therefore land cost for the Proposed Facility is Nil.

**b) Civil & Structural Work**

Civil and structural work for the Proposed Facility mainly includes land development and construction and engineering related work including RCC Work, Excavation Work, PCC Work and Shuttering Work. The total estimated cost for civil and structural work is ₹ 575.00 lakhs as per the below mentioned quotations dated November 11, 2024 received by the Company;

(₹ in lakhs)

Sr. No.	Vendor Name	Work Associated	Basic cost (Estimated)
1.	Ganesh Engineering Vide ref no.Quotation DM/GE/RSL/20.30 PM/2024	for Industrial Factory Structure Shed Work & Civil Work	256.45
2.	Ganesh Engineering Vide ref no.Quotation DM/GE/RSL/20.30 PM/2024	for Pre-Engineering metal building work (PEB Shed)	318.55
<b>Total</b>			<b>575.00</b>

(Source: TEV Report by D&B India)

The detailed bifurcation of the estimated cost of civil and structural work is as follows:

• **For Industrial Factory Structure Shed Work & Civil Work**

Description	Quantity	Unit	Rate with Material	Basic cost (Estimated) (₹ in lakhs)
Earth Excavation (0-1mtr.) 25 x 40	640	per cum	150.00	0.96
Earth Excavation (1mtr-3mtr.) 75 x 40	960	per cum	175.00	1.68
Back filling site - to - site	1500	per cum	85.00	1.28
Back filling brought from outside	1382	per cum	500.00	6.91
P.C.C. Work (1:4:8) 100 mm	350	per cum	4,500.00	15.75
C.C. Footing 1:3:6	128	per cum	4,800.00	6.14
R.C.C. Column & Beam	361.864	per cum	9,440.00	34.16

Description	Quantity	Unit	Rate with Material	Basic cost (Estimated) (₹ in lakhs)
(1:1.5 :3) height 0-4 mtr.M-30				
Footing Shuttering	576	per sq mt	410.00	2.36
Shuttering for Coolum & Beam Ply and Steel	766	per sq mt	450.00	3.45
230 mm Thick in (CM 1:6)	246	per cum	6,800.00	16.73
Stone Soling 230mm Thick water bound with Roller	759	per cum	2,000.00	15.18
12mm (1:4) 1224 x 2	2448	per sq mt	290.00	7.10
18mm (1:4) 1224 x 2	2448	per sqmt	320.00	7.83
Net Cement Plaster Work 1224 x 2	2448	per sqmt	380.00	9.30
Trimix Flooring Work 700	660	per cum	6,800.00	44.88
Grove Cutting	2200	per R mt	170.00	3.74
With Cutting, Banding	84.746	per MT	93,220.00	79.00
<b>Total</b>				<b>256.45</b>

(Source: TEV Report by D&B India)

- For PEB Shed

Description	Quantity	Unit	Rate with Material	Basic cost (Estimated) (₹ in lakhs)
PEB -Structural Steel Fabricated Shed:-1) 421.7 F L x 83 F W x 12 M H Sq.ft. = 35000 Sq.ft	196791.7	per KG	130.00	255.83
Top Roofing Sheet Supply & Erection	4593.5	per Sq mt	800.00	36.75
Roofing Sheet vertical Sheet Supply & Erection	1125	per Sq mt	800.00	9.00
Roofing Sheet Accessories:- Gutter , Gutter Clamp , Ridge , Ridge Clamp , Corner Flashing , Inclined Flashing Supply & Erection	391.31	per Sq mt	1,150.00	4.50
Drain Water Down Pipe: As per Technical Specification – PVC 32 Nos. PVC Pipe x 12 Mtr. Length Total 384 R.mtr Supply & Erection	384	per R mt	800.00	3.07
Polycarbonate Sheet (5%) Transform Sheet 500 mm Wide sky light sheet to be considered Throughout top & vertical Supply & Erection	200	per Sq mt	2,300.00	4.60
24” Turbo Ventilator With polycarbonate base Supply & Erection	64	per unit	7,500.00	4.80
<b>Total</b>				<b>318.55</b>

(Source: TEV Report)

Also see, “Risk Factor - We may face several risks associated with the construction of the building of the Proposed Facility, which could hamper our growth, prospects, cash flows and business and financial condition” on page 48.

c) **Plant & Machinery**

Our Company proposes to acquire imported and domestic plant and machineries at an estimated cost of ₹ 934.02 lakhs. Our Company has identified the type of plant and machineries to be purchased for the Proposed Facility and obtained quotations from various vendors, but we are yet to place order for 100% of the plant and machineries. The detailed list of plant and machineries to be acquired by our Company



is provided below:

(₹ in lakhs)

Description	Quantity	Cost for each unit (₹ in lakhs)	Basic cost (Estimated) (₹ in lakhs)*	Name of Supplier	Date of Quotation
Furnace	2.00	155.50	311.00	Shreenath.Nambiar	December 23, 2024
LXC-60 Piercing mill	2.00	194.31	420.68	Yantai Machinery	December 17, 2024
Conveyer Mills	2.00	9.75	19.49	DME - K Patel Drives System`	November 20, 2024
Centring Mill	2.00	3.80	7.61	DME - K Patel Drives System	
Quenching discharge	2.00	1.85	3.70	DME - K Patel Drives System	
Compressor	2.00	6.75	13.50	Elgi - K Patel Drives System	
Round Bar Straightening machine	2.00	55.09	110.18	Gayatri Engineers	November 11, 2024
End cutting	2.00	2.12	4.24	Gayatri Engineers	November 11, 2024
MTB Pump	4.00	0.46	1.82	LUBI- K Patel Drives System	November 20, 2024
Furnace Cooling pump	4.00	0.30	1.18		
Mill water supply	4.00	0.30	1.18		
Mill dewatering pump	4.00	0.30	1.19		
Cooling tower	2.00	4.50	9.00	Paharpur Cooling Towers Limited	November 13, 2024
MS Reducer/Ballvalve	2.00	0.09	0.18		November 17, 2024
MS/GI Pipes 96x48x3.2	5500.00	0.001	3.58	Jineshwar Steels	
MS/GI Pipes 50x50x3.2	6100.00	0.001	3.97		
MS/GI Pipes 122x61x3.2	500.00	0.001	0.33		
7.5 tons EOT Crane Complete set	2.00	10.60	21.20	Manish Engineers	November 17, 2024
<b>Total</b>			<b>934.02</b>		

\*Rounded off to the closest decimal  
(Source: TEV Report by D&B India)

#### d) Miscellaneous Fixed Assets

Miscellaneous Fixed Assets required for the Proposed Facility includes MS Angle 50x50x6, MS Beam 200, MS Channel 150, Flat/Bars 122x61x3.2, MS Beam 300, and MS Channel 250, along with Plug Moly, Plug Road, connectors, and flanges. Additionally, it encompasses Veedol Avalon HLP 68 (210L), Veedol Avalon 220 (210L), and Veedol Alithex 3 grease (180K), as well as essential components such as belts, bearings, gasket sheets, Teflon tape, pulleys, and couplings. The total estimated cost of miscellaneous fixed assets for the Proposed Facility is ₹ 105.02 lakhs, details of which are as below:

(₹ in lakhs)

Description	Quantity	Cost for each unit (₹ in lakhs)	Basic cost (Estimated) (₹ in lakhs)*	Name of Supplier	Date of Quotation
MS Angle 50x50x6	4,800	0.001	3.46	Jineshwar Steels	November 17, 2024
MS Beam 200	4,050	0.001	3.00		
MS Channel 150	3,400	0.001	2.35		
Flat/Bars 122x61x3.2	2,900	0.001	2.02		
MS Beam 300	3,800	0.001	2.72		
MS Channel 250	8,250	0.001	5.90		
Plug Moly	800	0.072	57.64	J Poonamchand & Sons	November 12, 2024
Plug Road	800	0.001	0.85		
Connectors	200	0.007	1.44	K Patel Drives System	November 20, 2024
Flanges	100	0.019	1.91		
Veedol Avalon HLP 68 (210L)	2,940	0.001	3.97	BP Lubricants Private Limited	August 17, 2024
Veedol Avalon 220 (210L)	1,260	0.001	1.66		
Veedol Alithex 3 grease (180K)	540	0.002	1.16		
Belt, Bearings, Gasket Sheets, Teflon Tape, Pulley, Coupling	1	16.95	16.95	K Patel Drives System	November 12, 2024
<b>Total</b>			<b>105.02</b>		

(Source: TEV Report)

\*Rounded off to the closest decimal

**e) Preliminary & Preoperative Expenses**

Our Company has estimated preliminary & preoperative expenditure of ₹161.00 lakhs towards administrative expenses, preliminary manpower expenses, Trial Raw material expenses & consumables expenses during the construction period. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals.

**f) Contingencies**

While our Company has received quotations for Civil and Structural works, Plant & Machineries and Miscellaneous Fixed Assets as above, however, we may incur additional costs or procure certain additional machinery and / or components that would be known only at the time of commencement of the civil works or commissioning of the plant & machinery and fittings. Therefore, our Company, in consultation with D&B India, has considered contingencies of 3.50% on the total hard costs amounting to ₹56.49 Lakhs to cover the cost of unforeseen items.

Also, we may be required to incur additional costs which can be determined only at the time of placing orders or receipt of plant & machineries or any other cost which may be incurred and required to complete installation of proposed facility to make it operative and which is not included hereinabove. Such additional costs shall be funded from the Net Proceeds proposed or through internal accruals, if required.

## **Infrastructure facilities and utilities**

### **Power**

Our Company proposes to fulfil the power requirements for the proposed unit from the Madhya Gujarat Vij Company Limited. Given the Proposed Facility will be located within the existing manufacturing facility premises, it would be convenient to obtain temporary connection for construction works and permanent connection would be obtained before commencement of commercial operations.

### **Water**

Water is mainly required for the production process, fire safety, drinking, and sanitation purposes. Our Company consumes water from our own bore-well for our existing manufacturing facility and also the said bore-well will be used to fulfil water requirement of our proposed facility.

### **Manpower**

At peak capacity utilization levels the total manpower requirement would be about 72 skilled and unskilled personnel for the Proposed Facility.

## **g) Implementation Schedule**

The proposed schedule of implementation as per the TEV Report dated December 28, 2024, is as below:

### *Phase 1: Design and Procurement (Month 1)*

- Month 1: Finalize plant 9600 and design as per plan.
- Month 1: Procure equipment (furnace, rolling mill, piercing mill) and materials.
- Month 1: Complete procurement and prepare for civil works.

### *Phase 2: Civil Works (Months 2-3-4)*

- Month 2: Begin civil works (land preparation, foundation laying).
- Month 3-4: Complete civil works.

### *Phase 3: Equipment Installation (Months 5-6-7)*

- Month 5-6: Install major equipment (walking hearth furnace).
- Month 7: Install auxiliary equipment.

### *Phase 4: Commissioning and Testing (Months 8-9)*

- Month 8-9: Begin commissioning.
- Month 10 - Conduct performance tests and trial runs.

### *Phase 5: Production Ramp-up (Months 11-12)*

- Month 11: Start commercial production (20% capacity).
- Month 12: Gradually increase production capacity (50%, 100%).

### *Key Milestones:*

- Month 4: Civil works completion
- Month 7: Equipment installation completion
- Month 9: Commissioning completion
- Month 12: Full production capacity achievement

## h) Government and other approvals

In relation to the Proposed Facility, we are required to obtain approvals, which are routine in nature, from certain governmental or local authorities as provided in the table below and as detailed under TEV Report from D & B. Our Company undertakes to file necessary applications with the relevant authorities for obtaining all below-mentioned approvals as applicable, at the relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation may be extended and our Company will undertake the required corporate actions as mentioned under “*Variation in Objects*” on page 157. For further details on the regulatory approvals in relation to the Proposed Facility, see “*Risk Factor – We may face several risks associated with the Proposed Facility, which could hamper our growth, prospects, cash flows and business and financial condition*” on page 47 of this Draft Red Herring Prospectus.

No.	Approval For	Authority	Application Date	Approval Date	Stage at which approvals are required	Status
1.	Approval for the building plans for the Proposed Facility	Directorate Industrial Safety & Health Gujarat State	-	-	Before the commissioning of the Proposed Facility	To be applied
2.	Electricity Board License	Madhya Gujarat Vij Company Limited	-	-	Routine approval	Obtained
3.	Certificate of Stability	Concerned Industrial Assessor	-	-	Routine approval	To be applied
4.	CTE (Consent to Establishment)	GPCB	-	-	Before the commissioning of the Proposed Facility	To be applied
5.	Consolidated Consent and Authorization	GPCB	-	-	Upon the commissioning of the Proposed Facility	To be applied
6.	ISO	Concerned ISO Agency	-	-	After the commissioning of the Proposed Facility	To be applied
7.	BIS	Bureau of Indian Standards	-	-	After the commissioning of the Proposed Facility	To be applied

For further details, see, “*Government and Other Statutory Approvals*” beginning on page 395.

## 2. Funding Working capital requirement for the Proposed Facility;

As on date of this Draft Red Herring Prospectus, we are engaged in the business of manufacturing of s long and flat stainless-steel products comprising of billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. We primarily operate through our existing Manufacturing Facility located at Halol Kalol Road, Kalol, Panchmahal Gujarat. The existing manufacturing facility is situated on a land admeasuring the total area of 35,196.98 sq. m approximately. In our existing Manufacturing Facility, we have an open industrial purpose land, which is at present, being vacant and normally used by our company to store its one of the raw materials i.e. scrap at its receipt time in the premises on need basis. As part of our growth strategy, we aim to expand our manufacturing operations in form of forward integration and product portfolio by utilising the part of the said vacant land by setting up a stainless-steel seamless pipes manufacturing facility having installed capacity of 9,600 MTPA,

within the premise of our existing manufacturing facility.

The basic raw material required for manufacturing of stainless-steel seamless pipes is rolled bar, which is being presently manufactured by the Company in its existing manufacturing facility. This forward integration initiatives would enable us to produce stainless-steel seamless pipes using raw materials manufactured in-house and will ultimately result in operational efficiency, reducing product costs, controlling supply of raw materials and monitoring the quality of our products, thus giving us a competitive advantage and allow us to achieve economies of scale. The proposed integrated set up will also reduce delivery timelines of the products derived at the Proposed Facility which will allows us to service our customers faster, leads to higher operating margins. For further details see, “**Our Business - Our Strategies**” on page 226.

The Proposed Facility is expected to commence commercial operations in the Fiscal 2027. After commencement of the commercial operations for the Proposed Facility, we will be required to fund the working capital requirement. Our Company proposed to utilise ₹ 3,768.05 lakhs of the Net Proceeds towards funding its working capital requirements of the Proposed Facility. We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals/equity and financing facilities from various banks, financial institutions, non-banking financial companies and related parties.

#### **Basis of estimation of working capital requirement**

On the basis of estimated working capital requirement Proposed Facility and assumptions for such working capital requirements as detailed in the TEV Report from D & B, our Board pursuant to its resolution dated December 28, 2024 has approved the projected working capital requirements of Proposed Facility for Fiscals 2027. Our Company proposed to utilise ₹ 3,768.05 lakhs of the Net Proceeds towards funding its working capital requirements of the Proposed Facility. The balance portion of our working capital requirement will be arranged from internal accruals.

The details of Proposed Facility estimated working capital requirements for the Fiscal 2027 has been set out below.

<i>(₹ in lakhs)</i>	
<b>Particulars</b>	<b>FY27</b>
<b>Current Assets</b>	
Raw Material Inventory	569.84
Consumables Inventory	94.72
WIP Inventory	200.29
FG Inventory	942.54
Debtors	1,960.66
Cash & cash equivalent	994.52
Other current assets	142.68
<b>Total Current Assets (A)</b>	<b>4,905.25</b>
<b>Current Liabilities</b>	
Creditors under cc	-
Creditors under lc	-
<b>Total Current Liabilities (B)</b>	<b>-</b>
<b>Net Working Capital (A-B)</b>	<b>4,905.25</b>
<b>Sources of Funds</b>	
Short-term borrowings	-
Funds from IPO	3,768.05
Internal Cash accruals	1,137.20
<b>Total Means of Finance</b>	<b>4,905.25</b>

*Note: As per TEV Report dated December 28, 2024*

*As certified by Statutory Auditors through their certificate dated December 30, 2024.*

### Assumptions for estimated working capital requirements

We are engaged in the business of manufacturing of long and flat stainless-steel products comprising of billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. We aim to expand our manufacturing operations in form of forward integration and product portfolio by utilizing the part of the vacant land by setting up a stainless-steel seamless pipes manufacturing facility having installed capacity of 9,600 MTPA, within the premise of our existing manufacturing facility.

Our assumptions for this proposed facility are based on industry norms and an analysis of past data, with reference to peer analysis prepared by D&B India for companies such as Venus Pipes & Tubes Limited (India), Scoda Tubes Limited, Maxim Tubes Company Private Limited, Chandan Steel Limited, and Shalco Industries Private Limited. The Summary are as follows:

Ratios	Industry Peers		Proposed facility	D&B India Comment
	Min	Max	FY 2027	
Inventory Days	46	151	41	Below Industry range
Debtor Days	36	108	45	Within Industry Range
Creditor Days	17	118	-	Below Industry range

*\*TEV Report dated December 28, 2024*

We propose to transfer the Raw material for proposed facility from existing operations, hence Inventory & Creditor Days are considered to be less than Industry standards.

Based on the industry norms and past data analysis, the holding norms assumed for estimating the working capital for Project, is as under:

Description	Days
RM Holding Norms	15
Pipes WIP	5
Pipes FG	21
<b>Total Inventory Days</b>	<b>41</b>
<b>Debtors</b>	<b>45</b>
<b>Creditors</b>	<b>-</b>
Consumables Holding Norms	60
Packaging	30
Annual Days	360

*Note: As per TEV Report dated December 28, 2024*

*As certified by Statutory Auditors through their certificate dated December 30, 2024.*

**Key parameters determining the working capital requirements such as Capacity utilisation assumptions are as under:**

The following table sets forth certain assumptions relating to the capacity utilization of our Proposed Manufacturing Facility calculated on the basis of total proposed installed production capacity and production, as of and for the years/periods indicated herein:

Particulars	Installed Capacity	Actual Production	Capacity Utilization
	(In meters) For Fiscal 2027	(In meters) For Fiscal 2027	(%) For Fiscal 2027
Seamless Pipes	9,600 Mtrs	4,800 Mtrs	50

*\*As per TEV Report dated December 28, 2024.*

*As certified by Statutory Auditors through their certificate dated December 30, 2024.*

The said working capital requirement which are based on certain assumptions in relation to inter alia sales of stainless-steel seamless pipes in the future, the cost and holding periods of inventories of raw materials and finished goods as well as capacity utilization. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions. Accordingly,

such working capital requirements may not be indicative of the actual requirements of proposed stainless steel seamless pipe unit or in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

### Key justifications for holding levels

The justifications for the holding levels mentioned in the table above are provided below:

No.	Particulars	Assumption
1.	Inventories	Inventory comprises majorly of Raw materials, Consumables, Packaging inventory, Pipes Work in progress and Finished Pipe products. Inventory level during a year is estimated based on the range of Inventory days of peer companies in Stainless Steel Pipe industry for the last five financial years. We propose to transfer the Raw material for proposed facility from existing operations, hence Inventory & Creditor Days are considered to be less than Industry standards.  In view of above, we have considered the inventory level to be maintained around 15 days for Raw materials, 5 days for Work in progress and 21 days for Finished goods for Fiscal 2027.
2.	Debtors	Holding levels of Debtors during a year is estimated based on the range of Debtors days of peer companies in Stainless Steel pipes industry for the last five financial years.  In view of above, we have considered the Holding level of debtors to be maintained around 45 days for Fiscal 2027.
3.	Creditors	Holding levels of Creditors during a year in peer companies operating in Stainless Steel pipes industry for the last five financial years ranges between 17 to 118 days.  However, Products such as Black and bright bars which we already produce are raw material for the proposed facility of Stainless steel pipes. In view of above, we have considered the Holding level of creditors to be nil for Fiscal 2027.
4.	Cash & Cash Equivalent	Cash and cash equivalents include balances in current accounts, Fixed Deposits and cash in hand. Cash and Cash Equivalent balance is estimated based on expected Business requirement of company.
5.	Other Current Assets	Other current assets comprises of GST Credits on the proposed Capital expenditure.

As certified by Statutory Auditors through their certificate dated December 30, 2024.

### Existing Working Capital:

On the basis of estimated working capital requirement of our Existing facility and Proposed Facility and assumptions for such working capital requirements as detailed in the TEV Report from D & B, our Board pursuant to its resolution dated December 28, 2024 has approved the projected working capital requirements of our company. Our Company proposed to utilise ₹3,768.05 lakhs of the Net Proceeds towards funding its working capital requirements of the Proposed Facility. The balance portion of our working capital requirement for Existing operations will be arranged from internal accruals. We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals/equity and financing facilities from various banks, financial institutions, non-banking financial companies and related parties. Our Company requires working capital for funding its present and future growth requirements. For details of the working capital facilities availed by us, see “*Financial Indebtedness*” on page 363.

### Basis of estimation of working capital requirement

Our Company's existing working capital requirement and funding on the basis of Restated Standalone Financial Statements for the Stub Period as on June 30, 2024 and Financial Years March 31, 2024, March 31, 2023 and March 31, 2022 are as stated below:

Particulars	(₹ in lakhs)			
	June 30, 2024 (Restated)	March 31, 2024 (Restated)	March 31, 2023 (Restated)	March 31, 2022 (Restated)
<b>Inventories:</b>				
Raw Material	3,326.59	3,216.07	4,046.44	3,315.50
WIP	586.08	455.56	505.13	429.15
Finished Goods & Others	7,401.50	6,747.67	4,252.97	7,522.04
Trade receivables	11,029.09	8,949.59	10,668.73	8,725.62
Cash and Bank Balance	3.32	3.76	5.05	1.58
Other Assets	7,622.30	5,842.31	2,837.74	2,424.04
<b>Total Current Assets</b>	<b>29,968.88</b>	<b>25,214.96</b>	<b>22,316.07</b>	<b>22,417.93</b>
Trade payables	13,706.28	10,335.27	9,754.23	10,673.84
Other liabilities	2,152.16	1,900.81	1,863.39	1,228.77
<b>Total Current Liabilities</b>	<b>15,858.44</b>	<b>12,236.08</b>	<b>11,617.62</b>	<b>11,902.60</b>
<b>Net Working Capital</b>	<b>14,110.44</b>	<b>12,978.87</b>	<b>10,698.44</b>	<b>10,515.32</b>
<b>Sources of Funds</b>				
Short Term Borrowing	5,517.79	5,439.17	4,880.85	5,356.35
Internal Accruals/Existing Net worth	8,592.65	7,539.71	5,817.60	5,158.98
Proceeds from Offer	-	-	-	-
<b>Total</b>	<b>14,110.44</b>	<b>12,978.87</b>	<b>10,698.44</b>	<b>10,515.32</b>

As certified by Statutory Auditors through their certificate dated December 30, 2024.

The details of our operations including our Existing and Proposed Facility estimated working capital requirements for the Fiscal 2027 and subsequent period are as provided below:

Particulars	(₹ in lakhs)		
	March 31, 2027 (Projected)	March 31, 2026 (Projected)	March 31, 2025 (Projected)
<b>Inventories:</b>			
Raw Material	5,229.52	4,354.83	4,069.94
WIP	836.85	594.91	555.99
Finished Goods & Others	8,864.78	7,327.79	6,860.76
Trade receivables	14,769.31	11,970.71	11,187.58
Cash and Bank Balance	2,130.91	1,063.40	1,085.81
Other Assets	5,995.51	6,176.53	5,852.83
<b>Total Current Assets</b>	<b>37,826.87</b>	<b>31,488.17</b>	<b>29,612.91</b>
Trade payables	11,448.79	10,699.80	9,999.82
Other liabilities (Including Non-Current)	1,900.81	1,900.81	1,900.81
<b>Total Current Liabilities</b>	<b>13,349.60</b>	<b>12,600.61</b>	<b>11,900.63</b>
<b>Net Working Capital</b>	<b>24,477.27</b>	<b>18,887.56</b>	<b>17,712.28</b>
<b>Sources of Funds</b>			



Short Term Borrowing	500.00	500.00	5,750.00
Internal Accruals/Existing Net worth	20,209.22	18,387.56	11,962.28
Proceeds from Offer	3,768.05	-	-
<b>Total</b>	<b>24,477.27</b>	<b>18,887.56</b>	<b>17,712.28</b>

Source: TEV Report dated December 28, 2024

As certified by Statutory Auditors through their certificate December 30, 2024.

#### Assumptions of Projected & Existing Working Capital Holding levels:

Particulars	March 31, 2027 (Projected)	March 31, 2026 (Projected)	March 31, 2025 (Projected)	June 30, 2024 (Restated)	March 31, 2024 (Restated)	March 31, 2023 (Restated)	March 31, 2022 (Restated)
Raw Material	19	18	18	77	17	18	19
Finished Goods	35	31	31	156	33	20	43
Trade Receivables	46	40	40	193	35	41	41
Trade Payables	45	45	45	289	50	47	60

Notes: TEV Report as received from D&B India dated December 28, 2024

As certified by Statutory Auditors through their certificate December 30, 2024.

#### Note:

- Holding period level (in months/days) of Trade Receivables is calculated by dividing trade receivables by revenue from operations multiplied by number of months/days in the year/period. (Assuming 360 days in a year)
  - Holding period level (in months/days) of stock of Raw-material is calculated by dividing stock of Raw-material by Raw material purchased/Direct expenses multiplied by number of months/days in the year/period. (Assuming 360 days in a year)
  - Holding period level (in months/days) of stock of Finished goods, and stores & spares is calculated by dividing stock of Finished goods by Cost of goods sold multiplied by number of months/days in the year/period. (Assuming 360 days in a year)
  - Holding period level (in months/days) of Trade Payables is calculated by dividing average trade payables by Raw-material purchased/Direct expenses multiplied by number of months/days in the year/period. (Assuming 360 days in a year)
- Note: Based on certificate by our statutory Auditor, vide its certificate dated December 30, 2024.

#### Key justifications for holding levels

The justifications for the holding levels mentioned in the table above are provided below:

No.	Particulars	Assumption
1.	Inventories	Inventory comprises majorly of Raw materials, Consumables, Packaging inventory, Pipes Work in progress and Finished products.

#### Raw Material:

Our Company had maintained Raw Material inventory holding period of 19 days in Fiscal 2022, 18 days in Fiscal 2023, 17 days in Fiscal 2024 and 77 days in June 30, 2024. The inventory level has remained stable over the disclosed financial period. In order to ensure uninterrupted manufacturing and production, our Company anticipates Raw material inventory days around 18 days for Fiscals 2025, 2026 and 2027. This will ensure that there is no supply chain disruption impacting the production.

#### Finished Goods:

Our Company had maintained Finished goods inventory holding period of 43 days in Fiscal 2022, 20 days in Fiscal 2023, 33 days in Fiscal 2024 and 156 days in June 30, 2024. Our Company anticipates Finished Goods inventory days around 31 days (One Month) for Fiscals 2025, 2026 and 2027.

No.	Particulars	Assumption
2.	Debtors	Our Company has Debtor holding period of 41 days in Fiscal 2022, 41 days in Fiscal 2023, 35 days in Fiscal 2024 and 193 days in June 30, 2024. Trade receivables are amount owed to Company by customers following sale of goods on credit. Our Company anticipates Debtor holding period around 40 days for Fiscal 2025 and 2026.  We estimate Debtor holding period of 46 days for Fiscal 2027 which shows a slight increase on account of commencement of operations of our proposed facility.
3.	Creditors	Our Company has Creditor holding period of 60 days in Fiscal 2022, 47 days in Fiscal 2023, 50 days in Fiscal 2024 and 289 days in June 30, 2024. Our trade payables mainly comprise of suppliers of raw materials. Our Company anticipates Creditor holding period around 45 days for Fiscal 2025, 2026 and 2027.

As certified by Statutory Auditors through their certificate dated December 30, 2024.

Apart from above there are other working capital requirements such as Cash and cash equivalents, Other current assets, WIP inventory and Other Financial and Current Liabilities. Details of which are given below.

Particulars	Assumption
Work in Progress Inventory	Work in Progress Inventory are estimated based on previous years outstanding amount and for expected Business requirement of company.
Cash & Cash Equivalent	Cash and cash equivalents include balances in current accounts and cash in hand. Cash and Cash Equivalent balance is estimated based on previous years outstanding amount and for expected Business requirement of company.
Other Assets	Other Current Assets mainly include Balance with Revenue Authorities, Deposits. Other Assets is estimated based on previous years outstanding amount and for expected Business requirement of company.
Other Liabilities	Other Liabilities mainly include Statutory dues payable to government and expense & Other payables. Other current liabilities are estimated based on previous years outstanding amount and for expected Business requirement of company.

### 3. Full or part repayment and/or prepayment of certain outstanding secured borrowings availed by our Company.

Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowings in the form of, inter alia, term loans and working capital facilities including fund based and non-fund-based borrowings. For details, see section entitled “*Financial Statements*” on page 287.

As on October 31, 2024, the total amount outstanding under our loan facilities (comprising of term loans, working capital limits and unsecured loans) was ₹ 13,576.53 lakhs. We propose to utilise an estimated amount of ₹7,650.00 lakhs from the Net Proceeds towards full or partial re-payment or pre-payment of borrowings, availed by our Company. The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt-equity ratio and enable utilisation of some additional amount from our internal accruals for further investment in business growth and expansion. In addition, we believe that since our debt-equity ratio will improve significantly, it will enable us to raise further resources at competitive rates and additional funds or capital in the future to fund potential business development opportunities and plans to grow and expand our business in the at the next level in upcoming era.

Given the nature of these borrowings and the terms of repayment/prepayment, the aggregate outstanding borrowing amounts may vary from time to time. Further, the amounts outstanding under these

borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. However, the aggregate amount to be utilized from the Net Proceeds towards repayment/ prepayment of certain borrowings, in part or in full, would not exceed ₹7,650.00 lakhs.

The following table provides details of certain borrowings availed by our Company, which are outstanding as on October 31, 2024, which are currently proposed to be re-paid or pre-paid, in full or in part, to the extent of ₹7,650.00 lakhs from the Net Proceeds:

*The remainder of this page has been intentionally left blank*

Sr. No.	Name of the Lender	Nature of Borrowing	Sanctioned Amount (₹ in lakhs)	Date of Original Sanction	Outstanding as on October 31, 2024 (₹ in lakhs)	Interest Rate (%)	Schedule of repayment/terms	Purpose for which loan has been used	Prepayment terms / Penalty	Whether loan is for capital expenditure requirements
1.	IDBI Bank Limited	Working Capital Loans	1,750.00	October 22, 2009	1,453.13	10.30	Available for a period of 30 days to 12 months, subject to periodic review by the relevant lender.	Working Capital Requirements	2% Of the outstanding amount	No
2.	State Bank Of India	Working Capital Loans	4,750.00	February 14, 2024	3,604.42	9.75	Available for a period of 30 days to 12 months, subject to periodic review by the relevant lender.	Working Capital Requirements	2% Of the outstanding amount	No
3.	Axis Finance Limited	Term Loan	3,350.00	September 20, 2021	2,417.78	9.25	60 Monthly installments	Purchase of plant and machinery	4% + Applicable Taxes of principal outstanding	Yes
4.	IDBI Bank Limited	Term Loan	292.00	October 29, 2010	96.55	8.80	48 monthly installments	Purchase of plant and machinery	2% Of the outstanding amount	Yes
5.	IDBI Bank Limited	Term Loan	146.00	March 25, 2010	120.72	8.60	48 monthly installments	Purchase of plant and machinery	2% Of the outstanding amount	Yes
<b>TOTAL</b>			<b>10,288.00</b>		<b>7,692.60</b>					

In accordance with clause 9(A) (2) (b) of Part A of Schedule VI of the SEBI ICDR Regulations, the Statutory Auditors of our Company, pursuant to their certificate dated December 30, 2024 have certified the utilization of the above-mentioned borrowings for the purposes for which such borrowings were availed. For further details in relation to our borrowings, see “*Financial Indebtedness*” on page 363 and “*Restated Financial Statements*” on page 287.

The selection of borrowings proposed to be repaid/ prepaid out of the our borrowings arrangements provided in the table above, shall be based on various factors including (i) cost of the borrowings to our Company, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our Company’s ability to prepay the borrowings and time taken to fulfill such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, prior to completion of the Offer; (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

For the purposes of this object, our Company has obtained consents and notified the relevant lenders, as is required under the relevant facility documentation, for undertaking the Offer, including any consequent actions. Further, to the extent our Company may be subject to the levy of prepayment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable, payment of such penalty or premium shall be made from the Net Proceeds. If the Net Proceeds are insufficient to the extent required for making payments for such prepayment penalties or premiums, such excessive amount shall be met from our internal accruals.

No portion of the Net Proceeds, that will be utilised for repayment/ prepayment, in full or part, of certain borrowings availed by our Company, will be directly or indirectly routed to our Promoter, members of the Promoter Group, Group Companies or associates.

#### **4. General Corporate Purposes**

We propose to deploy ₹ [●] Lakh, aggregating to [●]% of the Net Proceeds towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, brand building, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

We confirm that any Offer related expenses shall not be considered as a part of General Corporate Purpose.

Further, we confirm that the amount for general corporate purposes, including excess amount, if any, as mentioned in this Draft Red Herring Prospectus, shall not exceed 25% of the Gross Proceeds of the Issue.

#### **Offer Related Expenses**

The total expenses of the Offer are estimated to be approximately [●] lakhs. The Offer related expenses primarily include among others, listing fees, fees payable to the BRLM and Legal counsel, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs’ fees, Sponsor Banks’ fees, Registrar’s fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees, audit fees (not in relation to the Offer), and expenses for any product or corporate advertisements consistent with past practice of our Company, each of which shall be borne

solely by our Company; and all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer will be shared between our Company and the Selling Shareholder on a pro-rata basis in proportion to the Equity Shares proposed to be issued and allotted by our Company in the Fresh Issue and the Equity Shares proposed to be transferred by the Selling Shareholder through the Offer for Sale, and in accordance with applicable law, irrespective of our Company getting listed or not. The Selling Shareholder agrees that it shall reimburse our Company for all expenses undertaken by our Company on his behalf in relation to the Offer in relation to the Offered Shares. The break-down for the estimated Offer expenses are set forth below:

<b>Expenses*</b>	<b>Estimated expense* (₹ in lakhs)</b>	<b>As a % of the total estimated Offer expenses</b>	<b>As a % of the total Offer Size</b>
Fees payable to the BRLM and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer and fee payable to the Sponsor Bank for Bids made by RIBs, Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, CRTAs and CDP <sup>(1)(2)(3)(4)</sup>	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fee payable to auditors, consultants and market research firms	[●]	[●]	[●]
Fees to regulators, including Stock Exchanges	[●]	[●]	[●]
Others	[●]	[●]	[●]
(i) Listing fees, SEBI, BSE and NSE processing fees, book building software fees and other regulatory expenses;			
(ii) Printing and distribution of stationery;			
(iii) Fees payable to the Registrar to the Offer;			
(iv) Fees payable to Legal Counsel; and			
(v) Miscellaneous.			
<b>Total estimated Offer expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\*Offer expenses excludes applicable taxes, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change

**Notes:**

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

Portion for Retail Individual Bidders\* [●] % of the Amount Allotted (plus applicable taxes)

Portion for Non-Institutional Bidders\* [●] % of the Amount Allotted (plus applicable taxes)

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

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE

No processing fees/uploading charges shall be payable by our Company or the Selling Shareholder to the SCSBs on the

applications directly procured by them.

SCSBs will be entitled to a processing fee for processing the ASBA Form procured by the members of the Syndicate (including their sub-syndicate members), CRTAs or CDPs from Retail Individual Investors, Eligible Employees and Non-Institutional Bidders and submitted to the SCSBs for blocking as follows:

Portion for Retail Individual Bidders*	₹[●] per valid ASBA Forms (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹[●] per valid ASBA Forms (plus applicable taxes)

\*Based on valid ASBA Forms

- (2) The processing fees for applications made by UPI Bidders using the UPI Mechanism would be as follows: Sponsor Bank will be entitled to processing fee of ₹[●] per valid ASBA Form for Bids made by RIIs using the UPI Mechanism. The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, amendments, the Syndicate Agreement and other applicable laws.
- (3) Brokerage, selling commission and processing/ uploading charges on the portion for UPI Bidders (using the UPI Mechanism), RIIs and NIIs which are procured by the members of the Syndicate (including their sub-syndicate members), CRTAs, CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-syndicate members) would be as follows:

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

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

The selling commission payable to the Syndicate/ sub-syndicate members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-syndicate member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate/ sub-syndicate member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate/ sub-syndicate member.

The payment of selling commission payable to the sub-brokers / agents of sub-syndicate members are to be handled directly by the respective sub-syndicate member.

The selling commission payable to the CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

Uploading charges/ processing charges of ₹[●]/- per valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, CRTAs and CDPs:

- for applications made by Retail Individual Investors using the UPI Mechanism

Uploading Charges/ Processing Charges of ₹[●]/- per valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, CRTAs and CDPs:

- for applications made by Retail Individual Investors using 3-in-1 type accounts
- for Non-Institutional Investor Bids using Syndicate ASBA mechanism / using 3- in -1 type accounts,

The Bidding/uploading charges payable to the Syndicate/Sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE

- (4) Selling commission payable to the registered brokers on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the Registered Brokers and submitted to SCSB for processing would be as follows: Portion for Retail Individual Investors and Non-Institutional Investors: ₹[●]/- per valid ASBA Form (plus applicable taxes).
- (5) The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any other subsequent SEBI Circular.

## Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds, our Company shall deposit the funds only with one or more 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 utilisation of the Net Proceeds, it shall not use the funds from the Net Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

### **Bridge Financing Facilities**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus which are proposed to be repaid from the Net Proceeds.

### **Appraisal Report**

None of the objects for which the Net Proceeds will be utilized have been financially appraised by any financial institutions / banks. Also see “Risk Factor - *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds*” on page 75.

### **Monitoring Utilization of Funds**

Our Company will appoint a monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations prior to the filing of the Red Herring Prospectus. Our Audit Committee and the monitoring agency will monitor the utilization of the Gross Proceeds, and submit the report required under Regulation 41 of the SEBI ICDR Regulations.

Our Company will disclose the utilization of the Gross Proceeds, including interim use, under a separate head in our balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, for any amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Gross Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Gross Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the statutory auditor(s) and such certification shall be provided to the Monitoring Agency. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Gross Proceeds from the Objects of the Offer as stated above; and (ii) details of variations in the utilisation of the Gross Proceeds from the Objects of the Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors’ report, after placing the same before the Audit Committee. Further, our Company shall, on a quarterly basis, include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our quarterly results. Our Company will indicate investments, if any, of unutilised Gross Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects of the Offer without our Company being authorized to do so by the Shareholders by way of a special resolution through a 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 our 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 above stated proposal, at a price as may be prescribed by SEBI, in this regard.

No part of the Gross Proceeds will be utilized by our Company as consideration to our Promoters, members of



the Promoter Group, Directors, Group Companies or Key Managerial Employees. Our Company has not entered into or is not planning to enter into any arrangement / agreements with Promoters, Directors, key management personnel, Senior Management, associates or Group Companies in relation to the utilization of the Gross Proceeds.

**Other Confirmation**

Except to the extent of the proceeds received by the Promoter Selling Shareholder pursuant to the Offer for Sale, none of our Promoters, Directors, KMPs, Senior Management, members of the Promoter Group or Group Companies will receive any portion of the Offer Proceeds and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Directors, KMPs, Senior Management, Promoter Group or Group Companies.

## **BASIS FOR THE OFFER PRICE**

*The Price Band, Floor Price and Offer Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below, in compliance with the SEBI ICDR Regulations. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should read the following basis with the chapters titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page 39, 287 and 214 respectively, of this Draft Red Herring Prospectus to get a more informed view before making any investment decisions.*

### **Qualitative Factors**

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

- ***Established, integrated manufacturing setup at strategic location***

Our Manufacturing Facility is equipped with an induction furnace, AOD, CCM, heat treatment facilities, rolling mill and bright bar shop, Oxygen Plant and a Nitrogen Plant, which reduces our dependence on third party supplier. Our integrated production process allows us to be flexible with our production and be able to alter our products as per the customer’s specific requirements as well as change our product mix to cater to the continuously evolving market conditions. We have the ability to convert the stainless-steel billets into long and flat products, and thereafter into black or bright category or sell the billets independently in the market.

Our Manufacturing Facility is strategically located at Halol Kalol Road, Kalol, Panchmahal in Gujarat which is connected to the National Highway (NH 148N) and is also near different mediums of transport that are used for our business for inward and outward freight.

- ***Diverse Product Portfolio***

Our product portfolio comprises billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. We specialize in the manufacture of stainless-steel products in a variety of sizes and grades having wide applications in varied industries. We offer our products in more than eighty (80) diverse grades of stainless steel. Our diverse product portfolio that includes a broad range of sizes and grades not only make it possible for us to satisfy the ever-evolving expectations of our clients and comply with the latest demand in the market, but it also provides our Company with an advantage that allows us to compete more effectively with our rivals.

- ***Established customer base and strong relationships***

We have established strong customer relations in the course of over 20 years of operating experience. During the three-month period ending June 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, we catered to over 209 customers, 385 customers, 363 customers and 315 customers respectively, out of which around 150 customers have been associated with us for over a period of 3 years, and such customers contributed to ₹60,757.67 lakhs to our revenue from operations which amounted 66.78% of total revenue from operations of Fiscal 2024.

- ***Strong Promoters and Experienced Management Team***

We are driven by a qualified and dedicated management team, which is led by our Board of Directors. Our Promoters Shankarlal Deepchand Mehta and Babulal D Mehta have been associated with the Company since the year 1999 and Jayesh Natvarlal Pithva and Yashkumar Shankarlal Mehta since the year 2007 & 2015 respectively and have played a significant role in the development of our business. Our Promoters play a pivotal role in formulating business strategies, driving innovation, integrating systems, processes and technologies, diversification and expansion of business, and commitment to customer-focused approach.

- **Track Record of healthy growth**

We have demonstrated consistent growth in terms of revenues and profitability. We have been able to increase our revenue from operations from year 2006 onwards. We, from being a Non-BIFR Sick Industrial Unit in the year 2006, have grown into a profit-making stainless-steel products manufacturing company. Onwards the year 2006, we have demonstrated consistent growth in terms of revenues and profitability. Our revenue from operations has grown from ₹3604.07 Lakhs in Fiscal 2006 to ₹90,980.80 lakhs in Fiscal 2024 registering a CAGR of 19.65% in the last 18 years.

Similarly, our profit after tax has grown from ₹71.23 lakhs in Fiscal 2006 to ₹3,162 lakhs in Fiscal 2024, registering a CAGR of 23.46 % in last 18 years. Our Company had achieved revenue from operations of ₹20,528.03 lakh in three-month period ended June 30, 2024, ₹90,980.80 lakh in Fiscal 2024, ₹94,767.44 lakh in Fiscal 2023 and ₹76,641.70 lakhs in Fiscal 2022. Our revenue from operations have grown at a CAGR of 5.88% between Fiscal 2022 and Fiscal 2024.

For further details, see “**Our Business – Our Key Strength**” beginning on page no. 217 of this Draft Red Herring Prospectus.

### Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Standalone Financial Information. For details, see “**Restated Financial Statements**” and “**Other Financial Information**” beginning on pages 287 and 360, respectively.

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

#### 1. **Basic and Diluted Earnings Per Share (EPS) and diluted earnings per equity share (“Diluted EPS”):**

Period	Basic and Diluted EPS (In ₹)	Weights
FY 2021-22	1.26	1
FY 2022-23	3.49	2
FY 2023-24	4.59	3
<b>Weighted Average</b>	3.67	
June 30, 2024*	1.58	

\*Not Annualized

**Notes:**

- The figures disclosed above are based on the restated standalone financial statements of the Company.
- The above statement should be read with “**Restated Financial Statements**” beginning on page no. 287 of this Draft Red Herring Prospectus.
- Basic Earnings per share = Net profit/(loss) after tax, as restated attributable to equity shareholders /Weighted average number of shares outstanding during the year/period.
- Diluted Earnings per share = Net profit/(loss) after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/period.
- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal]/[Total of weights].
- Earnings per share calculations are in accordance with Ind AS - 33 (earnings per share) prescribed by the Companies (Indian Accounting Standards) Rules, 2015
- The face value of the Equity Shares is ₹10 each.

2. **Price to Earnings (P/E) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share of ₹ 10/- each:**

Particulars	P/E at the Floor Price (No. of times)	P/E at the Cap Price (No. of times)
Based on the Basic and Diluted as restated for period ending June 30, 2024	[●]	[●]

**Industry Peer Group P/E ratio**

Particulars	Industry (no. of times)	P/E	Name of the peer company	Face value per equity shares (₹)
Highest	151.75		Panchmahal Steel Ltd	10
Lowest	4.74		Electrotherm Ltd	10
Average	48.83	-		

*Note: The highest and lowest industry P/E has been considered from the industry peer structure provided later in this chapter. The industry average has been calculated as the arithmetic average P/E of the industry peer structure disclosed in this chapter. For further details, please refer chapter titled "Restated Financial Statements" beginning on page no. 287.*

3. **Return on Net Worth (RoNW):**

Period	Return on Net Worth (%)	Weights
As on March 31, 2022	15.06	1
As on March 31, 2023	29.62	2
As on March 31, 2024	28.17	3
<b>Weighted Average</b>	<b>26.47</b>	
For Period ended on June 30, 2024*	8.86	

\*Not Annualized

**Notes:**

- The figures disclosed above are based on the restated standalone financial statements of the Company.
- Net worth attributable to the Equity Shareholders of our Company has been defined as the aggregate value of the paid-up equity share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, including legal reserve and after deducting, if any the aggregate value of the accumulated losses, prepaid expenses, deferred expenditure and miscellaneous expenditure not written off as per the Restated Financial Statement, but does not include reserves created out of revaluation of assets and write-back of depreciation as on March 31, 2022, March 31, 2023, March 31, 2024 and period ended June 30, 2024 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended.
- Return on Net Worth (RoNW) % = Profit for the period / year attributable to equity shareholders of our Company divided by net worth of our Company as at the end of the period / year.
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. [(RoNW x Weight) for each fiscal] / [Total of weights].

4. **Net Asset Value (NAV) per Equity Share (Post Bonus):**

Particulars	NAV (in ₹)
As on March 31, 2022	8.38
As on March 31, 2023	11.78
As on March 31, 2024	16.29
As on June 30, 2024	17.88
NAV after the completion of the Offer	<b>At Floor Price: [●] At Cap Price: [●]</b>
Offer Price	<b>[●]</b>

**Notes:**

- The figures disclosed above are based on the restated standalone financial statements of the Company.
- NAV per Equity Share (Post Bonus) will be calculated as net worth divided by outstanding number of equity shares outstanding at the end of the year

## 5. Comparison of Accounting Ratios with Listed industry Peer Companies:

Following is the comparison with industry peer companies listed in India and in the same line of business as our Company.

(Rs. in Lakhs)								
Name of the company	Face value	Revenue from Operations	EPS (Basic) (₹)	EPS (Diluted) (₹)	P/E*	Return on Net Worth (%)	Net Worth	Net Asset Value Per Equity Share (₹)
Rajputana Stainless Limited	10	90,980.80	4.59	4.59	[•]	28.17	11,226.94	16.29
<b>Listed peers* (Consolidated Basis)</b>								
Manglam Worldwide Ltd	10	81,810.80	8.89	8.45	19.05	12.74	18,038.14	69.38
Mukand Ltd	10	5,17,481.00	7.11	7.11	19.96	11.15	92,110.00	63.74
Electrotherm Ltd	10	4,27,150.00	249.08	249.08	4.74	-40.63	-	-
Panchmahal Steel Ltd	10	42,762.00	1.56	1.56	151.57	1.89	78112.00	612.99
							15689.00	82.14

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis sourced from the Annual Reports/Information of the peer company submitted to stock exchanges for the year ended March 31, 2024.

Notes:

- All the financial information for listed industry peer mentioned above is on a consolidated basis.
- P/E Ratio has been computed based on the closing market price of equity shares on the NSE on December 05, 2024 divided by the Diluted EPS.
- RoNW is computed as net profit after tax (after considering Comprehensive Income) divided by the closing net worth. Net worth has been computed as sum of share capital and reserves and surplus.
- NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.
- Net worth means aggregate of equity share capital and other equity.

For further details, please refer to the section titled “**Risk Factors**”, and chapters titled “**Our Business**” and “**Restated Financial Statements**” beginning on page no. 39, 214 and 287 respectively.

## 6. Key Performance Indicators:

The table below sets forth the details of Key Performance Indicators that our Company considers to have a bearing for arriving at the basis for Offer Price. The key financial and operational metrics set forth below, have been approved and verified by the Audit Committee pursuant to its resolution dated December 28, 2024.

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which helps our Company in analyzing the growth of various verticals in comparison to our Company’s listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Offer Price which have been disclosed below. Additionally, the KPIs have been certified vide certificate dated December 29, 2024 issued by our Statutory Auditor, M/s. R. Ruparel & Bavadiya, Chartered Accountants who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The certificate dated December 30, 2024 issued by M/s. R. Ruparel & Bavadiya Chartered Accountants, has been included in ‘**Material Contracts and Documents for Inspection – Material Documents**’ on page 496.

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.

The Bidders can refer to the below-mentioned KPIs to make an assessment of our Company's performances and make an informed decision.

A list of our KPIs for the three months' period ended on June 30, 2024 and Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022 is set out below:

	<i>(₹ in Lakhs except for %)</i>			
<b>Particulars</b>	<b>June 30, 2024</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Revenue from operations (Rs. in Lakhs)	20,528.03	90,980.80	94,767.44	76,641.70
EBITDA (Rs. in Lakhs)	1,934.27	5,940.97	4,384.58	3,024.50
EBITDA margin (%)	9.42%	6.53%	4.63%	3.95%
PAT (Rs. in Lakhs)	1,091.39	3,162.89	2,404.46	8,69.70
Net Profit margin (%)	5.32%	3.48%	2.54%	1.13%
Net worth (Rs. in Lakhs)	12,321.72	11,226.94	8,116.61	5,775.72
Return on capital employed (%)	9.44%	32.17%	25.72%	18.51%
Return on equity (%)	9.27%	32.70%	34.62%	16.55%
Debt to equity ratio (times)	0.65	0.71	0.98	1.59
Operating Cash Flows	445.18	3,148.96	2,510.35	(193.91)

*Note: The Figure has been certified by our Statutory Auditors, vide their certificate dated December 29, 2024*

#### **Explanation for the Key Performance Indicators**

<b>Sr. No.</b>	<b>Key Performance Indicator</b>	<b>Description and Rationale</b>
1	Revenue from Operations	Revenue from operations include revenue from sales of products in domestic and exports markets, revenue from sale of Steel Billets, Angles, Wire Rod etc. and other operating revenue
2	EBITDA	Earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses less other income and excluding exceptional items. EBITDA provides information regarding operational profitability and efficiency of our Company.
4	EBITDA Margin	Percentage of earnings before interest, tax, depreciation and amortization and is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation and amortization expenses excluding exceptional items. This metric helps in benchmarking the operating profitability against the historical performance of our Company.
5	Profit after tax for the period	The amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company.
6	Net profit margin	Percentage of the amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company.
7	Net worth	Calculated as total of share capital and other equity. It provides information on the book value of the owners' equity in the business.
8	Return on capital employed	Return on capital employed is calculated using two components, i.e. earnings before interest and tax divided by capital employed. Capital employed is calculated by sum of net worth and total debt less cash and cash equivalents freely available. This provides us information on efficiency of our capital deployment and utilisation.

Sr. No.	Key Performance Indicator	Description and Rationale
9	Return on equity	Return on Equity is calculated on the basis of net profit after tax divided by shareholder's equity and is calculated by profit after tax divided by our net worth (share capital and other equity). It indicates our Company's ability to turn equity investments into profits.
10	Debt to equity ratio	Debt to equity ratio is calculated by dividing our Company's debt by shareholders' equity (as a percentage). This metric is a measurement of our Company's financial leverage and provides us information on our current capital structure and helps us in targeting an optimized capital structure.
11	Operating Cash flows	Operating cash flows provides how efficiently our company generates cash through its core business activities. It enables company to track cash generated from operations including working capital related cash flows.

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 214 and 366, respectively. All such KPIs have been defined consistently and precisely in '*Definitions and Abbreviations*' on pages 1.

Subject to applicable laws, the Company confirms that it shall continue to disclose all the key performance indicators included in this "*Basis for Offer Price*" section, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) till the utilization of the Net Proceeds as disclosed under "*Objects of the Offer*" on page 136.

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

While the listed peers mentioned below operate in the same industry as us, and may have similar offerings or end use applications, our business may be different in terms of differing business models, different product verticals serviced or focus areas or different geographical presence.

##### a) Comparison of KPIs with Fiscal 2024 with listed industry peers

		(₹ in Crores)				
Particulars		Rajputana Stainless Limited	Manglam Worldwide Ltd (Consolidated)	Panchmahal Steel Ltd (Consolidated)	Mukand Ltd (Consolidated)	Electrotherm Ltd (Consolidated)
Revenue from operations		909.81	818.11	427.62	5,174.81	4,271.50
Growth in Revenue from Operations (%)		(4.00)	26.94	(12.49)	-7.05	38.95
EBITDA		59.41	42.52	19.95	308.02	424.14
EBITDA Margin (%)		6.53	5.20	4.67	5.93	9.93
PAT		31.63	22.98	2.97	102.70	317.33
Net Profit margin (%)		3.48	2.81	0.69	1.98	7.43
Debt to Equity		0.71	0.1	0	1.56	NA
Return on equity (%)		32.70	12.35	1.89	11.15	NA
Return on capital employed (%)		32.17	17.30	7.56	10.97	NA
Operating Cash Flows		31.49	-9.77	39.70	64.94	351.34

**Note:** The above KPI's are based on the D&B Report dated December 24, 2024.

b) Comparison of KPIs with Fiscal 2023 with listed industry peers

(₹ in Crores)

Particulars	Rajputana Stainless Limited	Electrotherm Ltd (Consolidated)	Manglam Worldwide Ltd (Consolidated)	Panchmahal Steel Ltd (Consolidated)	Mukand Ltd (Consolidated)
Revenue from operations	947.67	3,074.05	644.49	488.64	5,567.60
Growth in Revenue from Operations (%)	23.65	8.57	23.22	(14.81)	19.91
EBITDA	43.85	104.54	24.44	16.94	401.62
EBITDA Margin (%)	4.63	3.40	3.79	3.47	6.53
PAT	24.04	(11.82)	17.58	1.38	171.78
Net Profit margin (%)	2.54	(0.38)	2.73	0.28	2.79
Debt to Equity	0.98	NA	0.11	-	1.70
Return on equity (%)	34.62	NA	12.59	0.90	20.12
Return on capital employed (%)	25.72	NA	12.22	5.84	15.17
Operating Cash Flows	25.10	107.08	(61.31)	(30.11)	105.91

Note: The above KPI's are based D&B Report dated December 24, 2024.

c) Comparison of KPIs with Fiscal 2022 with listed industry peers

(₹ in Crores)

Particulars	Rajputana Stainless Limited	Electrotherm Ltd (Consolidated)	Manglam Worldwide Ltd (Consolidated)	Panchmahal Steel Ltd (Consolidated)	Mukand Ltd (Consolidated)
Revenue from operations	766.41	2,831.31	523.03	573.6	4,642.97
EBITDA	30.25	92.98	21.97	80.04	357.56
EBITDA Margin	3.95	3.28	4.20	13.95	7.52
PAT	8.70	(40.36)	12.39	58.58	176.31
Net Profit margin (%)	1.13	(1.43)	2.37	10.21	3.71
Debt to Equity	1.59	NA	-	-	1.33
Return on equity (%)	16.55	NA	27.26	36.62	26.45
Return on capital employed (%)	18.51	NA	45.69	45.29	20.11
Operating Cash Flows	(1.94)	179.24	1.59	37.86	(101.81)

Note: The above KPI's are based on the D&B Report dated December 24, 2024.

Notes:

(1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements/Annual Reports of the respected company.

(2) Growth in Revenue from Operations (%) is calculated as 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 before tax + Depreciation + Finance Cost - Other Income

(4) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

(5) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

(6) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account.

(7) The above KPI's are based on the D&B Report dated December 24, 2024.



## 7. Weighted Average Cost of acquisition

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

There has been no issuance of Equity Shares or convertible securities, excluding the 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-Offer capital), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

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

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters or the members of our Promoter Group or shareholder(s) selling shares through offer for sale or

shareholder(s) having the right to nominate director(s) in the Board of the Company are a party to a 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 our Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

### C. Price per share based on the last five primary or secondary transactions

Since there are no such 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) on the Board of our Company, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, are as below:

#### Primary Transactions:

S. No.	Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment
1.	November 6, 2024	2,69,52,520	10	NA	NA	Bonus Issue

Sr. No.	Name Of Allotees	No. of Equity Shares Allotted
1.	Shankarlal Deepchand Mehta	1,81,57,250
2.	Babulal D. Mehta	16,96,545
3.	Jayesh Natvarlal Pithva	8,04,457
4.	Jayantilal Mangilal Sanghvi	1,96,667
5.	Kalpesh Babulal Mehta	2,51,847
6.	Hetal Jayesh Pithva	5,84,000
7.	Rameshkumar Deepchand Mehta	7,16,124
8.	Mahendra Motilal Mehta	1,81,292
9.	Pinky Pravinkumar Jain	78,357
10.	Girish Babulal Mehta	1,28,565
11.	Motilal D Mehta HUF	3,43,113
12.	Rohini Rameshkumar Mehta	2,29,584
13.	Mangilal Bachraj Sanghvi	17,500
14.	Vikramkumar Motilal Mehta	3,62,242
15.	Meena Vikramkumar Mehta	13,333

Sr. No.	Name Of Allotees	No. of Equity Shares Allotted
16.	Rameshkumar D. Mehta HUF	3,01,330
17.	Kamalaben Motilal Mehta	3,52,313
18.	Mehta Babulal D HUF	4,25,600
19.	Teena Manish Sanghvi	13,333
20.	Bhaguben Mehta	10,04,068
21.	Nirmalaben Pithva	10,95,000
<b>Total</b>		<b>2,69,52,520</b>

**Secondary Transactions:**

Date of allotment/acquisition/transfer	Name of Transferor	Name of Transferee	No. of Equity Shares allotted/transferred	Face Value per Equity Share	Issue Price/Consideration per Equity Share	Nature of Consideration
November 18, 2024	Bhaguben Mehta	Babulal Mehta	20,08,136	10	N.A	Transfer of Shares by way of gift
June 15, 2024	Natvarlal Pithva	Jayesh Pithva	66,790	10	N.A	Transmission of Shares
May 31, 2024	Motilal Deepchand Mehta	Kamalaben Motilal Mehta	4,371	10	N.A.	Transmission of Shares
November 18, 2024	Nirmalaben Pithva	Jayesh Pithva	21,90,000	10	N.A	Transfer of Shares by way of gift

**D. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on Primary Issuances/ Secondary Transactions are set below:**

Types of Transactions	Weighted average cost of acquisition (₹ per Equity Share) <sup>#</sup>	Floor Price (i.e., ₹ [●]*)	Cap price (i.e., ₹ [●]*)
Weighted average cost of acquisition (WACA) of Primary issuances	-	-	-
Weighted average cost of acquisition (WACA) of Secondary transactions	-	[●]*times	[●]*times

<sup>\*</sup>To be updated at Prospectus.

<sup>#</sup>As certified by our Statutory Auditors by way of their certificate dated December 29, 2024.

**Detailed explanation for Offer Price/Cap Price being [●] times of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point 'D' above) along with our Company's key financial and operational metrics and financial ratios for the Fiscals 2024, 2023 and 2022.**

[●]\*

\*To be included upon finalization of the Price band

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLM, on the basis of the market demand from investors for the Equity Shares through the Book Building Process. Our Company in consultation with the BRLM, are of justified view of the above qualitative and quantitative parameters.

Investors should read the abovementioned information along with “**Risk Factors**”, “**Our Business**”, “**Restated Standalone Financial Statements**” and “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” beginning on pages 39, 214, 287 and 366 respectively, to have a more informed view.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

**The Board of Directors**

**Rajputana Stainless Limited**

213, Madhwas, Halol Kalol Road Kalol,  
Panchmahal, Gujarat, India, 389330

Dear Sirs,

**Re: Proposed public offering of equity shares of face value of Rs. 10/- each (the “Equity Shares”) of Rajputana Stainless Limited (the “Company”) (the “Issue”)**

**Sub.: Statement of possible Special Tax Benefits available to the Company, its equity shareholders and its subsidiary under the direct and indirect tax laws**

This report is issued in accordance with the engagement letter dated November 25, 2024. We, **Ruparel & Bavadiya**, Chartered Accountants and the statutory auditors of the Company, hereby confirm that the ‘Statement of Special Tax Benefits’, enclosed herewith as **Annexure A**, prepared by the Company and initialled by us and the Company (the “**Statement**”), provides the special tax benefits (under direct and indirect tax laws) presently in force in India pursuant to (i) the **Income-tax Act, 1961**, as amended and read with the income tax rules, circulars and notifications issued in connection thereto; and (ii) 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, the respective State Goods and Services Tax Act, 2017, (collectively, the “**GST Act**”) read with the rules, circulars, and notifications thereon, the Customs Act, 1962 and the Customs Tariff Act, 1975 and Foreign Trade Policy 2015-2020 (FTP) as amended by the Finance Act, 2024, i.e., applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India (collectively the “**Taxation Laws**”) read with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company and its shareholders.

The Company does not have any material subsidiaries for the purpose of disclosure of tax benefits in terms of Para 9(L) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “**SEBI ICDR Regulations**”).

### **Management responsibility**

The preparation of the Statement annexed to this certificate is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

### **Auditor’s Responsibility**

We have performed the following procedures:

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

We also consent to the references to us as “Experts” as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the draft red herring prospectus of the Company or in any other documents in connection with the Issue.

We have conducted our examination in accordance with the ‘Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)’ issued by the Institute of Chartered Accountants of India.

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

This statement of possible special tax benefits is required as per paragraph (9)(L) of Part A of Schedule VI of the SEBI ICDR Regulations.

**Inherent Limitations:**

1. Several of such possible special tax benefits forming part of the Statement are dependent on the Company and/or its shareholders fulfilling applicable conditions prescribed within the relevant statutory provisions and accordingly, the ability of the Company and/or its shareholders to derive such possible special tax benefits is entirely dependent upon the lawful fulfilment of such conditions by the Company and/or its shareholders, as applicable which based on business imperatives the Company faces in the future, the Company and/or its shareholders may or may not choose to fulfil.
2. 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, the same would include those benefits as enumerated in the Statement. The benefits discussed in the Statement cover the possible special tax benefits available to the Company and its shareholders 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.
3. The special tax benefits discussed within the Statement are not exhaustive and are intended to provide an illustrative understanding to prospective investors with respect to the special tax benefits available to the Company and/or its shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each prospective investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.
4. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the Taxation Laws and its interpretation, which are subject to change from time to time.

**Opinion**

We report that the enclosed Statement in **Annexure A**, in all material respect, states the possible special tax benefits, available to the Company, and its shareholders, under the direct and indirect tax laws presently in force in India, as on the date of this certificate.

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

- (i) The Company and its shareholders will continue to obtain these benefits in future; or
- (ii) The conditions prescribed for availing the benefits have been/would be met with.

**Restriction on use**

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the draft red herring prospectus, updated draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Offer (together, the “**Offer Documents**”) which may be filed by the Company with Securities and Exchange Board of India (“**SEBI**”), BSE Limited and National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”), Registrar of Companies, Ahmedabad (the “**RoC**”) and / or any other regulatory or statutory authority.

This certificate may be relied on by the BRLM, their affiliates and legal counsels in relation to the Offer and to assist the BRLM in conducting and documenting their investigation and due diligence of the affairs of the

Company in connection with the Offer. We hereby consent to this certificate being disclosed by the BRLM, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to immediately communicate, in writing, any changes to the above information/ confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLM and the Company until the equity shares allotted in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Company, the BRLM and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours faithfully,

**For Ruparel & Bavadiya**  
**Chartered Accountants**  
Firm Reg. No. 126260W

**CA P N Bavadiya**  
**Partner**  
Membership No. 113300  
**UDIN:** 24113300BKFEWB8797  
**Place:** Surat  
**Date:** December 28, 2024

## ANNEXURE A

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO RAJPUTANA STAINLESS LIMITED AND ITS SHAREHOLDERS

The information provided below sets out the possible special direct tax benefits available to Rajputana stainless limited (“**company**”) and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership, and disposal of equity shares of the company, under the income- tax act, 1961 (as amended by the finance act 2024) read with income tax rules, 1962, circulars, notifications, the central goods and services tax act, 2017, the integrated goods and services tax act, 2017, the state goods and services tax act as passed by respective state governments from where the company and its shareholders operate and applicable to the company and its shareholders, customs act 1962 and foreign trade policy 2023 (as extended) including the rules, regulations, circulars and notifications issued there under (collectively referred as “taxation laws”) presently in force in India.

Several of these benefits are dependent on fulfilling the conditions prescribed under the relevant taxation laws. Hence, the ability of the company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business / commercial imperatives any of them face, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the company and its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing taxation laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Investors are advised to consult their own tax consultant with respect to the tax implications of an investment and consequences of purchasing, owning and disposing of equity shares in the securities, particularly in view of the fact that 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 in their particular situation.

### STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS.

#### I. Special Direct tax benefits available to the Company under the Income Tax Act, 1961

The Statement of possible tax benefits enumerated below is as per the Income Tax Act 1961 (“ITA”) as amended from time to time and as applicable for Financial Year (“FY”) 2024-25 relevant to Assessment Year (“AY”) 2025-26.

##### ➤ Lower corporate tax rate under Section 115BAA of the Income Tax Act 1961

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the Financial Year 2019-20, provided such companies do not avail specified exemptions/incentives.

**In case the company opts for the concessional income tax rate as prescribed under section 115BAA of the Income Tax Act, it will not be allowed to claim any of the following deductions/ exemptions:**

- Deduction under the provisions of section 10AA (deduction for units in special economic zone);
- Deduction under clause (iia) of sub-section (1) of section 32 (additional depreciation);
- Deduction under section 32AD or section 33AB or section 33ABA (investment allowance in backward areas, investment deposit account, site restoration fund);
- Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section Or sub-section (2AA) or sub-section (2AB) of section 35 (expenditure on scientific research);
- Deduction under section 35AD or section 35CCC (deduction for specified business, agricultural extension project);

- Deduction under section 35CCD (expenditure on skill development);
- Deduction under any provisions of chapter VI-A other than the provisions of section 80JJAA (deduction in respect of employment of new employees) and 80M (deduction in respect of certain inter-corporate dividends);
- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
- No set-off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above.

The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

#### ➤ **Deductions from Gross Total Income**

Section 80JJAA -Deduction in respect of employment of new employees Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

The deduction under Section 80JJAA is available even if the Company opts for concessional tax rate under Section 115BAA of the Income Tax Act.

## **II. Special Direct tax benefits available to shareholders of the Company**

There is no special direct tax benefit available to the shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the ITA. Further, it may be noted that these are general tax benefits available to equity shareholders, other shareholders holding any other type of instrument are not covered below.

- 1) Dividend Income:** Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further in case shareholder is a domestic company, deduction under Section 80M of the ITA would be available on fulfilling the conditions as mentioned above.
- 2) Tax on Capital gains:** As per Section 112A long-term capital gain is arising from the transfer of equity shares, units of equity-oriented fund or units of business trust shall be taxed at the rate of 12.5% on the capital gains in excess of Rs.1,25,000. This concessional tax rate applies if the Securities Transaction Tax (STT) is paid at the time of transfer of such securities. Further, in case of equity shares, STT should have been paid at the time of acquisition also, subject to certain exceptions.

Further, as per Section 111A of the ITA, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 20% subject to fulfillment of prescribed conditions under the ITA.

- 3) Simplified/New tax regime:** As per Section 115BAC of the ITA, a simplified/new tax regime has been introduced wherein income-tax shall be computed at the rates specified in sub-section 1 of Section 115BAC of the ITA, subject to the assessee not availing specified exemptions and deductions. The said regime was initially applicable for individuals and Hindu Undivided Family.



In order to make the simplified tax regime more attractive, Finance Act, 2023 with effect from FY 2023-24 has extended the Section 115BAC to Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person. Further, certain additional benefits have been provided which are listed as under:

- Basic exemption limit has increased from INR 250,000 to INR 3,00,000;
- Highest applicable surcharge on income above has been reduced from 37% to 25%;
- Income threshold for the tax rebate available for resident individuals has been increased from INR 5,00,000 to INR 7,00,000;
- Benefit of standard deduction up to INR 75,000 has now been made available on salary / pension income.

It may be noted that the shareholders have the discretion to exercise the simplified tax regime.

### **STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

#### **Special Indirect Tax Benefits available to the Company**

The Statement of possible tax benefits enumerated below is per the Central Goods and Services Tax Act, 2017 ('CGST Act'), the Integrated Goods and Services Tax Act, 2017 ('IGST Act'), the Union Territory Goods and Services Tax Act, 2017 ('UTGST Act'), respective State Goods and Services Tax Act, 2017 ('SGST Act') (all these legislations collectively referred to as 'GST Legislation'), the Customs Act, 1962, the Customs Tariff Act, 1975 and Foreign Trade Policy 2023 (collectively referred to as "Indirect Tax") as amended from time to time and as applicable for FY 2023-24.

#### **I. Benefits under the Central Goods and services Tax Act, 2017 (CGST Act), respective State Goods and services Tax Act, 2017 (SGST Act), integrated Goods and Services Tax Act, 2017 (IGST Act) (read with relevant rules prescribed thereunder).**

##### **Export of Goods under the GST law**

Under the GST regime, supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier is entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies and can seek refund of accumulated/unutilized ITC.

#### **II. Special Indirect tax benefits available to the Company under the Indirect tax laws**

##### **• Benefits under the Custom Tariff Act, 1975**

There is benefit of certain percentage of FOB export value as per shipping bill to be claimed by the company on exports made in the form of Script/License. The Script License can be utilized for payment of custom duties for imports of materials from outside India.

##### **• Benefits under the Foreign Trade Policy 2023**

There are no special indirect tax benefits available to the Company under the Foreign Trade Policy 2023.

#### **Special Tax Benefits available to Shareholders**

There are no special indirect tax benefits available to shareholders of the Company by virtue of their investment in the Company.

#### **NOTES:**

- The Company does not have any material subsidiary
- The above statement of Possible Special Tax Benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase,

- ownership and disposal of shares.
- The above statement covers only certain Special Tax Benefits under the Act, read with the relevant rules, circulars and notifications and does' not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
  - The above statement of Possible Special Tax Benefits is as per the current Direct Tax Laws relevant for the assessment year 2025-26. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
  - In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
  - No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION – IV ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

#### India Macroeconomic Analysis

##### GDP Growth Scenario

India's economy showed resilience with GDP growing at estimated 7.6% in FY 2024. The GDP growth in FY 2024 represents a return to pre pandemic era growth path. Even amidst geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest growing economies in the world.

Country	Real GDP Growth (2023)	Projected GDP Growth 2024
India	7.8%	6.8%
China	5.2%	4.6%
Russia	3.6%	3.2%
Brazil	2.9%	2.2%
United States	2.5%	2.7%
Japan	1.9%	0.9%
Canada	1.1%	1.2%
Italy	0.9%	0.7%
France	0.7% <sup>1</sup>	0.7%
South Africa	0.6%	0.9%
United Kingdom	0.1%	0.5%
Germany	-0.3%	0.2%

Source: The International Monetary Fund

Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South)

Countries have been arranged in descending order of GDP growth in 2023).

There are few factors aiding India's economic recovery – notably its resilience to external shocks and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex cycle. The universal vaccination program by the Government has played a big part in reinstating confidence among the population, in turn helped to revive private consumption.

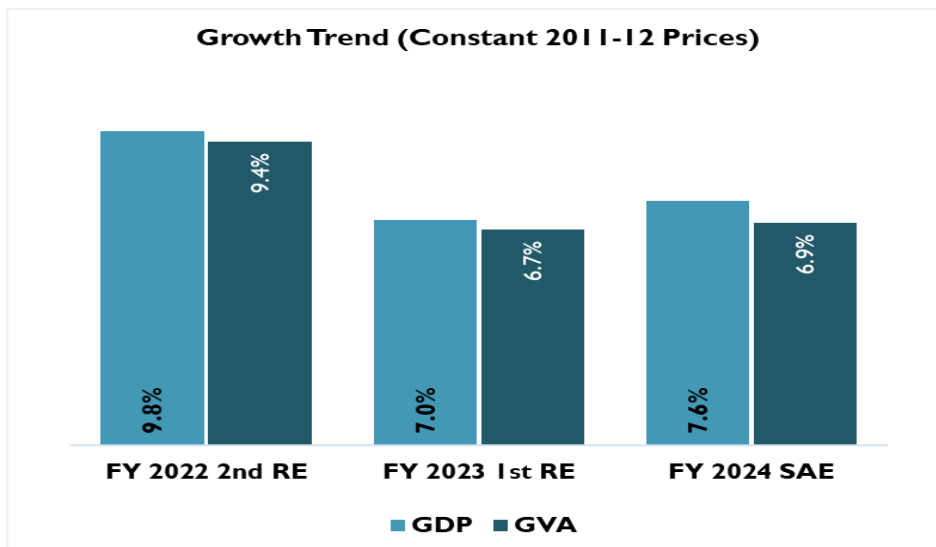
Realizing the need to impart external stimuli, the Government stepped up its spending on infrastructure projects which in turn had a positive impact on economic growth. The capital expenditure of central government increased by 37.4% increase in capital expenditure (budget estimates), to the tune of Rs 10 trillion in the Union Budget 2023-2024. The announcement also included 30% increase in financial assistance to states at Rs 1.3 trillion for capex. The improvement was accentuated further as the Interim Budget 2024-2025 announced an 11.1% increase in the capital expenditure outlay at Rs 11.11trillion, constituting 3.4% of the GDP. This has provided the much-needed confidence to private sector, and in turn attracted private investment.

On the lending side, the financial health of major banks has witnessed an improvement which has helped in improving the credit supply. With capacity utilization improving, there would be demand for credit from corporate sector to fund the next round of expansion plans. Banking industry is well poised to address that demand. Underlining the improving credit scenario is the credit growth to micro, small and medium enterprise (MSME) sector as the credit outstanding to the MSME sector by scheduled commercial banks in the financial year FY 2023 grew by 12.3% to Rs 22.6 trillion compared to FY 2022. The extended Emergency Credit Linked Guarantee Scheme (ECLGS) by the Union Government has played a major role in improving this credit supply.

---

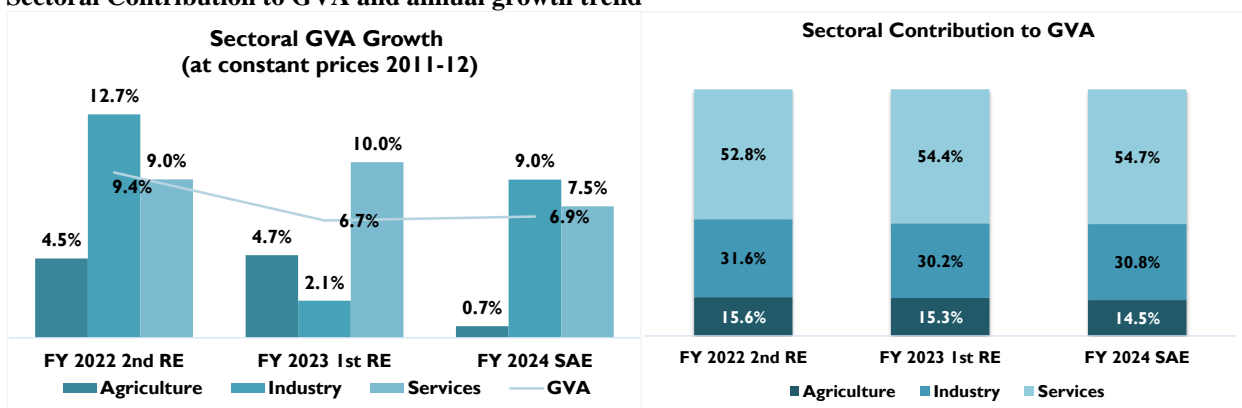
<sup>1</sup> European Commission

As per the second advance estimates 2023-24, India's GDP in FY 2024 grew by 7.6% compared to 7.0% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics, 2023-24  
RE stands for Revised Estimates, SAE stands for Second Advance Estimates

#### Sectoral Contribution to GVA and annual growth trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

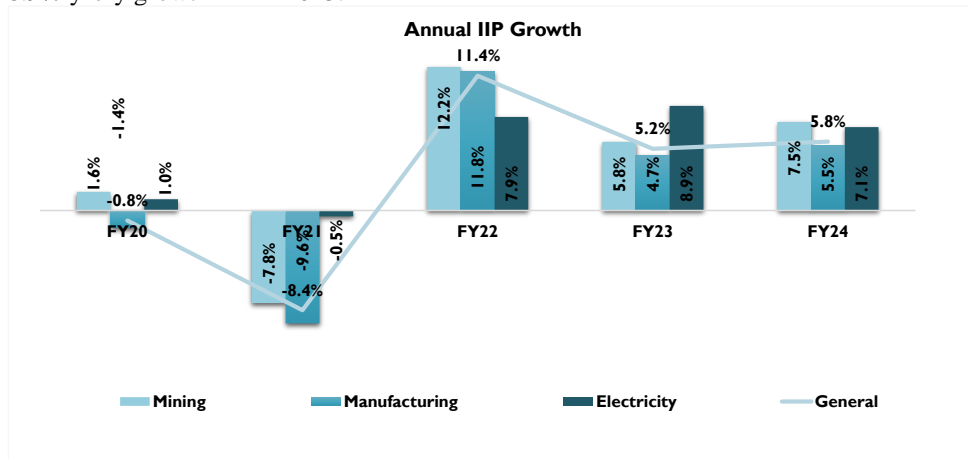
Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9% y-o-y increase in FY 2024 against 2.1% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing, construction sector rose significantly and it registered a growth of 8.1%, 8.5% and 10.7% in FY 2024 against a growth of 1.9%, -2.20%, and 9.44% in FY 2023, respectively. Utilities sector observed a marginal moderation in y-o-y growth to 7.5% against a 10% in the previous years.

Talking about the services sectors performance, with major relaxation in covid restriction, progress on covid vaccination and living with virus attitude, business in service sector gradually returned to normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility returned to pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen and grow by 10% in FY 2023 against 9% in the previous year. However, second advance estimates for FY 2024 reveal a decelerated growth in the largest component of the GDP, i.e., the service sector. In FY 2024, the sector registered a growth of 7.5%, as compared to the 10% growth recorded in FY 2023. This slowdown is primarily attributed to a pronounced deceleration in the Trade, Hotel, Transport, Communication, and Broadcasting services. The growth rate in this subsector nearly halved, decreasing from 12% in FY 2023 to 6.5% in FY 2024. This slowdown is influenced by the normalization of the base effect and potentially some dilution in discretionary demand. Financial

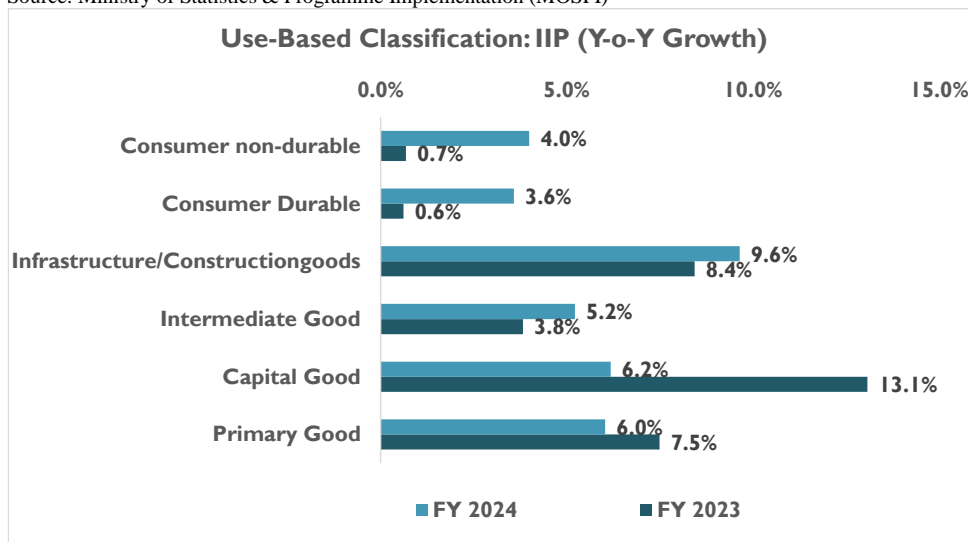
services, real estate and professional services sector recorded 8.21% y-o-y growth against 9.05% y-o-y growth in the previous year, while public administration and defence services sector recorded 7.75% yearly increase against 8.92% increase in the previous year.

### Index of Industrial Production

Industrial sector performance as measured by IIP index exhibited mild improvement in FY 2024 by growing at 5.8% (against 5.2% in FY 2023). Manufacturing index, with 77.6% weightage in overall index, grew by 5.5% in FY 2024 against 4.7% in FY 2023 while mining sector index too grew exhibited healthy improvement by growing at 7.5% against 5.8% in the previous years. Electricity sector Index witnessed improvement of 7.15% against 8.9% y-o-y growth in FY 2023.



Source: Ministry of Statistics & Programme Implementation (MOSPI)



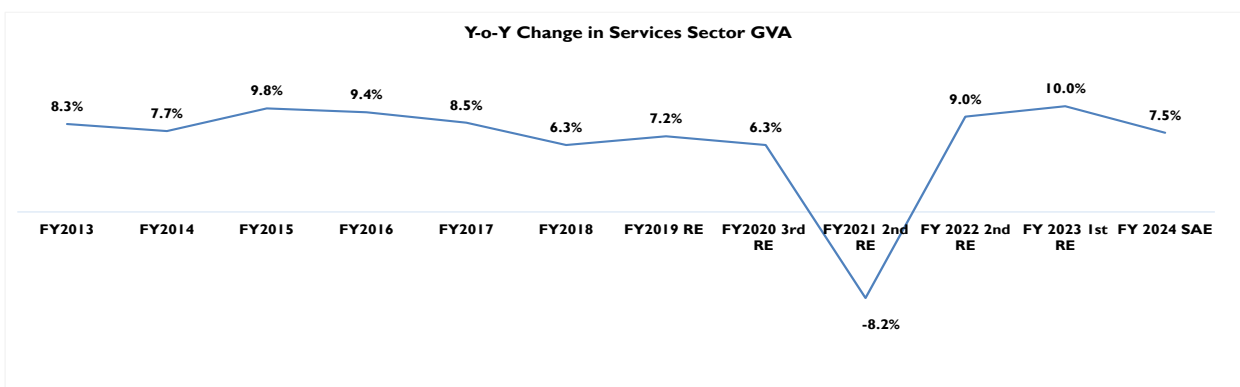
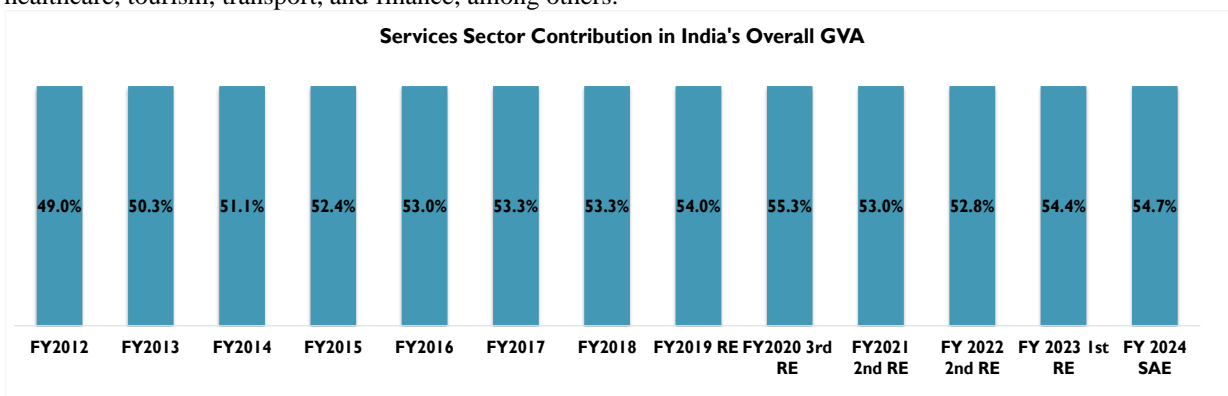
Sources: MOSPI

As per the use-based classification, excluding capital good and primary good, other segment observed healthy y-o-y growth against the previous year. Infrastructure / construction goods followed by intermediate goods were the bright spot while consumer non-durable and consumer durable both observed sharp growth over the previous year. However, the mild growth in IIP indicates towards challenging operating business climate as global headwinds, high inflation, and monetary tightening cumulatively impacted the broader industrial sector performance.

### Expansion in Service Sector

Services sector is a major contributor to the country's overall economic growth. Since 2012, its contribution to India's GVA has increased from 49% to nearly 55% currently (in FY 2024) as per Second Advance estimates. While excluding 8.2% decline in FY 2021, the services sector GVA has observed average 8.2% growth between

growth between FY 2013-24 and it has exhibited robust 8.8% average increase in the post pandemic period (FY 2022-24). The expansion of the service sector has spurred the development of multiple industries, including IT, healthcare, tourism, transport, and finance, among others.

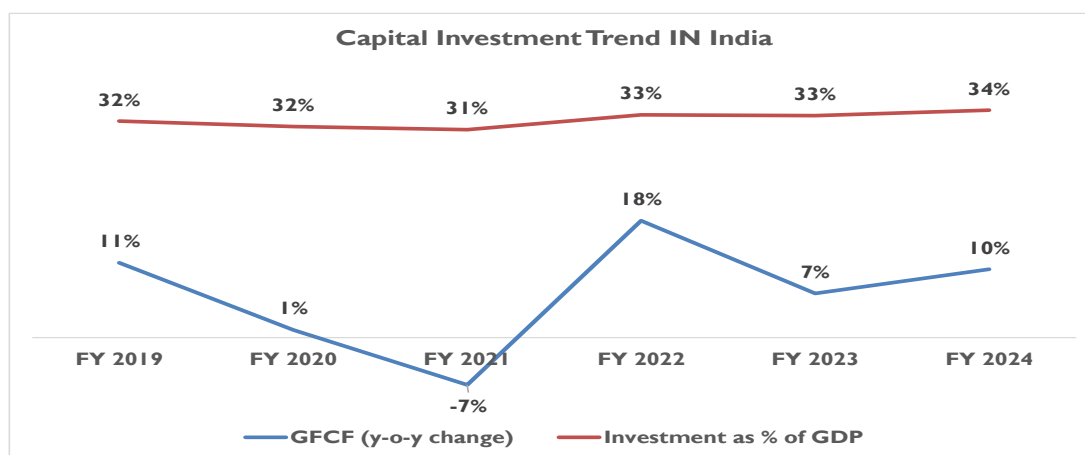


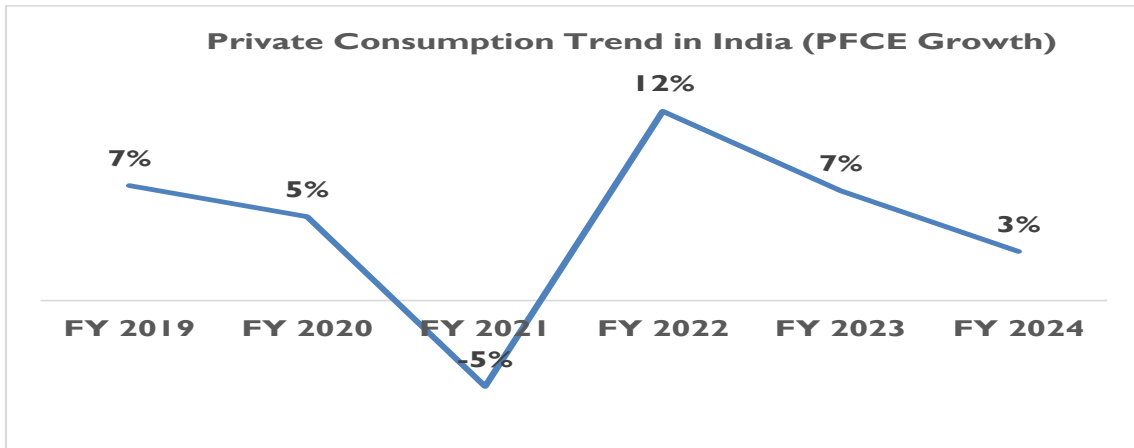
Source: Ministry of Statistics & Programme Implementation (MOSPI)

India's HSBC Services Purchasing Managers' Index, an important indicator to track service sector performance, increased to 61.4 in May 2024 from 60.8 in the previous month. Since August 2021, the services sector has consistently remained above the threshold of 50, which distinguishes growth from contraction.

### Investment & Consumption Scenario

Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, gained strength during FY 2024 as it grew by 10% on y-o-y basis against 7% yearly growth in the previous fiscal, while GFCF to GDP ratio measured all time high settled higher at 34%.



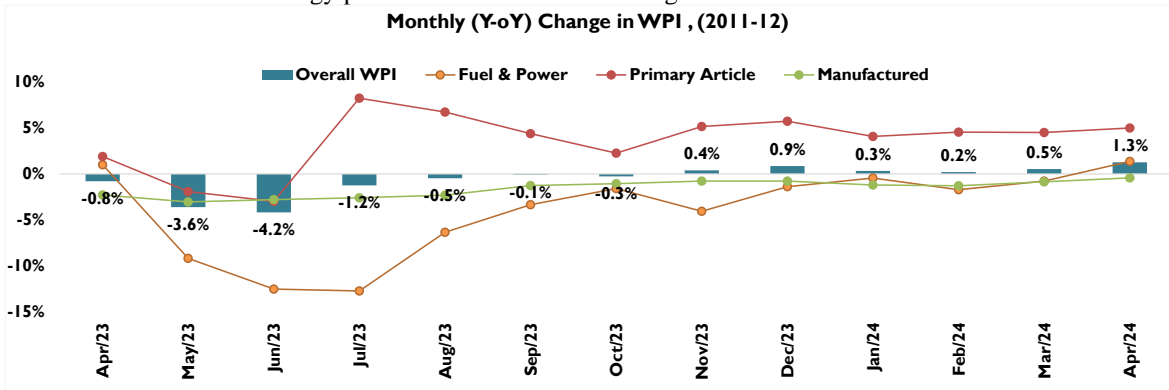


Sources: MOSPI

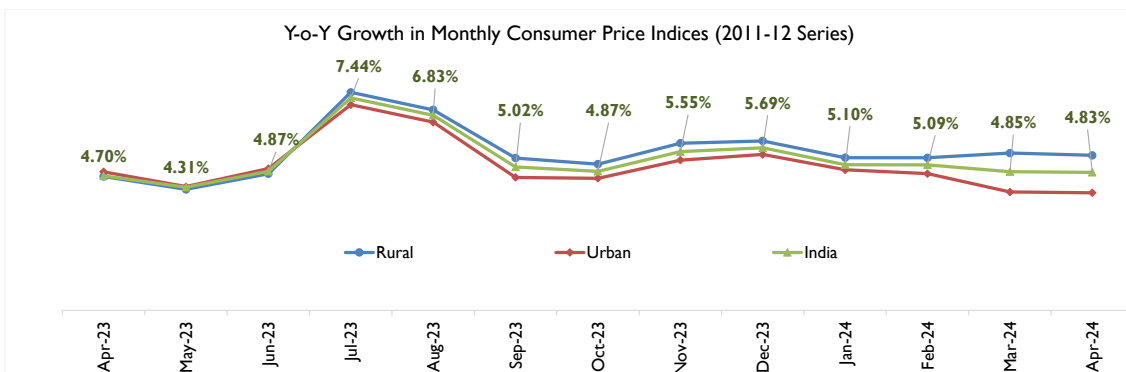
Private Final Expenditure (PFCE) a realistic proxy to gauge household spending, observed decelerated and registered 3.1% y-o-y growth in FY 2024 which is less than half of the previous year indicating sustained weakness in consumer spending.

### Inflation Scenario

The inflation rate based on Wholesale Price Index (WPI) exhibited rose to 1.3% in the month of April 2024 on the back of steady growth in the prices of primary article which grew by 5% in April 2024 on y-o-y bases. Increasing prices of food articles and energy prices contributed to increasing inflation.



Source: MOSPI, Office of Economic Advisor.



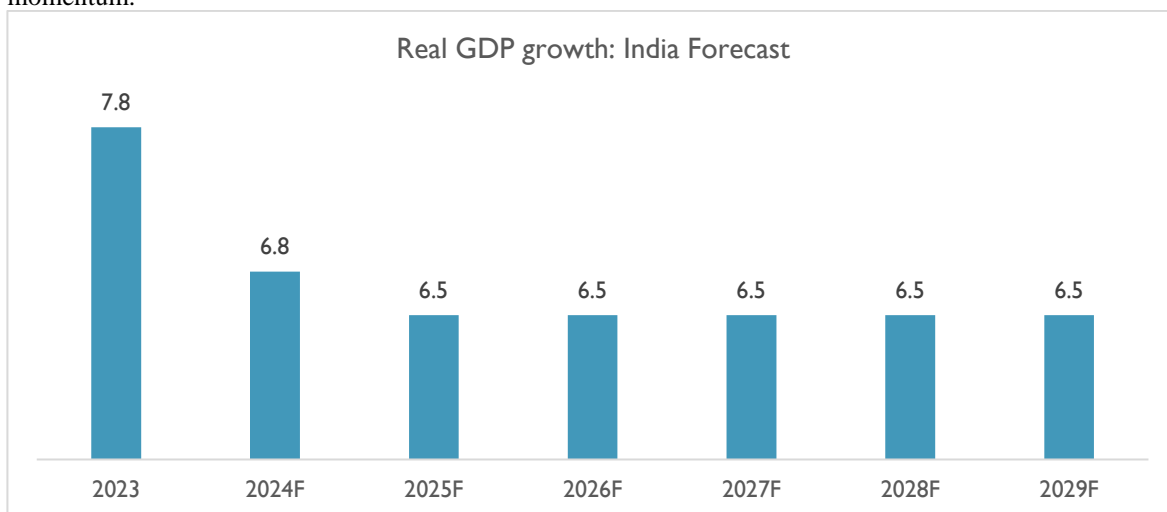
Source: CMIE Economic Outlook

Retail inflation rate (as measured by Consumer Price Index) eased to 4.83% in April 2024 as compared to 4.85% in March 2024. The CPI inflation for rural and urban for the month of April 2024 was 5.43% and 4.11% against 5.51% and 4.14% respectively in March 2024. Retail inflation moderated during FY 2024 after the peak of 7.4% in July 2023 and it fluctuated between 4.85%-6.83%. CPI measured below 6% tolerance limit of the central bank

since September 2023. As a part of anti-inflationary measure, the RBI has hiked the repo rate by 250 bps since May 2022 to current 6.5% while it has been holding the rate at 6.5% since 8 Feb 2023.

### India's Economic Growth Outlook

Looking ahead to 2024, India's projected GDP growth of 6.8% in 2024 stands out as the fastest among major emerging markets, significantly outpacing China's 4.6% and Brazil's 2.2%. This robust growth trajectory is expected to sustain at 6.5% annually from 2025 to 2029, reflecting strong economic fundamentals and continued momentum.



Source: IMF

This decent growth momentum in near term (2024) is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilisation and rising credit flow. Additionally, there are positive signs of improvement in net external demand, as reflected in the narrowing merchandise trade deficit. Despite the supply disruptions, exports clocked positive y-o-y growth in December 2023 and January 2024.

From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in the interim budget announced on 1<sup>st</sup> Feb 2024. Noteworthy positives in the budget include achieving a lower-than-targeted fiscal deficit for FY24 and setting a lower-than-expected fiscal deficit target for FY25, proposing dedicated commodity corridors and port connectivity corridors, providing long-term financing at low or nil interest rates to the private sector to step up R&D in the sunrise sectors.

Achieving a reduced fiscal deficit of 5.8% in FY24 and projecting a lower than-anticipated fiscal deficit of 5.1% are positive credit outcomes for India. This showcases the country's capability to pursue a high-growth trajectory while adhering to the fiscal glide path. There has been a significant boost to capital expenditure for two consecutive years; capital expenditure – which is budgeted at 3.4% of GDP (INR 11.1 trillion/USD 134 bn) for 2024/25 – is at a 21-year high (3.3% of GDP in 2023/24). The enhancement of port connectivity, coupled with the establishment of dedicated commodity corridors (energy, mineral and cement), is poised to enhance manufacturing competitiveness. This strategic move aims to fulfil India's export targets and reduce logistics costs.

However, headwinds to external demand emanate from recession in key exporting partners - the UK and Germany (which collectively account for over 5% of India's export portfolio) - and the spiralling effect it will have on other European countries. Supply disruptions posed by the conflict in the Red Sea, leading to rerouting



of shipments through Africa, are impacting sectors exposed to exports to Europe, running on thin margins, especially small businesses. Although headline inflation moderated to 5.1% in January 2024, a three-month low, volatility in crude prices and uncertainties about food inflation are likely to keep the central bank cautious in the near term.

India's optimistic economic outlook is underpinned by its demographic dividend, which brings a substantial workforce that boosts labor participation and productivity. The burgeoning middle class and urbanization contribute to increased domestic consumption, driven by rising incomes and purchasing power. Extensive investments in infrastructure, encompassing roads, railways, ports, and digital connectivity, are enhancing productivity and efficiency, with government initiatives like the Smart Cities Mission and PM Gati Shakti creating a conducive growth environment. This digital transformation, catalyzed by initiatives such as Digital India, is fostering a tech-driven economy marked by enhanced internet penetration, digital payments, and e-governance, thereby fueling growth in sectors like fintech, e-commerce, and digital services. The push to position India as a global manufacturing hub through Make in India and PLI schemes is further boosting industrial output, exports, and domestic production capabilities. Compared to other major emerging markets facing demographic and economic challenges, India's combination of demographic strengths, policy reforms, and strategic initiatives positions it as a standout performer and a significant driver of global economic growth in the foreseeable future.

### **Some of the key factors that would propel India's economic growth.**

#### **Government focus on infrastructure development & Road Infrastructure Improvement**

Infrastructure development has remained recurring theme in India's economic development. The launch of flagship policies like National Infrastructure Pipeline (NIP), and PM Gati Shakti plan have provided the coordination & collaboration that was lacking earlier. Both NIP and PM Gati Shakti are ambitious billion-dollar plans that aim to transform India's infrastructure, elevating it to the next level. These projects are expected to improve freight movement, debottleneck the logistics sector, and improve the industrial production landscape, which would provide the incremental growth in GDP India's growing economic activities are propelling the development and expansion of road infrastructure across the nation. As the Indian economy continues its robust growth trajectory, it relies heavily on the presence of efficient transportation networks to facilitate the movement of goods and people. Roads play a vital role in opening areas and stimulating economic and social development and growth of several allied industries including lithium-ion batteries application in several sector.

#### **Development of Domestic Manufacturing Capability**

The Government launched Production Linked Incentive (PLI) scheme in early 2020, initially aimed at improving domestic manufacturing capability in large scale electronic manufacturing and gradually extended to other sectors. At present it covers 14 sectors, ranging from medical devices to solar PV modules. The PLI scheme provides incentives to companies on incremental sales of products manufactured in India. This incentive structure is aimed to attracting private investment into setting up manufacturing units and thereby beef up the domestic production capabilities. The overall incentives earmarked for PLI scheme is estimated to be INR 2 lakh crore. If fully realizing the PLI scheme would have the ability to add nearly 4% to annual GDP growth, by way of incremental revenue generated from the newly formed manufacturing units.

#### **Strong Domestic Demand**

Domestic demand has traditionally been one of the strong drivers of Indian economy. After a brief lull caused by Covid-19 pandemic, the domestic demand is recovering. Consumer confidence surveys by Reserve Bank / other institutions are points to an improvement in consumer confidence index, which is a precursor of improving demand. India has a strong middle-class segment which has been the major driver of domestic demand. Factors like fast paced urbanization and improving income scenario in rural markets are expected to accelerate domestic demand further. This revival is perfectly captured by the private final consumption expenditure (PFCE) metric. PFCE as a percentage of GDP increased to nearly 59.2% during the first half of FY 2023F<sup>1</sup>, which is the highest level it has achieved during the past few years. Although pent-up demand has played a part in this surge, this is an indication of normalization of demand. There are two factors that are driving this domestic demand: One the large pool of consumers and second the improvement in purchasing power. As per National Statistics Office

---

<sup>1</sup> India Economic Survey FY 2023, Full year data is yet to be released.

(NSO) India’s per capita income (in current prices) stood at INR 1.72 lakhs in FY 2023 which is nearly double of what it was in FY 2015. This increase in per capita income has impacted the purchasing pattern as well as disposable spending pattern in the country. Consumer driven domestic demand is majorly fueled by this growth in per capita income.

**Digitization Reforms**

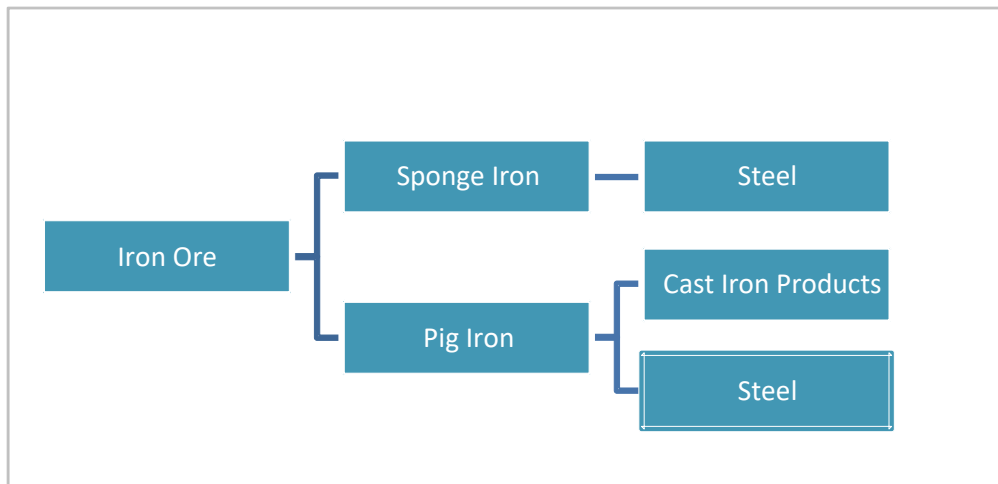
Ongoing digitization reforms and the resultant efficiency gains accrued would be a key economic growth driver in India in the medium to long term. Development of digital platforms has helped in the seamless roll out of initiatives like UPI, Aadhaar based benefit transfer programs, and streamlining of GST collections. All of these have contributed to improving the economic output in the country. Some of the key factors that have supported the digitization reforms include – the growth in internet penetration in India together with drop in data tariffs, growth in smartphone penetration, favourable demographic pattern (with higher percentage of tech savvy youth population) and India’s strong IT sector which was leveraged to put in place the digital ecosystem. All these factors are expected to remain supportive and continue to propel the digitization reforms in India.

Increased adoption of digital technology and innovation, inclusive and sustainable practices, business-friendly and transparent regulations, and heightened corporate research and development (R&D) investments will further bolster the country’s growth. These factors will collectively support employment growth across both private and public sectors, including micro, small, and medium enterprises (MSMEs).

**Product Overview Steel & Stainless Steel**

Steel is an alloy of iron and carbon, containing less than 2% carbon, 1% manganese, and small amounts of silicon, phosphorus, Sulphur, and oxygen. Steel is the most important engineering and construction material in the world on account of its functionality and adaptability. Steel is manufactured through to the following two processes:

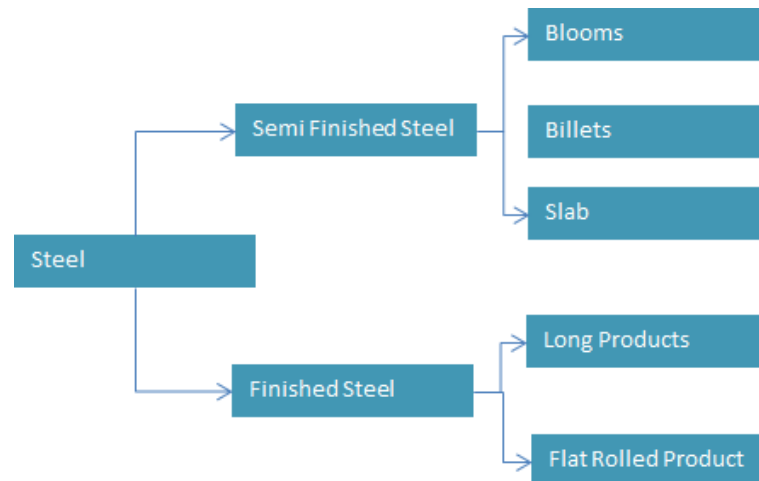
- **Conventional method: Blast furnace (BF) and basic oxygen furnace (BOF)**  
 (Input: Iron ore + coke+ limestone) ==> Blast furnace ==> Basic oxygen furnace ==> (Crude steel)  
 =====> continuous caster
- **New Method: Electric Arc Furnace (EAF)**  
 Iron ore pellets =====> DRI/Sponge /Scrap/Pig Iron =====> EAF=====> (Crude steel) =====> continuous caster



*Source:* Dun & Bradstreet Research

BF and BOF method on an average involves the use of 1,400 kg iron ore (use to produce “pig iron” which is one of the major raw materials to produce steel), 770 kg of coal, 150 kg of limestone, and 120 kg of recycled steel to produce a tonnes of crude steel while EAF route uses 880 kg of recycled steel or DRI, 150 kg of coal and 43 kg of limestone to produce a tonnes of crude steel.

## Classification of Steel Products



**Semi-finished steel products:** These are intermediary products manufactured by continuous casting of liquid steel, which is further subjected to further processing to manufacture finished steel products.

**Finished steel products:** Include two broad category of products – long and flat steel products. Long steel products are made from blooms and ingots while flat rolled steel products are made from slabs.

Finished Steel Products Steel Products		
Long Steel Products	Flat Steel Products	Construction Products
Bars & Rods (Billets, TMT Bar, Rebar Hot Rolled, Cold Rolled etc.); Specialty Steels and Bar		• Structural Steel
Wire Rod, Wire	Pre-finished Steels	• Floors
Special Profiles	Strips – Wide and Narrow Strips	• Walls
Angles, Shapes and Sections	Electro Plated Steels	• Roofs
Rail Material	Electrical Steels	• Modular
Wires	Tubes	•

Steel is mainly of two types – alloy and non-alloy (carbon steel). Alloy steel is divided into low alloy steel and high alloy steel where stainless steel is a type of high alloy steel. Alloy steel includes stainless steel and other steel types such as tool steel and heat resistant steel.

### Stainless Steel

Stainless Steel is a value-added product with high corrosion resistant properties. For steel to have properties generally referred to as “stainless”, it must have over 10.5% Chromium content. Other notable elements that are included in stainless-steel include nickel, molybdenum, and titanium. Higher levels of Chromium and additions of other alloy elements (Nickel, Molybdenum, etc.) enhance the corrosion resistance. Compared to traditional steel, stainless-steel has higher resistance to corrosion, superior aesthetic finish and higher life span. These features have helped in increasing the popularity of stainless-steel across the world. High recyclability, resistance to corrosion and low maintenance properties has made stainless steel a preferred metal for application in diverse sectors railway, metro project, process industries, bridges, nuclear, airport, transportation, kitchenware etc. The different types of stainless steel are as follows:

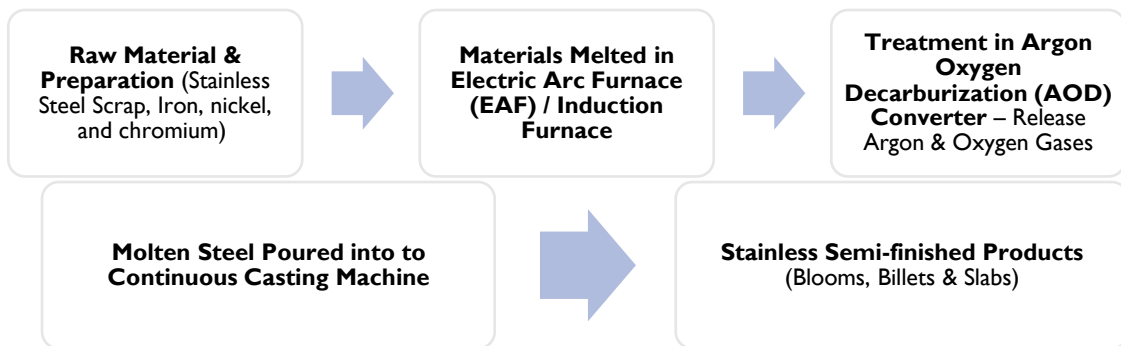
Three Distinct Series of Stainless Steel & their composition			
	200 series	300 series	400 series
Manganese	5.5 - 12%	2% maximum	1% maximum
Nickel	1 - 6%	6 - 22%	0.75% maximum
Chromium	10.5 - 20%	15 - 25%	10.5% minimum
Copper	1.5 - 2.5%	None	None
Iron	Balance	Balance	Balance

Source: D&B India Research

With nearly 55% share, Cr-Ni grade (300-series) account for majority share in overall SS production.

### Process for Semi-finished Stainless-Steel Products

The manufacturing process for stainless steel semi-finished products begins with the preparation of raw materials, including stainless steel scrap, iron, nickel, and chromium. These materials are melted in an by passing through either an Electric Arc Furnace or an Induction furnace The molten steel is then treated in an Argon Oxygen Decarburization (AOD) converter to adjust carbon levels and minimize oxidation. Following this, the molten steel is poured into a continuous casting machine to form semi-finished products such as blooms, billets, and slabs. These forms are then used for further manufacturing processes to manufacture .



### Product mapping of various finished and semi-finished Stainless-Steel product

Like steel, Semi-finished steel products are manufactured and made available in several format to meet the different end-use demand.

Product Type	Product Brief and Specification	Product Application
Round Bright Bar	Comprehensive range of grades and sizes, corrosion resistance, high tensile strength, improved machining properties, high ductility. Sizes range from various diameters.	Railways, electric motors and pumps, agriculture, automobiles, hoses and fittings, mining, shaft making, and miscellaneous fabrication jobs.
Square Bar	Stainless steel, robust, strength, wear resistance, sizes from 16 mm to 55 mm, tolerance standards DIN 671 and ASTM A484. Lengths from 1 meter to 6 meters.	Agriculture, oil and gas, construction, mining, transportation, and storage sectors.
Hexagonal Bright Bar	Durable, strength, corrosion resistance, sizes from 6 mm to 100 mm, lengths from 3 to 9 meters, strict tolerance standards such as DIN 671 and ASTM A484. Bright finish.	Construction, manufacturing, chemical, and pharmaceutical sectors.
HRAP Flat Bar	Hot rolled, annealed, pickled. Sizes from 22 mm to 150 mm in width, 5 mm to 50 mm in thickness. Lengths from 3.00 meters to 6.70 meters, straightness tolerance of 1 mm per	Construction, fabrication, architectural sectors, and engineering applications.

Product Type		Product Brief and Specification	Product Application
		meter.	
<b>Round Squares</b>	<b>Corner</b>	Stainless steel with curved corners, sizes from 18 mm to 100 mm, ASTM A484 size tolerances. Lengths from 3.00 meters to 6.70 meters, bright or polished finishes.	Construction, fabrication, and architectural sectors.
<b>Hot Rolled Bars</b>	<b>Round</b>	Diameters from 16 mm to 125 mm (5/8" to 5"), ASTM A484 size tolerances, lengths from 3.00 meters to 6.70 meters (10 feet to 22 feet). Hot rolled finish.	Construction, engineering, automotive industries, manufacturing shafts, gears, and axles.
<b>Wire Rods</b>		Sizes from 5.5 mm to 39.5 mm, lengths from 3.00 to 6.70 meters (10 to 22 feet). Various finishes including hot rolled, annealed and pickled, bright drawn, made from grades - 304, 316, 316L, 410, and 430.	Shipbuilding, agriculture, petroleum, automobile, welding electrode manufacturing, bright bars.
<b>Cold Drawn Flat Bars</b>		Produced by drawing a metal bar through a die. Widths from 40 mm to 100 mm, thicknesses from 4.76 mm to 25.4 mm. Lengths from 2 meters to 6 meters (8 to 20 feet). Cold drawn and belt polished.	Construction, engineering, and manufacturing industries, screw machines, CNC lathes, hydraulic fittings.
<b>Precision Quality Bars</b>	<b>Shaft</b>	Specialized for high-precision applications. Diameters from 6 mm to 75 mm. Ground and polished surfaces, high diametrical tolerances.	Pump shafting, cylinder shafts, boat shafts, piston shafts, valve shafts, bearing bars.
<b>Forged &amp; Machined Bars</b>	<b>Proof</b>	Forged and machined for precise dimensions and smooth surface finish. Diameters up to 170 mm, lengths from 3 meters to 6 meters, various surface finishes.	Construction, engineering, manufacturing industries, shafts, axles, gears, and bearings.
<b>Threaded Bars</b>		Long metal rods threaded on both ends or along their entire length. Diameters up to 170 mm, lengths from 1 meter to 6 meters, various surface finishes.	Construction, plumbing, electrical, automotive industries, fastening and securing materials.
<b>Continuous Billets</b>	<b>Cast</b>	Semi-finished products made from liquid steel solidified into a continuous strand. Sizes up to 170 mm in diameter, lengths from 1 meter to 6 meters, various surface finishes.	Construction, plumbing, electrical, automotive industries.

### Seamless Pipes

Steel pipes are two types namely - welded pipes or seamless pipes. For manufacturing of both types of pipes, raw material is first cast into ingots and then made into a pipe by stretching the steel out into a seamless tube or forcing the edges together and sealing them with a weld.

Seamless pipes are without a seam or a weld-joint and made from a solid round steel billet which is heated and pushed or pulled over a form until the steel is shaped into a hollow pipe. The common methods of manufacturing include the Mandrel Mill process and the Mannesmann Plug Mill Process. In both the methods, raw steel is first cast into a more workable starting form such as hot billet or flat strip. It is then made into a pipe by stretching the hot steel billet out into a seamless pipe or forcing the edges of flat steel strip together.

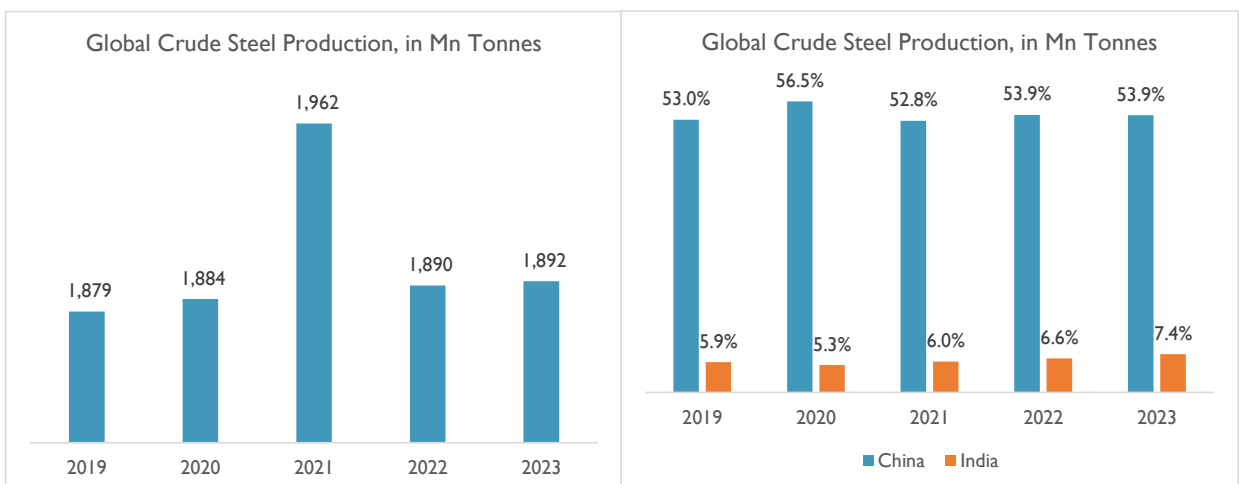
Seamless pipes are manufactured through a process where a solid cylindrical billet is heated and pierced to create a hollow tube. Seamless piping fabrication involves cutting and fitting these seamless pipes into the required configuration, often using fittings for specific bends or connections.

The demand for seamless pipes and tubes in India remains robust due to their vital role in industries like oil and gas, petrochemicals, infrastructure, and automotive. Economic growth, urbanization, and government infrastructure initiatives further fuel this demand, along with rising investments in renewable energy and other growth sectors, solidifying their essential position in India's industrial landscape. Globally, 10% of the steel produced is estimated to be converted to tubes. Higher demand for oil & gas and chemical & petrochemical

industry – two of the largest consumers of steel pipes and tubes – is driving the demand across the world.

### Global Steel Production Trends

From 2019 to 2023, the global crude steel industry experienced a tumultuous period characterized by modest overall growth and significant fluctuations. The compound annual growth rate (CAGR) during this period stood at a mere 0.2%, underscoring the volatility and challenges faced by the sector. The COVID-19 pandemic in 2020 was a major disruptor, causing a notable decline in steel production as industries worldwide grappled with lockdowns and reduced economic activity. However, the industry demonstrated resilience with a sharp rebound of 4.1% in 2021 as economies began to recover. This recovery was short-lived, as 2022 saw a steep decline of -3.7%, indicating a persistent and underlying slowdown in the industry. China, the world's largest producer of crude steel, has played a pivotal role in shaping global production trends. China's steel industry benefits from abundant iron ore reserves and favorable labor policies, which provide a significant cost advantage. Despite facing tighter environmental regulations and policies aimed at reducing carbon emissions, China's share in global crude steel production remains around 53.9%. This dominance is bolstered by the country's extensive industrial base and continuous investments in infrastructure development while India remained the 2<sup>nd</sup> largest crude steel producer globally.



Source: World Steel Association

### Challenges Impacting Global Steel Production

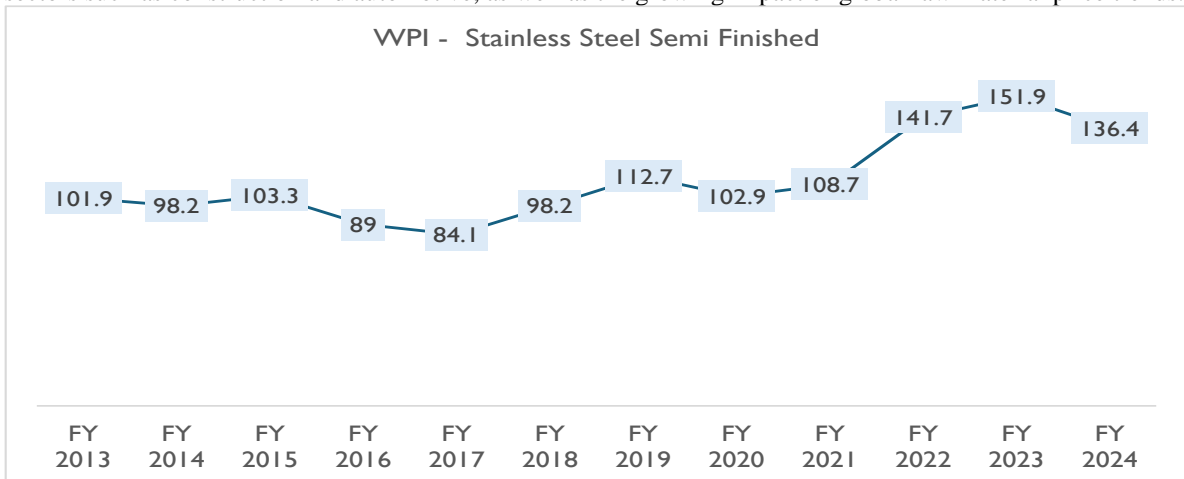
Despite the leadership of major producers like China and India, several factors have contributed to the global slowdown in steel production. These include:

- **Weakening Demand:** High interest rates and inflation have dampened demand for steel across various industries. Sectors like construction and manufacturing, which are significant consumers of steel, have scaled back operations due to increased borrowing costs and economic uncertainty.
- **Rising Production Costs:** The cost of raw materials and energy required for steel production has risen significantly. Prices of iron ore, coal, and other essential inputs have been volatile, impacting the profitability and production levels of steel manufacturers.
- **Supply Chain Disruptions:** The lingering effects of the COVID-19 pandemic continue to affect global supply chains. Disruptions in the supply of raw materials and logistical challenges have led to delays and increased costs, hindering production efficiency.
- **Environmental Regulations:** Stricter environmental regulations aimed at reducing carbon emissions have put additional pressure on the steel industry. Compliance with these regulations often requires significant investments in technology and infrastructure, increasing production costs.
- **Shifting Demand Patterns:** Industries such as automotive manufacturing are increasingly shifting towards lighter materials like aluminum, which impacts the demand for steel. This transition is driven by the need for fuel efficiency and reduced emissions, further challenging the steel industry.

## Stainless Steel Price Trends in India

Stainless steel prices in India have been fluctuating in 2024, influenced by a variety of global and domestic factors. As of October, the prices for Grade 304 (Hot Rolled Coil - HRC) are ranging between INR 215,000 to INR 220,000 per tonne, while Grade 316 (HRC) prices are between INR 280,000 to INR 290,000 per tonne. These prices are reflective of the broader market dynamics and are largely driven by raw material costs, supply chain disruptions, and energy price increases.

The Stainless Steel Semi-Finished Index from FY 2012-13 to FY 2023-24 reveals a clear trend of volatility, with significant rises and falls over the years. From FY 2012-13 to FY 2016-17, the index remained relatively stable, fluctuating between 101.9 and a low of 84.1 in FY 2016-17. This period reflects a steady market with mild price variations, influenced by balanced demand and supply in the domestic stainless-steel industry. However, starting in FY 2017-18, the index began to climb again, reaching 112.7 in FY 2018-19, driven by increasing demand from sectors such as construction and automotive, as well as the growing impact of global raw material price trends.



Source: Office of the Economic Advisor

From **FY 2019-20 onwards**, the index showed sharper movements, indicating rising volatility. It climbed from **102.9** in **2019-20** to **108.7** in **2020-21**, and then experienced a sharp jump to **141.7** in **2021-22**. This spike can be attributed to the post-pandemic recovery, with rising commodity prices, supply chain disruptions, and surging demand globally. The index peaked at **151.9** in **2022-23**, reflecting continued supply constraints and high energy costs, before declining slightly to **136.4** in **2023-24** as the market began to stabilize. This trend highlights how external factors, such as global raw material price fluctuations and energy costs, have had an increasing impact on the stainless steel market in India over the last decade.

One of the key factors affecting stainless steel prices is the volatility in nickel prices. Nickel is a crucial component in stainless steel production, and geopolitical tensions have impacted its supply, particularly in regions like Indonesia and Russia. This has resulted in a steady rise in stainless steel prices. Additionally, the surge in energy prices, especially electricity and fuel, has increased operational costs for manufacturers, further contributing to price hikes. Another factor is the Indian government's imposition of import tariffs, aimed at boosting domestic production, which has led to a restriction on imports and put additional upward pressure on local prices.

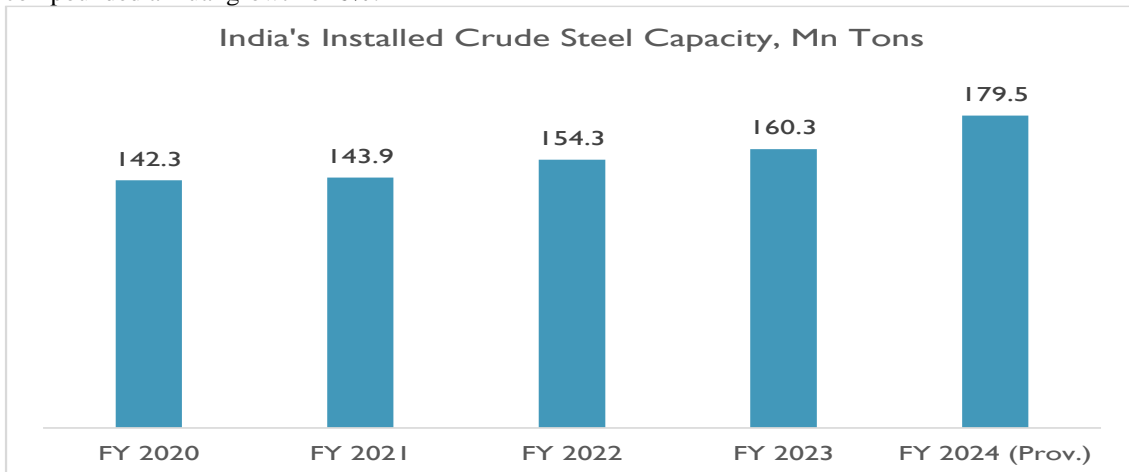
In terms of demand-supply dynamics, domestic demand for stainless steel remains strong, driven by sectors such as construction, infrastructure, and automotive manufacturing. However, supply constraints, partly due to limited production capacity and reduced imports, have resulted in price increases. Additionally, Indian stainless-steel producers have been focusing on exports, taking advantage of competitive pricing in international markets. This shift has led to further tightening of the domestic supply, pushing prices upward.

Looking ahead, stainless steel prices are expected to remain volatile in the short term, with a potential for further increases due to ongoing supply chain issues and the elevated cost of raw materials like nickel. However, over the medium term, prices may soften as domestic production ramps up and raw material prices stabilize, though global uncertainties may continue to influence the market. Overall, the outlook for stainless steel pricing in India will depend on the balance between supply-side improvements and persistent global economic challenges.



### Current Overview of Indian Steel Industry

India, the second-largest crude steel producer, has also been a key player in the global steel market. The country leverages its rich iron ore reserves and supportive government initiatives, such as the National Steel Policy 2017, to enhance its production capabilities. India’s crude steel production capacity has increased from 142.3 Mn tonnes in FY 2020 to 179.5 Mn Tonnes in FY 2024 (provision as per Ministry of Steel), registering a compounded annual growth of 6%.

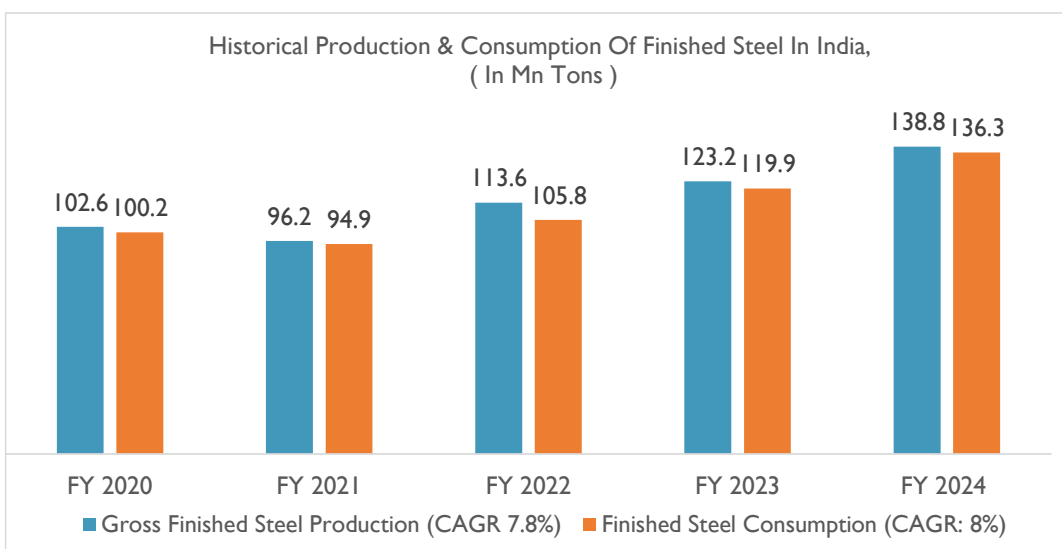


Sources: CMIE Industry Outlook, Ministry of Steel

### Historical Production & Consumption of Finished steel in India

**Production:** India’s production of finished steel stood at 139.4 million tonnes in FY 2024, marking a 12.7% increase over FY 2023. The private sector played a dominant role in this growth, contributing 85% (118.31 million tons) and witnessing a 13.5% rise in production, compared to an 8.4% increase from the public sector units (PSUs), which accounted for 15% of the total production.

Non-flat products, which include long steel used primarily in construction, comprised 55% of the total output, growing by 13.8%, while flat products, used in automotive and appliance manufacturing, made up the remaining 45%, increasing by 11.3%.



Sources: CMIE Industry Outlook, Ministry of Steel



## Consumption Growth

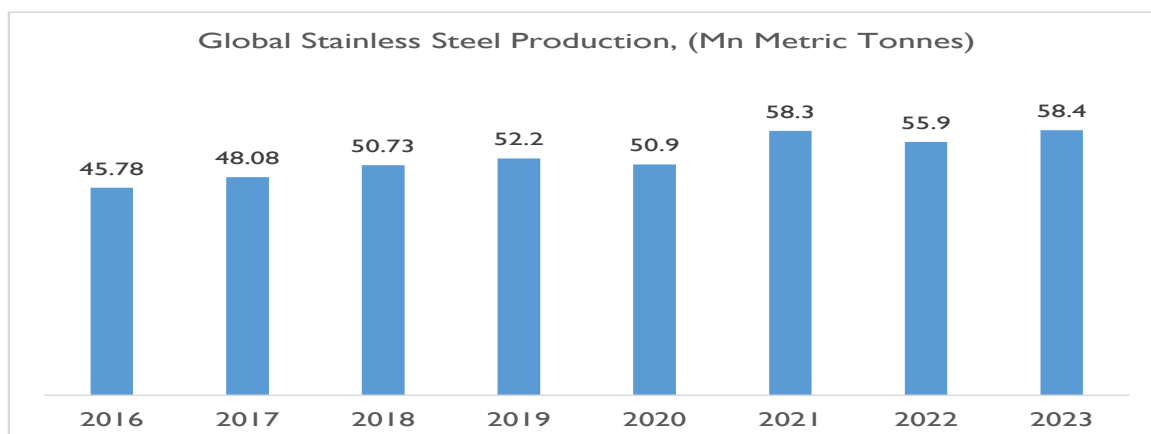
India's booming economy, with growing demand from sectors like construction, automobile manufacturing, and white goods production, further fuels its steel industry. The government's focus on infrastructure development and the 'Make in India' initiative has also contributed to increased domestic steel consumption.

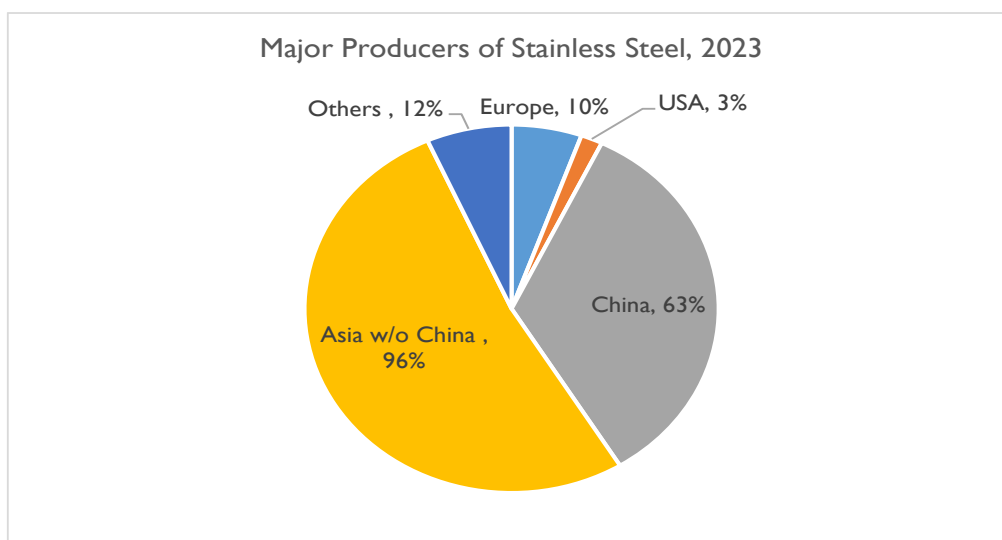
Several factors have driven the increase in crude steel production. The surge in demand from construction and infrastructure projects, fueled by government initiatives like 'Make in India' and the National Infrastructure Pipeline, has significantly boosted production. The automotive sector's recovery and expansion also played a critical role. Furthermore, technological advancements and modernization of steel manufacturing processes have improved efficiency and output. Investments in expanding steel plant capacities, alongside a focus on sustainable practices such as the use of scrap steel and energy-efficient technologies, have enhanced production capabilities. Additionally, the global market's growing appetite for steel has spurred Indian producers to increase their output to meet both domestic and international demands. The favorable economic environment and strategic policy support have thus cemented India's position as a leading crude steel producer on the global stage.

Analyzing the trends in crude steel consumption over recent fiscal years reveals a pattern marked by fluctuations influenced by global economic shifts and industrial trends. Until FY2020, there was a consistent increase in crude finished consumption. However, the arrival of the COVID-19 pandemic in 2020 led to a significant downturn, with consumption dropping by 5% in FY 2021. This decline was mainly driven by the disruptions caused by the pandemic, including widespread lockdowns, supply chain interruptions, and decreased economic activity across key sectors. Despite these challenges, the steel industry recovered swiftly from the pandemic-induced slump. In the subsequent recovery phase from FY 2022 to FY 2024, there was a notable resurgence in consumption, with a robust average growth rate of 13%. This rebound was fueled by various factors, including increased investments in global infrastructure projects, the revival of the automotive and construction sectors post-pandemic, and the expansion of industrial sectors like machinery and equipment manufacturing. Additionally, governments worldwide implemented supportive policies and incentives to revitalize manufacturing and construction, further driving the demand for steel. In FY 2024, the industry witnessed 14%, yearly growth against 13% in the previous fiscal. Overall, these dynamics highlight the complex relationship between crude steel consumption patterns and broader economic trends, showcasing the industry's ability to adapt and innovate amidst challenges while paving the way for continued growth.

## Global Stainless-Steel Industry: Historical Growth Trend.

As per International Stainless-Steel Forum, the global stainless-steel melt shop production grew by 4.6% to 58.4 Mn Tonnes in 2023 compared to ~55.9 Mn Tonnes in 2022. Between 2018-2023, the industry witnessed declined on two occasions i.e., in 2020 due to Covid induced slowdown and 2022 due to adverse operating condition while at broader level the production has increased from 45.78 Mn tonnes in 2016 to 2023 growing at CAGR of 3.6%. Between 2019-2024, the industry has observed ~3% CAGR.





Source: World Stainless Steel, Dun & Bradstreet Research

Talking about major producers, China is the largest stainless-steel producer and it account for 63% share in world stainless steel production in 2023, with the production amounting 36.68 Mn Metric tonnes. The country observed 12.6% yearly growth over the previous year which supported the overall production growth in 2023. The country’s stainless-steel production has increased from 24.9 Mn metric tonnes to 36.7 between 2016-2023. Besides China, US and all the other region represented in the graph witnessed decline in production volume during 2023. Production in US fell by 9.6%, Production in Europe declined by 6.2%, Asia without China and South Korea by 7.2% and production in other countries observed 5.2% decline.

Cold rolled flat products is the largest produced stainless-steel product in the world, followed by hot rolled coils, and steel wire rods & bars. According to International Stainless-Steel Forum, cold rolled flat products accounts for approximately 47% of total stainless-steel trade in the world in 2020. Hot coils, Semis-flat, Semis Long, Hot Bar/Wire rod, Cold Bar/Wire, Hot Plate & Sheet are another SS intermediary product traded globally. Metal products – manufacturing of kitchen utensils and home ware – is the largest end use of stainless-steel, both globally as well as in India. While in India more than 50% of consumption goes towards metal products segment, globally it stood at 37.7%. Process industry & engineering, architecture, building & construction, automotive, railway & transportation, and electro-mechanical industries are the other major consumers of stainless-steel products.

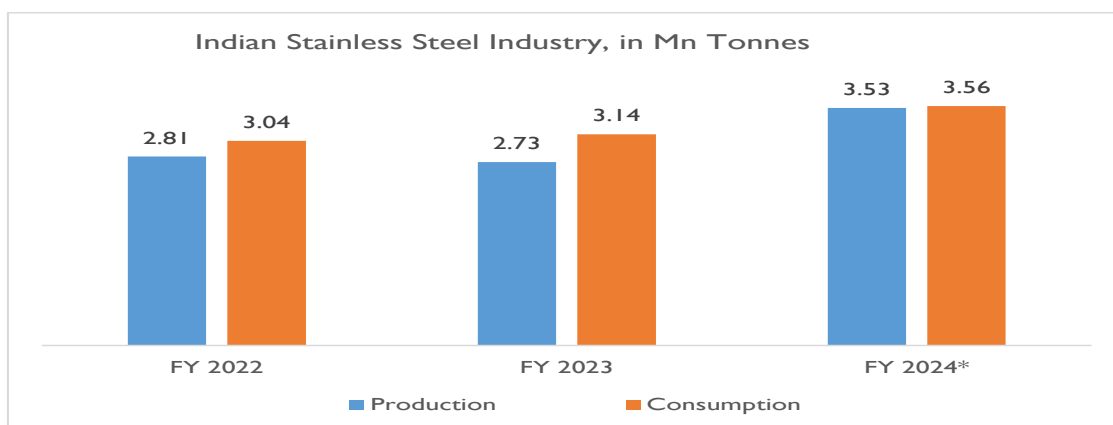
### Indian Stainless-Steel Industry

India is the second largest consumer and the third largest producer of stainless steel globally, With estimated installed capacity 6.6-6.8 Mn Tons<sup>1</sup>, the country has the capability to manufacture a wide range of steel grades and products, including stainless-steel and special steel for diversified application. India’s finished stainless steel production has hovered in the range of 3.2-3.7 Mn tonnes between 2016-2023.

Talking about India’s position in the global stainless-steel market, India with average 7% share in global SS steel output (during 2016-20), remained the second largest stainless-steel producer behind China till 2020. In 2021, the global SS production composition got changed as Indonesia, the fourth largest SS producer replace Japan and India to become the second largest SS producer globally. Industry Sources suggest, Indonesia with estimated SS output of 4.2 Mn tonnes in 2021 observed nearly 75% annual growth against 5.7% increase in 2020 while India’s SS output was estimated to be 3.5 Mn Tonnes. With 3.5 Mn tonnes SS output, India’s share in world SS output is estimated to have gradually reduced from 7.3% in 2016 to 6.2% in 2021.

During FY 2023, India’s stainless-steel production was estimated to have declined by 3% which consumption observed about 3% y-o-y growth and stood at 2.73 Mn tonnes and 3.14 Mn Tonnes. During FY 2022 and FY 2023, stainless steel accounted for average 33% in total alloy steel production and 38% share in total alloy steel consumption.

<sup>1</sup> As of March 2022



Sources: Ministry of Steel,

Note: FY 2023 data is annualized based on actual 11-month data April-Feb 2023, while FY 2024 Data is estimated by Dun & Bradstreet Based on Assumption

For FY 2024, India’s production, and consumption of alloy steel segment (including stainless steel), stood at 9.35 MT and 10.71 MT, respectively. Consequently, the production and consumption of stainless steel in India is estimated to 3.53 Mn tonnes and 3.56 Mn tonnes, respectively.

On consumption side, India despite being one of the largest consumers of stainless-steel, the per capita stainless-steel consumption remains low. India’s per capita stainless steel consumption has increased from 1.2 Kg in 2010 to 2.8 Kg in FY 2023, however its consumption is comparatively lower compared to world average of 6 Kg per capita, This low consumption pattern is an indication of the inherent opportunities existing in the sector.

Metal products – manufacturing of kitchen utensils and home ware – is the largest end use of stainless-steel, both globally as well as in India. In India, 12% of the stainless steel is used in construction and infrastructure, 13% in automobiles, railways and transport (ART), 30 % in capital goods and 44% in durables and household utensils and 1% in others.

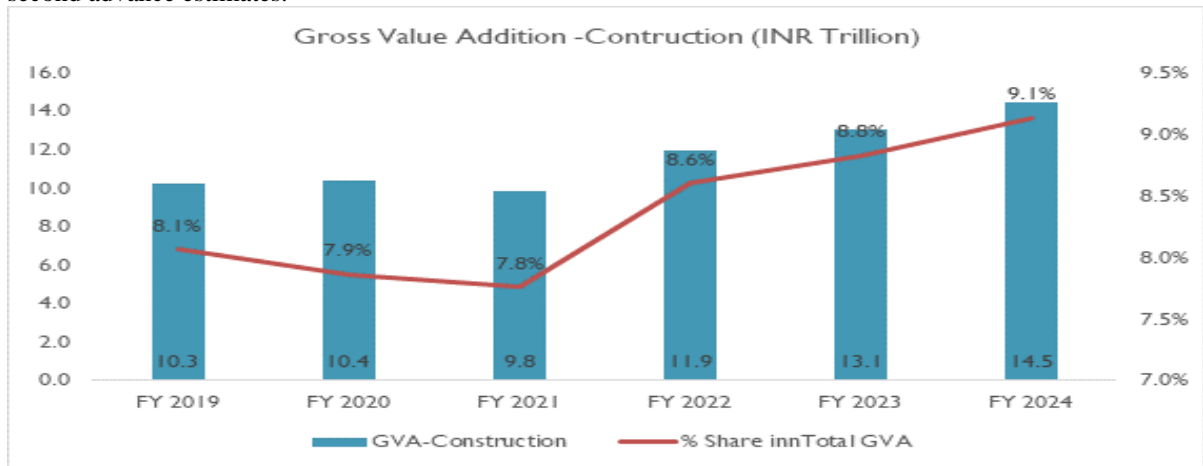
### Demand Scenario

Stainless steel is used to produce a wide range of products, from Automotive, Railways & Transportation; heavy machinery, to engineering products, especially in the infrastructure sector. Due to this wide end consumer base, demand for long and flat steel products is closely linked to the overall all economic growth industrial as well as consumer demand scenario.



## Demand From Architecture, Building & Construction

Superior aesthetics, corrosion resistance, and long lifespan have all led to wide acceptance of SS tubes for architecture, building & construction application. Infrastructure development, and a surge in real estate construction (residential & commercial) have created a high demand for stainless steel, along with other building & construction materials. In past, the boom in construction which accompanied the strong economic growth in the country have resulted in higher consumption of stainless steel. Construction sector Contribution to national economy has steadily improved over the years and it account for 9.1% share in FY 2024 as per the MOSPI's second advance estimates.



Sources: MOSPI

India's construction industry is on a phenomenal growth trajectory, projected to reach a staggering USD 1.4 trillion by 2025, accounting for 8%-10% of India's GDP. This represents a significant leap from its current size of approximately USD 820 billion, showcasing the dynamism and potential of this sector and creating a favorable demand scenario for stainless steel products.

## Demand from kitchenware segment

Stainless steel is a vital raw material in kitchenware due to its durability and versatility, making it the preferred material for utensils and cookware. In India, the stainless-steel utensil market is a significant segment of the broader cookware industry. The sector continues to dominate consumer choices in utensils, surpassing glass and plastic due to the growing awareness of health risks associated with plastic, driving demand for stainless-steel alternatives.

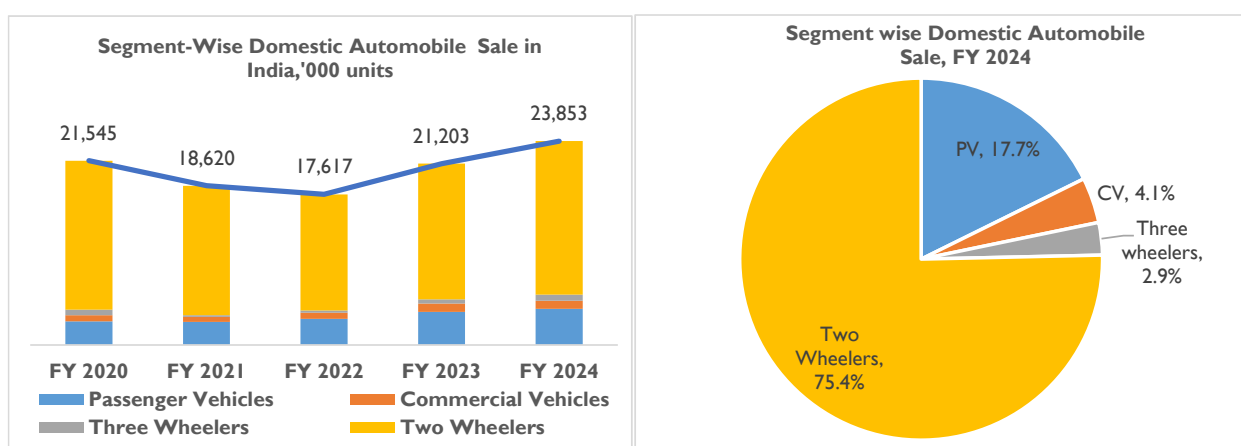
The steel kitchenware market in India is currently experiencing robust growth, valued at INR 15,000 crore with an annual growth rate projected between 10% to 15%. This expansion is fueled by a rising consumer inclination towards premium products. Jindal Lifestyle (part of the OP Jindal Group) recently introduced its Arttdinox cookware brand, targeting the INR 3,500 crore premium segment.

Technological advancements are reshaping the landscape of kitchenware, with companies like Geek Technology India integrating smart home appliances and IoT-enabled products into their portfolios, reflecting a broader trend towards modernization and convenience. The shift towards online retail platforms such as Flipkart and Amazon signify increasing consumer preference for accessibility and convenience in urban markets. Additionally, sustainability remains a key focus area with the adoption of green steel, meeting both consumer preferences for eco-friendly products and regulatory requirements for sustainable manufacturing practices.

Looking ahead, the demand for kitchen utensils and cookware is expected to remain robust, driven by increasing household numbers, rising disposable incomes, and aspirational shifts in consumer preferences. Stainless steel will continue to play a significant role in Indian kitchens, sustaining strong demand for stainless-steel flat products and reinforcing its position as a cornerstone of the kitchenware industry.

## Demand from Automotive, Railways & Transportation

The metalworking industry encompasses forging, casting, and machining processes, playing a pivotal role in manufacturing diverse components across various sectors. Casting, a key method within this industry, involves molding molten metal into complex shapes through dies, offering flexibility in material choice to meet specific application requirements. Foundries, integral to casting, contribute significantly to manufacturing activities, serving industries such as automotive, aerospace, and infrastructure development. Meanwhile, forging utilizes compressive forces to shape metals, catering extensively to automotive and non-automotive sectors with applications ranging from drive shafts to industrial machinery components. Precision engineering, characterized by high accuracy and low tolerances, finds widespread use in aerospace, defense, and energy sectors, driving demand for custom-manufactured components. The increasing production and sales of automobiles in India have further spurred demand for stainless-steel products, underscoring ongoing growth opportunities within the sector. Overall domestic sales grew to 23.8 million units in FY 2024, registering y-o-y growth of 12.5% y-o-y growth in FY 2024 whereas PV sale grew to all time high in FY 2024 and it observed 8.45% y-o-y growth.



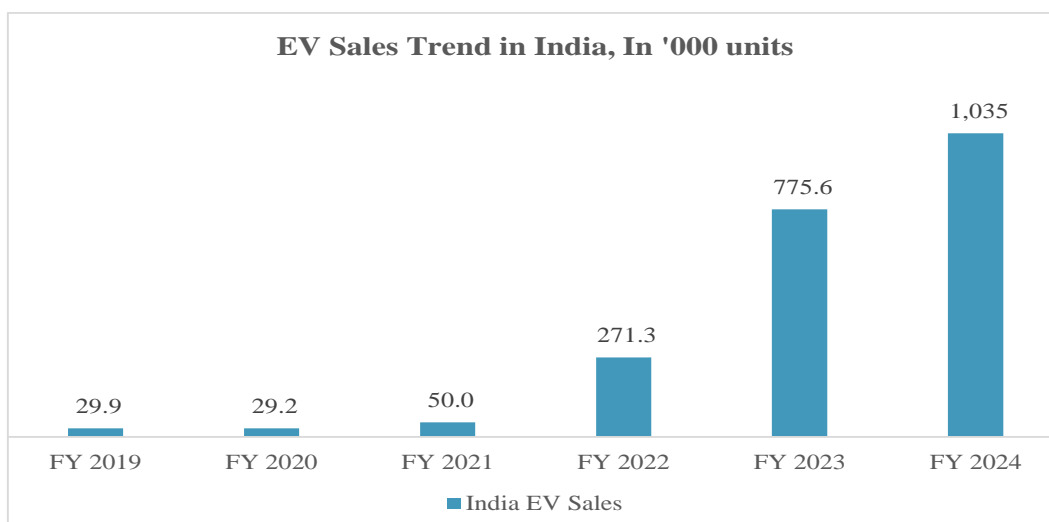
Source: Dun & Bradstreet Research, Society of Indian Automobile Manufacturers (SIAM)

Note: Segment-wise summation of domestic sales will not add to 100% total as Quadricycle data has not been included for analysis purpose

Segment Wise Sales	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Passenger Vehicles	2,774	2,711	3,070	3,890	4,219
Commercial Vehicles	718	569	717	962	968
Three Wheelers	637	219	261	489	692
Two Wheelers	17416	15121	13570	15862	17,974
<b>Total</b>	<b>21,545</b>	<b>18,620</b>	<b>17,617</b>	<b>21,203</b>	<b>23,853</b>

## Transforming Automobile Landscape

Increasing fuel prices and concerns about emission related pollution have increased the interest in electric vehicles among consumers. In recent years, the electric vehicle industry has witnessed rapid technological change which has brought down the price. Although still priced higher than conventional Internal Combustion Engine (ICE) vehicles, the price gap has come down. Together, these factors have created a market for electric vehicles. Consolidated sales of EVs (e-2W and e-4W) were 1,035 thousand units in FY 2024, surging by 33.4% against 185.9% increase over the previous year. The rate of increase was sharp in FY 2023 due to lower volume level.



Society of Manufacturers of Electric Vehicles (SMEV), e-2W & e-4W

### Impact of transport sector on Steel Sector

Stainless-steel is used in railway wagons, metro rail coaches, exhaust system & catalytic converters of automobiles, bus bodies, and body of goods container vehicles, among others. Apart from the natural growth in demand due to a rise in automobile production, the regulatory changes that are happening across the global automobile industry too have positive implications on stainless-steel sector. The stringent emission norms and efficiency standards are forcing automobile manufacturers to increase the proportion of special stainless-steel used in vehicles. Apart from regulatory factors, the extended lifecycle and corrosion resistance attributes have also contributed to increasing usage of stainless-steel in automobiles.

In mass transport segments, such as buses and metro coaches, stainless steel is used to make body panels. Urban mass transport segment in India is witnessing rapid changes, in response to Government programs to improve living standards in urban centers. Smart city initiatives, Green Urban Transport Scheme, and other mass rapid transport schemes are ushering changes in urban transport segment. Implementation of metro rail transport infrastructure in all major cities is one such initiative. These developments have led to an increase in production of buses as well as metro coaches, resulting in higher consumer of stainless-steel products used in their manufacture.

The focus on urban transport infrastructure development in India is expected to continue, as urbanization, population density and vehicle density is putting pressure on existing urban transport infrastructure. Expansion of Bus Mass Rapid Transit Systems and urban metro systems is expected to continue, which in turn would result in a stable demand for stainless-steel panels and other flat products used.

### Demand from Process Industry

Stainless-steel is crucial in India's process industries such as chemicals and oil & gas due to its corrosion resistance and durability in tanks, pipes, pumps, and valves. The sector saw process plant equipment valued at INR 209 Bn in FY 2022, driven by industrial growth and government support. Despite current challenges, economic reforms are expected to spur demand, leading to renewed investments in manufacturing and a subsequent rise in demand for stainless-steel equipment.

Oil & Gas sector is one of the largest end user industries for steel pipes and tubes including SS pipes and tubes with pipelines being the major mode of transport for petroleum, oil, and lubricants. Accordingly, the oil & gas industry has a close linkage with steel pipes and tube demand in the country. Stainless steel resists high-pressure and hot temperature, which makes it a widely used material in refineries, pipelines, storage capacity, gas terminals, and retail outlets. As per IEA's report (under the stated policy scenario), India's oil consumption is projected to rise by 50% by 2030 in comparison to the global demand which is growing by 7%. India's oil consumption is expected to grow by 4.8 million barrels per day (mbd) in 2019 to 7.2 mbd in 2030 and 9.2 mbd in 2050. India will continue to remain the third largest consumer of oil in 2030. For Natural gas, the country's consumption is

projected to double to 133 billion cubic meters in 2030 from 64 BCM in 2019 as against a 12% rise in global gas demand. Currently, India is also the 4<sup>th</sup> largest refining capacity globally after US, China, Russia, having total refining capacity of 257 Mn Metric Tons per annum (MMTPA) as on year ending on 1.04.2024 while per day refining capacity stood at 5 Mn barrels. As per IOC, a leading Indian Refiner, the country needs to add 2 Mn barrels per day by 2030 to support the country's economic expansion.

	Crude Oil Average price (India basket) USD/bbl.	Total Imports (MMT)	Domestic Production (MMT)	Total	% share of Imports	% share of Domestic Production
2019-20	60.47	226.95	32.20	259.12	87.59%	12.14%
2020-21	44.82	198.11	30.5	228.61	86.7%	13.34%
2021-22	75.78	212.4	29.7	242.1	85.5%	14.60%
2022-23	90.23	232.7	29.2	261.9	87.4%	11.15%
April-Mar 2023-24(P)	90.23	232.5	29.4	261.9	87.7%	11.15%

Sources: Ministry Snapshot of India's Oil & Gas data

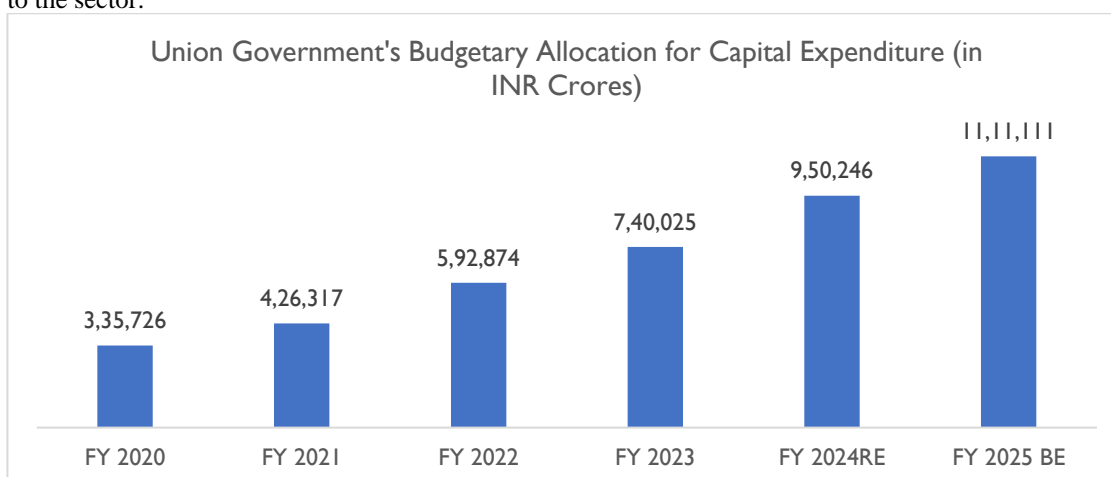
India's crude oil import volume observed 8.9% increase during 11M FY 2022 while crude oil import bill surged sharply by USD 105.9 Bn amidst rising oil prices in global market, registering y-o-y growth of 96.8%. Such high import dependency renders the country's economy vulnerable to international crude oil market dynamics. Consequently, to insulate the domestic economy from external shocks and conserve forex reserves, the government is working towards increasing domestic E&P (Exploration & Production), to reduce imports gradually. The government envisages to cut India's oil import dependence by 50% by 2030. Expansion in oil and gas sector is expected to support overall stainless-steel demand in India.

## Demand Generation from Government Initiatives

### Government Budgetary Allocation to Infrastructure Sector

Growing infrastructure spending is vital for overall infrastructure development as it has a multiplier effect on overall economic growth. By allocating substantial funds to the development of roads, railways, airports, and urban infrastructure, the government stimulates economic growth and improves public facilities. This investment not only enhances connectivity and logistics but also creates a ripple effect, driving demand for EPC services.

Large-scale projects such as highway expansions, and smart city initiatives necessitate the expertise of EPC companies, fostering innovation and efficiency in project execution. Consequently, the government's focus on capex not only accelerates infrastructure development but also opens up a plethora of opportunities for the EPC sector, contributing to job creation, technological advancements, and overall economic development. Consequently, the government with stepped up public spending over the last few years has been providing support to the sector.



Union Budget, Government of India

### **National Infrastructure Pipeline (NIP)**

If India is to become a USD 5 Trillion economy by 2025, as well as continue its strong economic growth, the country will have to spend close to USD 4.5 trillion on infrastructure construction by 2030. National Infrastructure Pipeline is the consolidated platform that captures the multiple infrastructure investment projects planned by the Government to propel Indian economy to USD 5 trillion mark.

NIP comprise of nearly 9,736 projects which is together worth nearly USD 1.82 billion covering 56 diverse industry segments. Of this nearly 2,014 projects are under various stages of development. With NIP spanning FY 2019 – 25 period, the remaining projects are expected to be developed in the next couple of years. This points to a flurry of infrastructure construction activity in the country, which in turn would create numerous opportunities for the EPC segment.

### **PM Gati Shakti**

PM Gati Shakti plan – National Master Plan for Multi Modal Connectivity – launched in October 2021 is a digital platform that is aimed at improving the coordination among multiple ministries and departments involved in infrastructure development in the country. The program covers all the infrastructure initiatives outlined under Bharatmala & Sagarmala initiatives, port development, dedicated freight corridor program of railways as well as development of special economic zones.

### **India Infrastructure Project Development Fund Scheme (IIPDF Scheme)**

The Department of Economic Affairs (DEA) introduced the India Infrastructure Project Development Fund (IIPDF) Scheme on November 3, 2022, to enhance infrastructure development through Public-Private Partnerships (PPPs). This scheme aims to improve the quality and speed of infrastructure projects by encouraging private sector participation. The DEA focuses on creating a conducive policy framework for private investment in infrastructure.

The IIPDF Scheme provides financial support to Project Sponsoring Authorities (PSAs) at both Central and State Government levels, covering expenses for transaction advisors and consultants in PPP project development. This funding ensures the development of viable and bankable PPP projects, promoting modern infrastructure across the country. Complementing the IIPDF Scheme is the Viability Gap Funding (VGF) Scheme, which supports economically justified but commercially unviable PPP projects. Together, these schemes facilitate the development of quality infrastructure projects, enhancing efficiency and private capital infusion.

The DEA's initiatives streamline the procurement of advisory services, addressing delays and suboptimal structuring of PPP projects. By providing necessary funding and technical support, these schemes boost the EPC sector, fostering innovation, efficiency, and sustainable infrastructure growth in India.

National Infrastructure Pipeline and PM Gati Shakti program two of the flagship government programs that would herald the next phase of growth in infrastructure development in India. Both the flagship policies outline ambitious programs that entails investments of billions of dollar, and construction projects of the scale that has never been attempted before. Apart from the mega projects, the focus on improving coordination between implementing agencies and steps to remove project delays are also noteworthy. Together these two flagship policies provide favourable demand scenario for the stainless-steel consumption in infrastructure construction segment.

### **Industrial Construction in India**

After the implementation of economic liberalization policies in early 1990s, the industrial investment scenario in India has largely been shaped by market forces. Government's role was mostly related to designing and implementing policies that would at best improve the investment landscape and attract private investment. Rapid economic growth and rise in demand saw an influx of private investment which was directed towards improving the industrial base of India. As a result, several industrial sectors in India went on to add capacity to become amongst largest in the world.



However, the launch of Production Linked Incentive (PLI) scheme by the Government in 2020 to improve domestic manufacturing capability of India is different from policies launched before. For one, the scheme offers direct incentives on incremental sales from products manufactured in domestic units – thereby promoting domestic production. At present PLI scheme is active in 14 industrial sectors, manufacturing products ranging from electronics to medical devices.

Of the approximately Rs. 4 trillion in expected capital expenditure by corporates under the PLI scheme over five to six years, Rs. 1 trillion had been invested by November 2023, representing around 25% of the total estimated capex. The current capex deployment has generated approximately Rs. 9 trillion in incremental sales, which is 20-25% of the total projected incremental sales of Rs. 35-40 trillion from the PLI scheme as of November 2023.

As of November 2023, eight sectors, including phone/electronics, pharma, and food products, have received disbursements under the PLI scheme for FY2024. Additionally, two more sectors, textiles and white goods, are expected to claim PLI incentives for FY 2024. Increasing industrial construction is likely to augment the demand of stainless-steel industry.

### Regulatory Scenario

Iron and steel industry play a strategic position in the overall economic development. Therefore, the government has been taking sustained initiative on yearly basis towards the development of the industry. There is no government imposed a restriction on production and sale of steel products and this has immensely helped in the development of domestic manufacturing sector. Foreign investment norms have helped the country attract global steel manufacturers who brought in improved manufacturing technology and processes. This move played significant role in assisting steel companies to widen their product portfolio from basic steel products like hot rolled & cold rolled steel to manufacturing of steel rebars and TMT bars. Currently 100% FDI under automatic route is allowed in the steel sector.

Proposal to provide additional depreciation of 20% against 10% on new plant and machinery installed by a manufacturing unit if the asset is installed after 30th Sep 2015 is a favorable move to boost investment in new plant and machinery in steel industry.

- **Mines and Minerals (Development and Regulation) Act, 1957:** This act is pivotal in regulating the mining of raw materials such as iron ore and coal, which are essential for steel production. It establishes rules for the allocation of mining leases, ensures sustainable extraction practices, and aims to prevent illegal mining activities. The act also outlines guidelines for environmental protection and rehabilitation of mined areas.
- **Indian Steel Policy of 2017:** This policy is a comprehensive roadmap for the development of the steel industry in India. It focuses on increasing the domestic production of steel, reducing imports, and enhancing the sector's global competitiveness. The policy aims to achieve these goals by promoting investment in infrastructure, technology modernization, and research and development. It also emphasizes the importance of skill development and job creation in the sector.
- **Environmental Regulations:** Environmental protection is a crucial aspect of the regulatory framework for the iron and steel industry. The Environment Protection Act, 1986, along with other environmental laws and regulations, sets stringent standards for air and water pollution control, waste management, and conservation of natural resources. Steel plants are required to obtain environmental clearances and comply with emission norms to minimize their environmental footprint.
- **Quality Standards and Certification:** The Bureau of Indian Standards (BIS) is responsible for setting quality standards for steel products in India. These standards cover various parameters such as composition, strength, and durability to ensure the safety and reliability of steel used in construction, manufacturing, and infrastructure projects. Compliance with BIS standards is mandatory for steel manufacturers, and certification is often required for products to enter the market.
- **Government Oversight and Support:** The Ministry of Steel plays a central role in coordinating and implementing policies and programs for the steel industry. It collaborates with other government agencies, industry associations, and stakeholders to address challenges and promote growth. Additionally, the government provides various incentives, subsidies, and tax benefits to encourage investment, innovation, and technology adoption in the sector.

## National Steel Policy 2017

This policy was initiated with the intention to create a technologically advanced and globally competitive steel industry that promotes economic growth. Its mission is to provide environment for attaining self-sufficiency in steel production in India. It is an updated version of National Steel Policy 2005.

**Objective:** The goal of the National Steel Policy is to foster a steel industry that can compete on a global scale. By 2030-31, it aims to boost per capita steel consumption to 160 kgs from the current level of about 63 kgs. Additionally, the policy seeks to fulfill all domestic demands for high-grade automotive steel, electrical steel, special steels, and alloys for strategic purposes by 2030-31. It also aims to enhance the availability of domestically washed coking coal to decrease reliance on imported coking coal from 85% to 65% by 2030-31.

### Key Features of National Steel Policy:

- 1. Steel Demand:** The current GDP growth rate suggests that steel demand is projected to accelerate, reaching 230 million metric tons by 2030-31. To boost this demand, the Ministry has pinpointed construction and manufacturing sectors such as rural development, urban infrastructure, roads & highways, and railways as the primary areas of focus.
- 2. Steel Capacity:** It is anticipated that a crude steel capacity of 300 million metric tons will be needed by 2030. Achieving this will require a substantial capital investment of approximately Rs. 10 lakh crores by 2030-31 and is expected to generate significant employment, increasing from the current 2.5 million jobs to around 3.6 million jobs by 2030-31, depending on the level of automation and the adoption of various technologies.
- 3. Raw Material, Land, Water and Power:** The Policy outlines several measures to ensure the availability of raw materials such as iron ore, coking coal, non-coking coal, natural gas, ferro-alloys, and nickel at competitive rates. To achieve the target, an estimated 91,000 acres of additional land will be required for greenfield expansion. The Ministry will ensure the timely provision of litigation-free land, water, and power to the industries. Additionally, water conservation at all levels will be promoted, and the industry's efforts in this area will be supported.
- 4. Infrastructure and Logistics:** To meet the growing industry needs, adequate and timely infrastructure development must be pursued in Odisha, Chhattisgarh, and Jharkhand. This includes enhancing railways, roadways, power generation and distribution, evacuation infrastructure, slurry pipelines, and conveyors. To foster export opportunities and enhance competitiveness, the Government of India is also considering port-led development of steel clusters under the Sagarmala program.

### Steel Quality Order Control

The quality of steel in India is regulated by the Steel and Steel Products (Quality Control) Order, 2024, issued by the Ministry of Steel in February 2024. This order replaces the previous 2020 version and establishes updated standards for steel production, certification, and distribution. The primary objective is to ensure high-quality steel products in the Indian market, in line with international standards, and to protect public safety. By emphasizing quality control, this order prevents substandard steel from entering the market, thereby promoting public safety, and ensuring the reliable performance of steel products in infrastructure, construction, and various industrial applications. The order achieves this through:

- **Specified Steel Products:** The order applies to a specific list of steel products outlined in Schedule 1. These products must comply with the relevant Indian Standards for composition, mechanical properties, and dimensions.
- **BIS Certification:** The Bureau of Indian Standards (BIS) is responsible for certification under the order. Steel products must be manufactured by a BIS-certified producer and accompanied by a Test Certificate with the Standard Mark. This ensures traceability and adherence to quality standards throughout the supply chain.
- **Certification Schemes:** The order outlines various certification schemes depending on the steel product category. Some products require mandatory Standard Marks from BIS, while others might have alternative assessment procedures.

## Domestically Manufactured Iron and Steel Policy

The Domestically Manufactured Iron & Steel Products (DMISP) Policy, launched by the Indian government on 8th May 2017, prefer the domestically manufactured iron & steel products in Government procurement. To align with the Government “Atmanirbhar Bharat” scheme, prioritizes the use of Indian-made iron and steel products in government projects. The Ministry of Steel has extended the DMISP policy by six months, going beyond the previous deadline which was 22nd May 2024.

### Objective:

- **Aligning with Make in India:** The policy falls under the umbrella of the "Make in India" initiative, aiming to reduce dependence on imported steel and stimulate domestic manufacturing. This fosters self-reliance and boosts the Indian economy.
- **Enhancing Quality Standards:** By mandating a minimum 15% value addition in procured steel, the policy encourages the use of superior quality products. This value addition could involve processing, further manufacturing, or specific treatments to enhance the steel's properties. The Ministry of Steel holds the discretion to review this criterion for better flexibility.
- **Nation Building Through Steel:** A robust domestic steel sector contributes significantly to India's infrastructure development and overall economic growth. DMISP aims to create a thriving steel ecosystem that supports nation-building efforts.

### Waivers and Exceptions:

The policy acknowledges situations where domestic production might not fulfill project requirements. Here's when waivers can be granted:

- **Unavailability of Specific Steel Grades:** If a project necessitates a particular steel grade not currently manufactured domestically, a waiver can be obtained to procure it from international sources.
- **Production Shortfalls:** When domestic steel production capacity cannot meet the project's specific quantity needs, a waiver allows for import to bridge the gap.

### Implementation and Oversight:

- **Ministry of Steel's Role:** The Ministry of Steel shoulders the responsibility of overseeing the policy's effective implementation. They may issue clarifications, revise criteria, and ensure compliance across government agencies.
- **Obligations of Government Agencies:** Every government department and PSU involved in procurement is mandated to adhere to the DMISP guidelines. This ensures that preference is given to qualifying domestic steel products in their tenders.

### Trade Barriers / Protective Measures

The Indian government has implemented several trade barriers and protective measures to support the domestic steel industry. One such measure is the Steel Import Monitoring System (SIMS), which requires importers to provide advance information about intended steel imports. This system helps gather detailed data on end-use, grade, and technical specifications. Additionally, the government has increased import duties on most steel items by 2.5% on two occasions. Furthermore, anti-dumping and safeguard duties have been imposed on steel items to protect the domestic industry from unfair trade practices. These trade barriers aim to safeguard and promote the domestic steel sector in India.

### Other Government Policies & Initiatives

Government schemes and initiatives such as National Infrastructure Pipeline (NIP), Atmanirbhar Bharat, Production Linked Incentives (PLI), PM Gati Shakti - National Master Plan, and National Manufacturing Policy are creating a substantial demand for steel and steel products in the country. Moreover, current government's emphasis on infrastructure through Atal Mission for Rejuvenation and Urban Transformation, Smart Cities, Mass

Rapid Transport System, Affordable Housing, Jal Jeevan Mission etc. and increasing budgetary allocation towards infrastructure are also creating a significant demand for steel and stainless-steel products in the country.

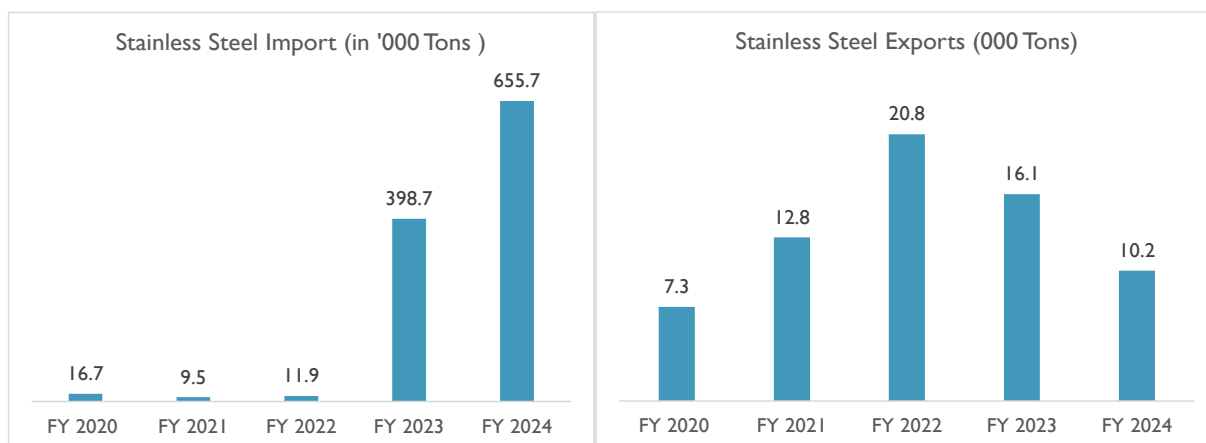
### Union Budget 2023-24 Announcement & Steel

- The budget included a continuation of the waiver on customs duty for ferrous scrap, raw materials used in manufacturing Cold Rolled Grain Oriented (CRGO) steel, and nickel cathode. This is seen as a positive step for steel manufacturers.
- The inclusion of "specialty steel" under the Production Linked Incentive (PLI) scheme was announced as a positive development for the industry. This scheme aims to provide financial incentives for domestic manufacturing of these specific steel products.
- Tariff rate of scrap of iron or steel is reduced to 2.5% from 5%. Therefore, once the exemption from duty on these scraps expire, the BCD rate shall operate through tariff.
- Rescinds anti-dumping or countervailing duty on following products of steel are revoked with effect from February 1, 2022:
  - Straight length Bars and Rod of alloy Steel from China PR,
  - High Speed Steel of Non-Cobalt Grade from China PR, Brazil, Germany.
  - Flat rolled products of steel (Al or Zinc coated) from China PR, Vietnam, and Korea RP.
  - Hot rolled and cold rolled stainless steel flat products (from China PR).

### Foreign Trade Scenario in Stainless Steel

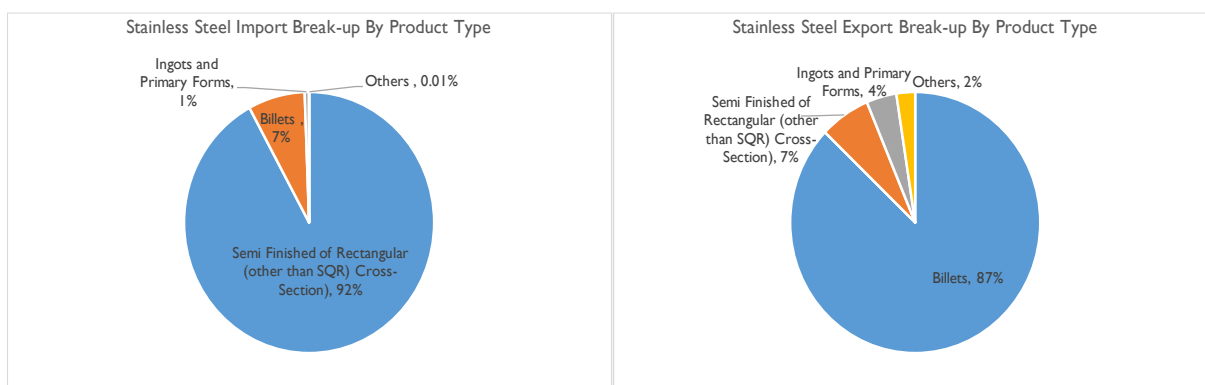
India's stainless-steel sector is a vital part of its industrial economy, experiencing substantial growth in production and exports. The stainless-steel sector has leveraged technological advancements and increased capacities as it supports industries critical to the economy such as construction and automotive. Consequently, India reveals significant trends and shifts over recent years. Steel import, which was subject to import duty till 2021, Union Budget 2022 revoked it that led to a sharp surge in steel import in India. Consequently, stainless steel imports have also seen a drastic increase in FY 2023 and FY 2024 where imports jumped from 11.9 thousand tons in FY2022 to 398.7 thousand tons in FY 2023 and continued to rise in FY2024. This increase can be attributed to heightened domestic demand and revoking of CVD from China & Indonesia that has flooded the Indian market with Cheaper Chinese manufactured SS product in India market.

Breaking down the imports by product type, it is evident that a vast majority, 92%, consists of semi-finished rectangular sections, with billets and ingots making up 7% and 1%, respectively.



Source: Department of Commerce, Trade Statistics

Note: The data collaborated above is of HS Code: 72181000, 72189100, 72189910 and 72189990



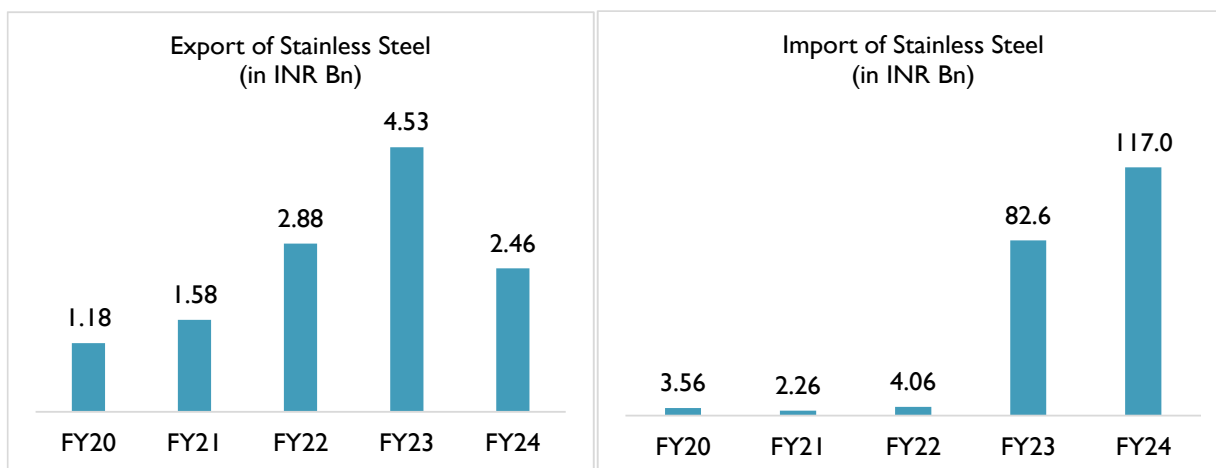
Source: Department of Commerce, Trade Statistics

Note: The data collaborated above is of HS Code: 72189100, 72189910 and 72189990

Conversely, stainless steel exports from India have exhibited fluctuating trends. Export volumes increased from 7.3 thousand tons in FY2020 to a peak of 20.8 thousand tons in FY2022, followed by a decline to 10.2 thousand tons in FY2024. This was due to variability in international demand and competitive pressures in global markets. In terms of product type, billets dominate the export market, comprising 87% of the total exports in FY2024, highlighting India's strategic focus on this product segment. Semi-finished products and ingots form smaller portions of the export pie, at 7% and 4%, respectively. These dynamics underline the growing complexities in India's stainless-steel trade, driven by both domestic and international market forces.

### Value Analysis:

Exports of stainless steel rose steadily from INR 1.18 Bn in FY2020 to a peak of INR 4.53 Bn in FY2023, before declining to INR 2.46 billion in FY2024. This substantial growth, especially in FY2023, underscores India's strengthening presence in the global market, driven by increased production capacities and strategic market positioning. However, the dip in FY2024 suggests potential challenges such as global market volatility or competitive pressures affecting export dynamics.



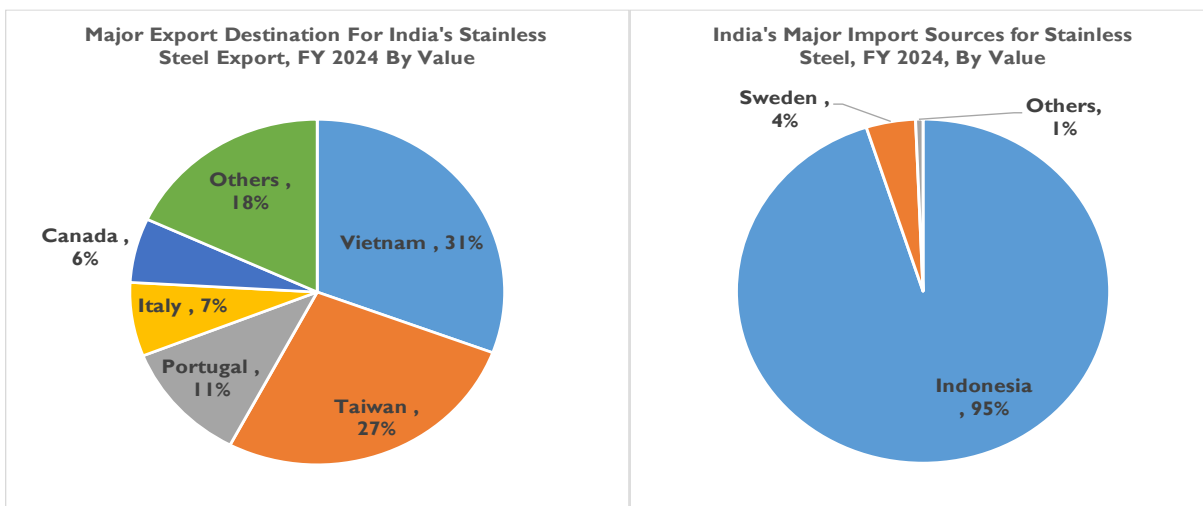
Source: Department of Commerce, Trade Statistics

Note: The data collaborated above is of HS Code: 72181000

The value of stainless-steel imports increased sharply from INR 3.56 Bn in FY2020 to an impressive INR 117.0 Bn in FY2024. This rise, particularly between FY2023 and FY2024, where the import value soared from INR 82.6 Bn to INR 117.0 Bn, reflects dependence on imported stainless steel. Factors such as heightened domestic demand, supply chain disruptions, and rising global steel prices contributed to this surge. The consistently increasing import values highlight India's growing need to supplement domestic production with imports to meet the rising consumption in various industries.

### Trading Partners:

In FY2024, Vietnam emerged as the largest export destination for India's stainless steel, capturing 31% of the total export value. Taiwan followed closely with a 27% share, while Portugal and Italy accounted for 11% and 7%, respectively. Canada represented 6% of the export market, with other destinations collectively making up the remaining 18%. This distribution indicates a diversified export portfolio, with substantial trade relationships across various countries.



Source: Department of Commerce

Note: The data collaborated above is of HS Code: 72181000

On the import side, Indonesia stood out as the dominant source, supplying an overwhelming 95% of India's stainless-steel imports. Sweden contributed 4% to the import value, while other countries collectively accounted for the remaining 1%. India's heavy reliance on Indonesia for imports contrasts with the more varied export destinations, highlighting a critical dependency on a single country for stainless steel supply.

### Competitive Landscape

The industry can be categorized in – main producer of steel and the secondary producer. The secondary producer includes producer of sponge iron, furnaces for induction or energy optimization, re-rolling firms etc. Jindal Stainless Limited, Viraj Profiles Limited and Salem Steel Plant (Part of Steel Authority of India Limited) are the notable companies in the organized segment of Indian stainless-steel industry which are engaged in the manufacturing of semi-finished and finished steel product while several small companies operating as secondary producer. The Indian steel industry is fairly consolidated in finished steel production. One of the key success factors in this sector is the ability to be integrated across the value chain right from upstream raw material production (nickel, ferro chrome) to downstream manufacture of finished steel products. Consequently, the players are in a better position to pass on raw material price hikes to the end-users. The stainless-steel sector in India is characterized by high-quality production standards, a wide range of product offerings, strong domestic demand, growing export potential, and a well-established manufacturing base. It benefits from the country's abundant raw material availability, skilled workforce, and supportive government policies. The Indian stainless-steel sector stands out due to its diverse product portfolio, catering to various industries. It boasts a robust distribution network, efficient supply chain management, competitive pricing, and strong customer relationships. Continuous innovation, R&D efforts, and sustainability initiatives further differentiate Indian stainless-steel manufacturers.

### Key Factors Shaping the competition in the Stainless-Steel Sector

The evolution of the Indian steel market has been intricately linked to global economic trends and geopolitical shifts. Several key factors have exerted influence on the trajectory of the Indian steel plants.

### Globalization and Trade Liberalization

The process of globalization has facilitated the integration of Indian steel producers into the global market, enabling access to new technologies, markets, and capital. Trade liberalization measures have opened avenues for export-oriented growth, allowing steel plants to tap into international demand. Globalization has enabled Indian steel producers to integrate into the international market, offering opportunities to export their products and boost revenue. By establishing strong international networks and partnerships, these companies gain a competitive edge. Trade liberalization has facilitated the flow of advanced technologies and best practices from developed markets, allowing Indian steel companies to enhance operational efficiency and product quality, thus staying ahead of domestic and international competitors. Additionally, the influx of foreign investments has provided capital for expansion, modernization, and innovation, enabling firms to upgrade infrastructure and increase production capabilities, further strengthening their competitiveness.

### Technological Advancements

Rapid technological innovations have transformed the steel industry, leading to increased efficiency, productivity, and sustainability. The adoption of advanced processes such as electric arc furnaces, continuous casting, and automation has enhanced the competitiveness of Indian steel producers. The adoption of cutting-edge technologies such as electric arc furnaces, continuous casting, and automation has significantly enhanced efficiency and productivity in the steel industry, enabling companies to produce higher volumes at lower costs and outcompete those with outdated processes. The integration of IoT and AI in manufacturing allows for real-time monitoring and predictive maintenance, reducing downtime and improving production efficiency. This smart manufacturing approach helps firms maintain high operational standards and deliver products more reliably. Robotics automates repetitive tasks such as material handling, welding, and quality inspection, reducing reliance on manual labor and boosting process efficiency. Drones have become valuable for monitoring production facilities, conducting aerial surveys, identifying safety hazards, and facilitating maintenance inspections, thereby enhancing safety, reducing inspection times, and enabling proactive maintenance planning. This technological innovation facilitates the development of specialized steel grades for specific applications like automotive and aerospace, allowing companies to tap into niche markets and command higher prices.

### Shifts in Global Demand

Changing consumption patterns, urbanization trends, and infrastructure development have influenced global steel demand. Emerging economies have emerged as key drivers of steel consumption, presenting opportunities for Indian steel producers to cater to these growing market segments. Growing demand in emerging economies presents significant opportunities for steel companies that can address specific needs such as infrastructure development and urbanization, enabling them to expand their customer base and increase market share. Adapting to changing consumer trends, like the rising demand for sustainable and high-strength steel, positions producers to attract and retain customers. Additionally, firms that diversify their product portfolios to include both traditional and high-tech steel products can better withstand demand fluctuations and maintain a competitive edge.

### Resource Constraints and Environmental Pressures

Challenges related to raw material availability, energy consumption, and sustainability have shaped the strategic priorities of steel companies. Efforts to diversify sourcing, optimise resource utilisation, and adopt cleaner technologies reflect a broader commitment to sustainable development. Companies that adopt sustainable practices and technologies reduce their environmental impact, comply with stringent regulations, and enhance their corporate image, attracting environmentally conscious customers and investors. Efficient use of raw materials and energy leads to significant cost savings, with optimized resource utilization through recycling and waste minimization reducing production costs and improving profitability. Innovating in sustainability, such as developing low-carbon steelmaking processes using hydrogen instead of coal, positions firms as leaders in sustainability and provides a competitive advantage by meeting the growing demand for eco-friendly products.

### Sustainability and Environmental Regulations

Steel manufacturers are increasingly adopting sustainable practices and technologies to mitigate environmental impacts and enhance long-term viability. Companies adopting sustainable practices and technologies reduce their environmental impact, comply with stringent regulations, and enhance their corporate image, attracting

environmentally conscious customers and investors. Efficient use of raw materials and energy leads to significant cost savings, with resource optimization through recycling and waste minimization reducing production costs and improving profitability. Developing low-carbon steelmaking processes, like using hydrogen instead of coal, positions companies as sustainability leaders, providing a competitive advantage by meeting the growing demand for eco-friendly products.

### Major Entry Barriers

High initial investment, raw material availability (mostly nickel, chromium, and other non-ferrous metals), and economies of scale have created entry barriers, providing existing players a competitive advantage.



**Global Economic Uncertainties:** The steel industry is highly sensitive to global economic conditions, including trade tensions, geopolitical conflicts, and currency fluctuations. Uncertainties in global markets can impact steel prices, demand-supply dynamics, and investment sentiments, posing challenges for manufacturers.



**Raw Material Procurement:** Securing a cost-effective supply of raw materials, such as iron ore, coal, and scrap metal, remains a significant challenge. Dependency on imports, volatile commodity prices, and logistical constraints can disrupt production schedules and affect profitability.



**Technological Disruptions:** Technological advancements in steel offer efficiency gains and innovation opportunities, yet they require substantial capital investment, workforce training, and cybersecurity measures. Successful adaptation hinges on strategic planning and continuous research and development investment.



**Global Competition:** The Indian steel industry faces intense competition from domestic players as well as international giants in the global market. Competing on price, quality, and innovation requires continuous improvement in productivity, supply chain efficiency, and customer service..



**Capital Intensive:** Establishing modern steel plants in India demands substantial investments, typically around Rs 7,000 crores for a plant with a capacity of 1 million tonnes. This financial barrier poses considerable challenges for domestic entities aiming to expand or establish new facilities.



**Infrastructure challenges:** India faces severe logistics challenges affecting both raw materials and finished steel transport. Despite needing 3-3.5 tonnes of raw materials per tonne of steel, India grapples with exorbitant freight costs, especially for iron ore, which are 500% higher than Australia's due to inadequate inland road and rail infrastructure.



**Taxation burden:** Indian steel manufacturers face a burdensome tax regime, with royalty on iron ore set at 15%, significantly above the global average of 3%-7%. Additionally, clean production costs.



**Seasonal Demand:** India's reliance on imported coking coal raises costs for steel manufacturers, while cyclical demand, worsened by monsoon slowdowns, causes financial strains during low demand periods.



## Major Challenges

Increasing import from is cited as major threat to stainless steel product manufacturer. In Union-Budget 2021-22, the government announced revocation of CVD on imports of certain hot rolled and cold rolled stainless steel flat products originating or exported from China (uptill 30th September 2021) and subsequently extended it upto 31<sup>st</sup> Jan 2022. Moreover, the budget also announced the revocation of the provisional CVD on import of flat products of stainless steel, originating or exported from Indonesia.

The detail review of the industry development over the last two three years also suggests a large part of import from Indonesia are being driven by the Chinese companies operating from Indonesia. China has been investing aggressively in Indonesia to scale up SS capacity and displace India as a second largest SS player in world. Indonesia total installed capacity stood at 5.5Mn tonnes, which was higher than India (5 Mn tonnes in 2021) and the country replaced India to become the second largest SS producer globally in 2021.

In addition, Indonesia's SS capacity is also 25 times more than their total annual domestic consumption requirement of just 0.2 MTPA which serve India as a fertile dumping ground for Indonesian SS flat product exports as Indonesia is a part of India's free trade agreement (FTA) with the Association of Southeast Asian Nations (ASEAN).

This surge in cheaper import is severely hurting the supply dynamics of domestic SS industry with underutilized domestic capacity which is dwindling somewhere near 60%. Majority of underutilized capacity is concentrated in MSME segment which contributes about 28% share (1.4 Mn Tonnes) in total SS capacity of India. Under-utilization of domestic capacity are adding its resulting woes to the domestic SS industry such as falling revenue, declining profitability, significant unemployment, bringing fresh investment at halt, turning many companies out of business, and converting many manufacturers into trader. As per recent insight from the President of Indian Stainless Steel Development Association (ISSDA), about 30-35% of medium and small businesses in the stainless-steel industry in Gujarat state which represents 80% of the MSMEs in the sector ceased their operation in Q2 FY 2024 due to heavy influx of cheaper Chinese imports.

## Profiling of Key Players

Company	Jindal Stainless Limited	Viraj Profiles Limited	Salem Steel Plant	Rimjhim Stainless-steel Limited	Avtar Steel Limited
<b>Brief Profile</b>	Established in 1970, leading stainless-steel producer in India. Specializes in flat and long products for various industries.	Founded in 1992, specializes in stainless steel long products. Produces over 50,000 SKUs.	Part of SAIL, established in 1970. Leading stainless steel producer in Tamil Nadu, India.	Part of Rimjhim Ispat group, headquartered in Kanpur, UP. Manufactures a range of stainless-steel products.	Incorporated in 1996, the company is a player in the industry, specializing in a variety of long products for diverse applications.
<b>Services Offered / Features &amp; Attributes</b>	Produces coils, sheets, plates, and strips. High-quality products with extensive R&D facilities.	Produces wires, bars, fasteners, flanges, and profiles. Global presence with diversified product range and advanced manufacturing facilities.	Produces flat stainless-steel products such as coils, sheets, and plates. State-of-the-art facilities.	Produces foils, sheets, bars, plates, wires, and rods. Advanced facilities including melting shops, rolling mills, and drawing mills.	Produces round bright bars, hexagonal bars, square bars and hot rolled and cold finished products.
<b>Manufacturing Capacity</b>	2.1 million tons per annum	528,000 tons per annum	434,000 tons per annum	NA	72,000 MT per annum for specialty

<b>Other Factors</b>	Strong domestic and international market presence. Commitment to sustainability.	Serves oil and gas, automotive, and construction industries. Focus on high-quality standards.	Serves railways, power, and architecture industries.	Strong domestic presence with a diversified product range.	Stainless steel Modern facilities for melting, hot rolling, heat treatment, and cold finishing. Strict quality control.

### Financial Performance

Backed by strong domestic demand, especially from infrastructure projects, as well as a substantial increase in export demand, the industry has witnessed strong sales growth in recent years. Between FY 2019 and 23, total sales have grown by a CAGR of 20%.

### Expense Snapshot

	Raw Material	Power & Fuel	Salary & Wage	SG&A	Interest
FY 2019	75.8%	6.2%	2.8%	1.6%	1.6%
FY 2020	74.5%	7.9%	3.5%	1.9%	1.7%
FY 2021	76.6%	7.4%	3.5%	1.5%	1.5%
FY 2022	81.9%	5.4%	2.4%	1.9%	0.9%
FY 2023	77.5%	5.4%	2.7%	1.7%	0.8%

Source: CMIE Prowess IQ, Dun & Bradstreet Research, Based on a Sample of 6 Companies

India is a major consumer and producer of stainless steel, but it relies heavily on imports for certain raw materials. Ferrochrome and Nickel, which are crucial raw materials to produce stainless steel, are majorly imported. Additionally, reliance for raw materials on global markets exposes manufacturers to price volatility and supply chain risks. This leads to high raw material costs, which are majorly ranging between 74% to 82%.

In terms of largest expense head, raw material cost is followed by power & fuel, and salaries & wages— both of which together account for average 6.5% of total revenue. Given the power-intensive nature of stainless-steel manufacturing, and the transportation of bulk supplies, this power & fuel cost comes across as no surprise. While salary & wages have remained somewhat stable, ranging between 2.4% to 3.5% but has increased at 19% CAGR while SG&A expenses have increased at a CAGR of 23% between the given period of FY 2019 – FY 2023 and fluctuated in the ranged of 1.5-1.9% of sales during the above period.

### Profitability Margins

	Operating Profit Margin	Net Profit Margin
FY 2019	7.7%	3.1%
FY 2020	8.1%	3.9%
FY 2021	7.8%	3.5%
FY 2022	8.3%	5.1%
FY 2023	7.0%	3.9%

Source: CMIE Prowess IQ, Dun & Bradstreet Research, Based on a Sample of 6 Companies

The operating profit, as shown in the sample, has ranged between 7% to 8.3%, while net profit has ranged between 3.1% to 5.1% in the given period. Both, operating profit, and net profit, have recorded at CAGR of 18% and 27% respectively which indicates satisfactory growth of the sample companies in the given period. However, both the margin indicated some moderation in FY 2023, owing to increase in operating expense primarily SGA expense, power & fuel and increase in interest expense which recorded 10% y-o-y growth in FY 2023.

Indicators (In Crores)	Panchmahal Steel Ltd	Manglam Worldwide Ltd	Rimjhim Stainless Ltd	Viraj Profile Ltd	Mukund Ltd	Electrotherm India Ltd	Rajputana Stainless Ltd
Total Income	343.32	303.31	504.76	5442.74	3,347.38	2530.59	429.83
Revenue from Operations	338.98	303.16	504.21	5376.62	2,680.70	2526.79	427.70
EBITDA	27.44	5.87	75.21	500.74	463.33	230.04	23.77
EBITDA Margin	7.99%	1.94%	14.90%	9.20%	13.84%	9.09%	5.53%
PAT	9.81	2.70	44.26	192.65	46.00	63.30	2.23
PAT Margin	2.86%	0.89%	8.77%	3.54%	1.37%	2.50%	0.52%
Operating Cash Flow	29.33	5.60	37.97	172.54	-262.14	224.98	15.17
Net Worth	101.66	12.83	170.05	1723.23	897.33	-906.79	62.39
Long Term Borrowing	54.63	0.00	88.94	1,076.88	1,735.41	2,121.40	19.73
Debt Equity Ratio	0.54	0	0.52	0.62	1.93	-2.34	0.32
Return on Capital Employed	12.79%	45.66%	21.01%	21.22%	15.00%	9.32%	23.89%
Return on Equity	9.65%	21.06%	26.03%	11.18%	5.13%	-6.98%	3.58%

### Key Ratios

Indicators	Average FY 2021, 2022, 2023
Return on Assets	15.1%
Return on Capital Employed	21%
Return on Networth	20.4%
Debt Equity Ratio	0.25
Interest Coverage Ratio	7.93
Current Ratio	1.88
Asset Turnover Ratio	1.98
Working Capital Turnover Ratio	6.47

Source: CMIE, Dun & Bradstreet Research, based on a Sample of 8 Companies

### Key Standalone Financial Indicators of Key Players: FY 2021

### Key Standalone Financial Indicators of Key Players: FY 2022

Indicators (In Crore)	Panchmahal Steel Ltd	Manglam Worldwide Ltd	Rimjhim Stainless Ltd	Viraj Profile Ltd	Mukund Ltd	Electrotherm India Ltd	Rajputana Stainless Ltd
Total Income	577.61	523.32	855.99	8186.59	4676.02	2834.04	771.70
Revenue from Operations	573.60	523.03	853.71	8162.86	4642.93	2830.28	770.19
EBITDA	80.04	21.96	86.10	874.07	272.29	76.81	32.04
EBITDA Margin	13.86%	4.20%	10.06%	10.68%	5.82%	2.71%	4.15%
PAT	58.5822	12.39	46.90	465.85	91.62	-54.32	8.32
PAT Margin	10.14%	2.37%	5.48%	5.69%	1.96%	-1.92%	1.08%
Operating Cash Flow	37.86	1.58	66.99	351.59	-104.92	179.25	-2.19
Net Worth	159.96	45.48	216.95	2055.07	740.47	-960.72	57.76
Long Term Borrowing	28.21	0.00	86.15	977.14	885.70	1973.85	33.89
Debt Equity Ratio	0.18	0	0.40	0.48	1.20	-2.05	0.59
Return on Capital Employed	38.50%	45.65%	20.93%	35.75%	13.96%	-0.89%	30%
Return on Equity	36.62%	27.24%	21.62%	22.67%	12.37%	*	14%

\*PAT & equity both negative

### Key Standalone Financial Indicators of Key Players: FY 2023

Indicators (In Crore)	Panchmahal Steel Ltd	Manglam Worldwide Ltd	Rimjhim Stainless Ltd	Viraj Profile Ltd	Mukund Ltd	Electrotherm India Ltd	Rajputana Stainless Ltd <sup>1</sup>
Total Income	490.05	645.92	721.30	8,929.36	6203.47	3080.74	950.69
Revenue from Operations	488.64	644.48	720.09	8,885.38	5618.36	3074.05	947.67
EBITDA	16.94	22.76	79.12	601.64	420.63	36.49	46.86
EBITDA Margin	3.46%	3.52%	10.97%	6.74%	6.78%	1.18%	4.93%
PAT	1.3783	15.75	39.37	249.88	185.48	-76.66	24.04
PAT Margin	0.28%	2.44%	5.46%	2.80%	2.99%	-2.49%	2.53%
Operating Cash Flow	-30.09	-70.48	143.70	314.19	173.85	105.99	31.77
Net Worth	153.83	127.70	256.32	2,241.70	881.48	-1039.41	81.16
Long Term Borrowing	76.44	16.17	82.64	928.73	1448.39	1,874.12	24.81
Debt Equity Ratio	0.50	0.13	0.32	0.41	1.64	-1.80	0.31
Return on Capital Employed	3.90%	12.59%	15.90%	20.68%	15.86%	-1.27%	37.7%
Return on Equity	0.90%	12.33%	15.36%	11.15%	21.04%	*	30%

\*PAT & equity both negative

Source: Viraj Profile Limited, Rimjhim Stainless Limited financials retrieved from MCA, Other four peers financials has been retrieved from their respective Annual reports except Rajputana Stainless Ltd which is provided by the company itself.

#### Formula Used:

EBITDA - PBT + Finance Cost + D&A

EBITDA Margins- EBITDA/Total Income

PAT Margins - PAT/Total Income

Networth – Total Shareholder’s Equity

Debt-Equity Ratio – Long term Borrowing / Total Shareholder’s Equity

Return on Capital Employed – EBIT/(Long term borrowing+ shareholder’s fund)

Return on Equity - PAT/Total Equity

### Key Consolidated Financial Indicators of Key Players: FY 2021

Indicators (in INR Cr)	Mukund Limited	Panchamaha l	Mangalam Worldwide Ltd	Electrotherm Limited
Revenue from Operations	2,725.99	338.98	303.16	2,518.06
Total Income	3,474.40	343.32	303.31	2,522.28
EBITDA	246.22	27.44	5.88	224.04
EBITDA Margin	7.09%	8.09%	1.94%	8.90%
PAT	-203.78	9.81	2.70	49.49
PAT Margin	-5.87%	2.89%	0.89%	1.97%
Operating Cash Flow	-328.46	29.24	5.57	224.97
Net Worth	462.54	101.66	12.83	-1,042.38
Net Debt	1,763.49	8.55	0.00	1,012.73
Debt Equity Ratio	3.81	0.08	0.00	NA
Return on Capital Employed	7.98%	18.14%	45.66%	NA
Return on Equity	-44.06%	9.65%	21.07%	NA
Return on Networth	-44.06%	9.65%	21.07%	NA

Source: Annual Reports of respective companies

<sup>1</sup> Rajputana Financial for FY 2023, has been revised basis Financial provided by the company.

### Key Consolidated Financial Indicators of Key Players: FY 2022

Indicators (in INR Cr)	Mukund Limited	Panchamahal	Mangalam Worldwide Ltd	Electrotherm Limited
Revenue from Operations	4,642.97	573.60	523.03	2,831.31
Total Income	4,752.58	577.61	533.48	2,837.85
EBITDA	357.56	80.04	21.97	92.98
EBITDA Margin	7.52%	13.95%	4.20%	3.28%
PAT	176.31	58.58	12.39	-40.36
PAT Margin	3.71%	10.21%	2.37%	-1.43%
Operating Cash Flow	-101.81	37.86	1.59	179.24
Net Worth	666.46	159.96	45.46	-1,082.36
Net Debt	885.69	0.00	0.00	362.29
Debt Equity Ratio	1.33	0.00	0.00	NA
Return on Capital Employed	20.11%	45.29%	45.69%	NA
Return on Equity	26.45%	36.62%	27.26%	NA
Return on Networth	26.45%	36.62%	27.26%	NA

Source: Annual Reports of respective companies

### Key Consolidated Financial Indicators of Key Players: FY 2023

Indicators (in INR Cr)	Mukund Limited	Panchamahal	Mangalam Worldwide Ltd	Electrotherm Limited
Revenue from Operations	5,567.60	488.64	644.49	3,074.05
Total Income	6,152.79	490.05	646.55	3,080.74
EBITDA	401.62	16.94	24.44	104.54
EBITDA Margin	6.53%	3.47%	3.79%	3.40%
PAT	171.78	1.38	17.58	-11.82
PAT Margin	2.79%	0.28%	2.73%	-0.38%
Operating Cash Flow	105.91	-30.11	-61.31	107.08
Net Worth	853.78	153.83	139.65	-1,096.21
Net Debt	1,448.39	0.00	15.93	244.92
Debt Equity Ratio	1.70	0.00	0.11	NA
Return on Capital Employed	15.17%	5.84%	12.22%	NA
Return on Equity	20.12%	0.90%	12.59%	NA
Return on Networth	20.12%	0.90%	12.59%	NA

Source: Annual Reports of respective companies

### Key Consolidated Financial Indicators of Key Players: FY 2024

Indicators (in INR Cr)	Mukund Limited	Panchamahal	Mangalam Worldwide Ltd	Electrotherm Limited
Revenue from Operations	5,174.81	427.62	818.11	4,271.50
Total Income	5,190.84	431.86	822.47	4,276.15
EBITDA	308.02	19.95	42.52	424.14
EBITDA Margin	5.93%	4.67%	5.20%	9.93%
PAT	102.70	2.97	22.98	317.33
PAT Margin	1.98%	0.69%	2.81%	7.43%
Operating Cash Flow	64.94	39.70	-9.77	351.34

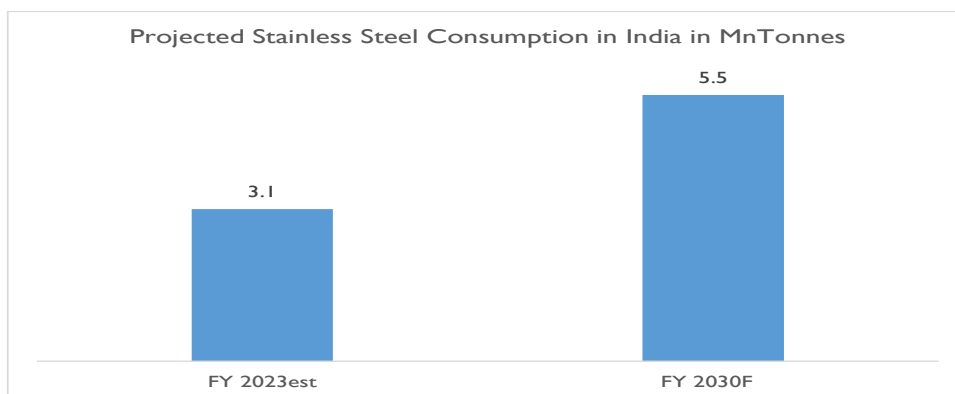
Indicators (in INR Cr)	Mukund Limited	Panchamahal	Mangalam Worldwide Ltd	Electrotherm Limited
Net Worth	921.10	156.89	186.08	-781.12
Net Debt	1,433.09	0.00	17.76	606.59
Debt Equity Ratio	1.56	0.00	0.10	NA
Return on Capital Employed	10.97%	7.56%	17.30%	NA
Return on Equity	11.15%	1.89%	12.35%	NA
Return on Networth	11.15%	1.89%	12.35%	NA

Source: Annual Reports of respective companies

### Growth Forecast:

With India being one of the fastest growing economies amongst the global peer, the country's stainless-steel demand in India is expected to witness steady growth as projected under the 'Stainless Steel Vision Document 2047' by CRISIL and the Indian Stainless Steel Development Association. The vision projects India's per capita stainless-steel consumption to grow to 8-9 Kg by 2040 and further to 11-12 Kg by 2047 while the domestic consumption is expected to grow to 12.7 MTPA and 20 MTPA by fiscals 2040 and 2047, indicating promising growth trajectory.

In near term, India's growth scenario for stainless steel consumption remains intact on the back of substantial government expenditure planned in major end user industries under National Infrastructure Pipeline and recently announced PM gati Shakti project. Higher capital expenditure planned towards sectors with higher metals consumption intensity such as Railway, Road and Bridges, Water infrastructure and Affordable Housing is positive as this will support demand for metal. We expect domestic stainless-steel industry to grow from about 3.1 Mn tonnes in FY 2023 to 5.5Mn Tonnes by 2030, growing at CAGR 7.5%.



Sources: Dun & Bradstreet Research Estimates

This couple with supportive policy reform through scheme like Atmanirbhar Bharat, PLI, amended DMISP policy and make in India will give push to domestic manufacturing and strengthen the supply side dynamics. However, domestic SS face a major downside risk from rising imports, mainly from low-cost destination like China which is creating material harm to the domestic industry. Given the higher input cost and other overheads, domestic manufacturers find it difficult to compete with Chinese imports based on price. Only government level initiatives, to create a level playing field would help in nullifying this challenge.

### Company Profiling: Rajputana Stainless Limited<sup>1</sup>

#### Background

Rajputana Stainless Limited (RSL), established in 1991, has been engaged in the steel manufacturing business for over three decades. Throughout the years, RSL has expanded its production. The manufacturing facility is located in Panchmahal district, Gujarat, and is equipped to produce a diverse range of products, including of billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary product.

<sup>1</sup> The Company profile section has been compiled basis information collected from public domain (company website / other publicly available information) as well as information (if any) shared by the Company. D&B has not independently verified the claims made by the Company.

During the year 1999, RSL was declared a Non-BIFR Sick Industrial Unit vide Government of Gujarat, Industries and Mines Department Resolution No. SIU-1098-668-CH under Scheme for Rehabilitation of Small Scale and Non-BIFR Sick Viable Industries. Subsequently RSL was removed from list of Non-BIFR Sick Unit and became viable as per the then norms of Government of Gujarat.

### Manufacturing Infrastructure

RSL's Manufacturing Facility is strategically located with the availability of transportation ensuring convenient transportation of our products. RSL's Manufacturing Facility is equipped with an induction furnace, Argon Oxygen Decarborizer ("AOD"), Continuous Casting Machine ("CCM"), heat treatment facilities, Oxygen and Nitrogen Plant, rolling mill and bright bar shop.

RSL as on June 30, 2024, had an installed melting capacity of 48,000 MTPA, rolling capacity of 36,000 MTPA and bright bar capacity of 6,000 MTPA, heat treatment facility of 25 tonnes/batch size and Oxygen and Nitrogen plants having installed capacity of 350 scm/hour and 250 scm/hour respectively.

### Key Customer Segment

The Company's key customers include Venus Pipes and Tubes Limited, Hindustan Inox Limited, Aamor Inox Limited, D H Exports Private Limited, Maximum Tubes Company Pvt Limited, Suraj Limited, and Sieves Manufacturer (I) Pvt. Ltd. This diverse customer base indicates the capability of RSL to meet demand emerging from sectors including infrastructure, automotive, engineering, oil manufacturing, and utensil manufacturing. The top 5 customers historically contribute around 30-35% of RSL's total sales.

### Key Achievements:

Rajputana Stainless Limited was established over three decades ago, and consistently upheld high standards of excellence, earning recognition within the industry. Through strategic investments in advanced technology and modern manufacturing processes at its facility in Panchmahal, Gujarat, Rajputana Stainless Limited has maintained a competitive edge, ensuring the production of high-quality stainless-steel products.

Rajputana Stainless Limited's dedication to quality and innovation has earned significant industry recognition through awards and certifications. Key achievements include the IBR 2022 – 2024 certification, highlighting compliance with Indian Boiler Regulations, and the PED Certificate from TUV Nord, indicating adherence to the Pressure Equipment Directive. Additionally, the company holds an ISO 9001:2015 Certificate for its quality management systems, demonstrating its commitment to maintaining high standards across its operations. These accolades affirm Rajputana Stainless Limited's position as a company that consistently meets industry expectations.

### Financial Analysis:

Rajputana Stainless Limited has demonstrated substantial financial growth and resilience, supported by the extensive industry experience of its promoters. Having worked in the steel industry for over thirty years, the promoters have a deep understanding of sector dynamics and are adept at navigating business cycles. The company's total revenue has shown significant growth, increasing to INR 950.7 crores in fiscal 2023 from INR 770.2 crores in fiscal 2022. This increase is attributed to higher product prices and better volume sales, driven by growing demand from end-user industries. However, there was a drop in domestic sales in FY 2024, leading to a drop in sales by nearly 4% over previous year.

	Total Income	Income from Operations	Expense (INR Cr.)	PBDITA (INR Cr.)	PAT (INR Cr.)
FY 2021	429.8	427.7	422.44	23.77	2.23
FY 2022	771.7	770.2	755.5	32.04	8.32
FY 2023	950.7	947.7	922.11	46.86	24.04
FY 2024	915.5	909.8	873.18	65.09	31.63

The business is susceptible to fluctuations in raw material prices, such as scraps, ferrous alloys, and base metals,

influenced by the demand-supply scenario. Intense competition and the cyclical nature of the construction and infrastructure sectors, which are key demand drivers, pose additional risks to the company's scalability, pricing power, and profitability.

The strong sales growth experienced by RSL has helped the company improve its profitability. From INR 23.77 Crore in FY 2021, the PBDITA of the Company improved to nearly INR 65.09 Crore in FY 2024. During the same period, the Profit After Tax improved from INR 2.23 Crore to INR 31.63 Crore. RSL has managed to improve its profitability despite the steady growth in expenses, driven by strong growth in raw material cost. This points to streamlining of operations and improvement in operational efficiencies.

	<b>PBDITA Margin</b>	<b>PAT Margin</b>
FY 2021	5.5%	0.5%
FY 2022	4.2%	1.1%
FY 2023	4.9%	2.5%
FY 2024	7.1%	3.5%

*Note: PBDITA & PAT margin, as a percentage of total income*

The key financial ratios for Rajputana Stainless Limited, averaged over FY 2022, 2023 and 2024, indicate a robust financial performance. The company achieved a Return on Assets of 3.70%, reflecting efficient asset utilization. A Return on Capital Employed of 28.48% demonstrates effective use of capital in generating profits. The Return on Net Worth stood at 13.21%, highlighting the company's ability to generate returns for its shareholders. Debt Equity Ratio of company stood at 0.21. An Interest Coverage Ratio of 3.04 signifies the company's capacity to meet its interest obligations, while a Current Ratio of 1.23 indicates good short-term liquidity.

<b>Key Ratio</b>	<b>Average FY 2022, 23 &amp; 24</b>
Return on Assets	14.10%
Return on Capital Employed	38%
Return on Networth	25%
Debt Equity Ratio	0.31
Interest Coverage Ratio	3.36
Current Ratio	1.32



## OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “**Forward-Looking Statements**” on page 23 for a discussion of the risks and uncertainties related to those statements and also “**Risk Factors**”, “**Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 39, 287 and 366 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 Company’s financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months period ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statement included in this Draft Red Herring Prospectus. For further information, see “**Restated Financial Statement**” on page 287. Additionally, see “**Definitions and Abbreviations**” on page 1 for certain terms used in this section. Unless the context otherwise requires, in this section, references to “**we**”, “**us**” and “**our**” “**our Company**” or “**the Company**” or “**RSL**” refer to Rajputana Stainless Limited.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “**Industry Report on Indian Stainless Steel**” dated December 24, 2024” (the “**D&B Report**”) prepared and issued by Dun & Bradstreet Information Services India Private Limited (“**D&B India**”), appointed by us on May 23, 2024, and exclusively commissioned and paid for by us in connection with the Offer. D&B India is an independent agency which has no relationship with our Company, our Promoters and any of our Directors or KMPs or SMPs. The data included herein includes excerpts from the D&B Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Offer), that have been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the D&B Report is available on the website of our Company at [www.rajputanastainless.com](http://www.rajputanastainless.com) until the Bid/Offer Closing Date. For more information, see “**Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the D&B Report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks**” on page 74.*

## OVERVIEW

We are engaged in the business of manufacturing of long and flat stainless-steel products comprising of billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. We offer our products in more than eighty (80) diverse grades of stainless steel. Stainless Steel is a value-added product with high corrosion resistant properties. For steel to have properties generally referred to as “stainless”, it must have over 10.5% Chromium content. Other notable elements that are included in stainless-steel include nickel, molybdenum, and titanium. Higher levels of Chromium and additions of other alloy elements (Nickel, Molybdenum, etc.) enhance the corrosion resistance (*Source: D&B Report*). Compared to traditional steel, stainless-steel has higher resistance to corrosion, superior aesthetic finish and higher life span. These features have helped in increasing the popularity of stainless-steel across the world. High recyclability, resistance to corrosion and low maintenance properties has made stainless steel a preferred metal for application in diverse sectors (*Source: D&B Report*).

Majority of our products are primarily sold domestically through direct sales and traders’ network. In addition to catering domestic market, presently our products are being exported to (5) five countries in the international market i.e. UAE, USA, Turkey, Kuwait and Poland. The following table sets forth a breakdown of our revenues from operations in India and our revenue from operations outside India, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

(₹ in lakhs except for percentages)

Particulars	For the period ended June 30, 2024	% to the total revenue	Fiscal 2024	% to the total revenue	Fiscal 2023	% to the total revenue	Fiscal 2022	% to the total revenue
Domestic Revenue	20,229.46	98.55%	90,494.47	99.47%	94,767.44	100%	76,641.70	100%
Export Revenue	298.57	1.45%	486.33	0.53%	-	-	-	-
<b>Total Revenue from Operations</b>	<b>20,528.03</b>	<b>100%</b>	<b>90,980.80</b>	<b>100%</b>	<b>94,767.44</b>	<b>100%</b>	<b>76,641.70</b>	<b>100%</b>

\*As certified by the Statutory Auditors through certificate dated December 29, 2024.

Over the years, we have leveraged our expertise, processes and infrastructure to cater to diverse industries. Our products caters as the raw material for various industries such as seamless pipes, engineering, aerospace, forging, oil and gas, pump and shaft, defense automotive, aviation, precision engineering, etc.

We believe that we have proved our capability by manufacturing and delivering over 500,000 MT of stainless-steel products between Fiscal 2006 to Fiscal 2024 at an overall level. With over 20 years of experience in manufacturing of long and flat stainless-steel products, we believe that we are one of the trusted vendors for our customers. During the three-month period ending June 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, we catered to over 209 customers, 385 customers, 363 customers and 315 customers respectively, out of which around 150 customers have been associated with us for over a period of 3 years, and such customers contributed ₹60,757.67 lakhs to our revenue from operations which amounted 66.78% of total revenue from operations of Fiscal 2024. We derive the majority of our revenues from the manufacture and supply of our products domestically through direct sales to Manufacturers and through our traders' network. As of June 30, 2024 and Fiscal 2024, our Manufacturers network comprise of 155 and 253 Manufacturers customers and 54 and 132 Traders, respectively across the country. We currently sell our products in thirteen (13) states and two (2) union territories through direct sales and our traders' network. We generate significant revenue from operations from the state of Maharashtra, Gujarat and Uttar Pradesh which amounts to 18,506.83 lakhs, 79,245.58 lakhs, 86,416.05 lakhs and 67,137.65 lakhs constituting 90.15 % and 87.10 %, 91.19 % and 87.60 % of total revenue from operations during the three-month period ended June 30, 2024 and for Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively.

We primarily operate through our manufacturing facility admeasuring approximately 35,196.98 Sq.m (*including the open area*), located at Halol Kalol Road, Kalol, Panchmahal, Gujarat ("**Manufacturing Facility**"). Our Manufacturing Facility is strategically located with the availability of transportation ensuring convenient transportation of our products. Our Manufacturing Facility is equipped with an induction furnace, Argon Oxygen Decarborizer ("**AOD**"), Continuous Casting Machine ("**CCM**"), heat treatment facilities, Oxygen and Nitrogen Plant, rolling mill and bright bar shop. We use a combination of mechanized and human skills to achieve the desired standards of manufacturing. As on June 30, 2024, we had an installed melting capacity of 48,000 MTPA, rolling capacity of 36,000 MTPA and bright bar capacity of 6,000 MTPA, heat treatment facility of 25 tonnes/batch size and Oxygen and Nitrogen plants having installed capacity of 350 cum/hour and 200 cum/hour respectively. For details, see "*History and Certain Corporate Matters*" and "*Our Business – Capacity Utilization*" on pages 257 and 236. Our Manufacturing Facility is also supported by infrastructure for storage of raw materials, finished goods, and quality control measures. In addition to production at our Manufacturing Facility, we also engage third party manufacturing units on job work basis to cater the increased demand of our products as per our requirement. During June 30, 2024 and Fiscal 2024, 2023 and 2022, we derived 841.52 MT, 6,800.27 MT, 3,455.49 MT and 2,593.34 MT of stainless-steel products through third party manufacturing units on job work basis. We utilise third party manufacturing unit on job work basis for conversion of black bar into bright bars, billets into wire rods, annealing, straightening, etc. as per our requirement.

During the year 1999, our Company was declared a Non-BIFR Sick Industrial Unit vide Government of Gujarat, Industries and Mines Department Resolution No. SIU-1098-668-CH under Scheme for Rehabilitation of Small Scale and Non-BIFR Sick Viable Industries. Subsequently, during the year 1999-2000, Our Promoters i.e. Shankarlal Deepchand Mehta and Babulal D Mehta were appointed as Directors on the Board of the Company and later on, in the year 2007, Jayesh Natvarlal Pithva joined with them on the Board. During this period 1999-2006, the management took various steps for the revival of the Company such as shifting the main focus of the

Company from producing mild steel products and steel casting to producing stainless-steel products, setting up of bright bar shop, payment of outstandings, etc. which resulted in improvement in financial health of our Company and consequently our Company was removed from list of Non-BIFR Sick Unit and became viable as per the then norms of Government of Gujarat. For further details, see “*History and Certain Corporate Matters*” on page 257.

We market and sell our products under the name ‘RSL’ which we believe has gained a reputation in the market, as a trusted name. Our Company undertakes initiatives to promote our products, which have not only helped us to maintain sales momentum but have also resulted in customer retention. To effectively market our products, we focus on a comprehensive approach that combines direct engagement with Manufacturers, large traders, constituting potential and existing customers and brand building exercise through sponsorships. Our direct engagement efforts include personalized visits to Manufacturers, informal group meetings with manufacturers and periodic meets with select traders, which enable us to showcase our latest products, gather feedback and insights and build relationships. We also participate in industry exhibitions, which allow us to connect with existing and potential customers/traders and gather market intelligence.

We also consider our quality control procedures to be the cornerstone of our business operations. We have a dedicated quality control department in our Company which is responsible for ensuring the quality of our raw materials and also our finished products along with its focus on continuous improvements to our manufacturing and quality processes. As on the date of this Draft Red Herring Prospectus, we are accredited with ISO 9001:2015 for manufacturing and supply of long stainless-steel and allied products, AD 2000-Merkblatt W0 certification as material manufacturer from TUV NORD Systems GmbH & Co. KG. We have also received product certifications from the Bureau of Indian Standards, such as the IS 6603:2001 for Stainless Steel bars and flat products. For further details, see “*History and Certain Corporate Matters*” and “*Government and Other Approval*” on page 257 and 395 respectively.

We are led by our Promoters, particularly Shankarlal Deepchand Mehta, Babulal D. Mehta, Jayesh Natvarlal Pithva and Yashkumar Shankarlal Mehta who possesses collective experience of over five decades in the steel industry and has been intimately involved in our business. Our Promoters continue to remain actively involved in our operations and continues to bring their vision, business acumen and leadership to our Company, which has been instrumental in sustaining our business operations and growth. We are also supported by qualified and experienced Key Managerial Personnel and Senior Management Personnel who have demonstrated their ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. For further details, see “*Our Promoters*” and “*Our Management*” on page 276 and 262, respectively. As of June 30, 2024, we are also supported by our work force which consist of 429 employees and contract workers.

### *Financial performance indicators*

Our key financial performance indicator for three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 are detailed below.

Parameter	(₹ in lakhs except for percentages)			
	For three month period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations	20,528.03	90,980.80	94,767.44	76,641.70
EBITDA <sup>(1)</sup>	1934.27	5940.97	4384.58	3024.50
EBITDA Margin <sup>(2)</sup> (%)	9.42%	6.53%	4.63%	3.95%
Restated Profit after Tax	1,091.39	3,162.89	2,404.46	869.70
PAT Margin <sup>(3)</sup> (%)	5.32%	3.48%	2.54%	1.13%
Debt / Equity Ratio <sup>(4)</sup>	0.65	0.71	0.98	1.59
Return on Equity <sup>(5)</sup>	9.27%	32.70%	34.62%	16.55%
Return on Capital Employed <sup>(6)</sup>	9.44%	32.17%	25.72%	18.51%
Operating Cashflow <sup>(7)</sup>	445.18	3,148.96	2,510.35	(193.91)

As certified by the Statutory Auditors through certificate dated December 29, 2024.

**Notes:**

(1) EBITDA is calculated as Restated Profit before tax (before Exceptional items) plus finance costs and depreciation and amortization expenses. There are no Exceptional items during the reporting period

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

(3) PAT Margin is calculated as restated profit after tax divided by revenue from operations.

(4) Debt / Equity Ratio is calculated as total borrowings divided by total equity. Total borrowings include Long Term & Short Term Borrowing.

Total equity is calculated as equity share capital plus other equity plus non-controlling interest.

(5) Return on Equity is calculated as restated profit after tax divided by average equity. Average Equity is average of opening equity and closing equity. Opening Equity is opening equity attributable to owners of our Company. Closing Equity is closing equity attributable to owners of our Company.

(6) Return on Capital Employed is calculated as earnings before interest and tax divided by Average Capital Employed. Capital Employed is calculated as the sum of net worth and total borrowings. Net worth is calculated as equity attributable to the owners of our Company. EBIT is calculated as restated profit before tax plus finance cost.

(7) Operating Cash flow is net cash flow generated from operating activities.

## Market Opportunity

- Stainless steel is used to produce a wide range of products, from Automotive, Railways & Transportation; heavy machinery, to engineering products, especially in the infrastructure sector. Due to this wide end consumer base, demand for long and flat steel products is closely linked to the overall all economic growth industrial as well as consumer demand scenario.
- India is the second largest consumer and the third largest producer of stainless steel globally. India's per capita stainless steel consumption has increased from 1.2 Kg in 2010 to 2.8 Kg in FY 2023.
- With India being one of the fastest growing economies amongst the global peer, the country's stainless-steel demand in India is expected to witness steady growth as projected under the 'Stainless Steel Vision Document 2047' by CRISIL and the Indian Stainless Steel Development Association. The vision projects India's per capita stainless-steel consumption to grow to 8-9 Kg by 2040 and further to 11-12 Kg by 2047 while the domestic consumption is expected to grow to 12.7 MTPA and 20 MTPA by fiscals 2040 and 2047, indicating promising growth trajectory.
- In near term, India's growth scenario for stainless steel consumption remains intact on the back of substantial government expenditure planned in major end user industries under National Infrastructure Pipeline and recently announced PM Gati Shakti Project.
- Higher capital expenditure planned towards sectors with higher metals consumption intensity such as Railway, Road and Bridges, Water infrastructure and Affordable Housing is positive as this will support demand for metal. It is expected that domestic stainless-steel industry to grow from about 3.1 Mn tonnes in FY 2023 to 5.5Mn Tonnes by 2030, growing at CAGR 7.5%. This couple with supportive policy reform through scheme like Atmanirbhar Bharat, PLI, amended DMISP policy and make in India will give push to domestic manufacturing and strengthen the supply side dynamics.
- India's booming economy, with growing demand from sectors like construction, automobile manufacturing, and white goods production, further fuels its steel industry. The government's focus on infrastructure development and the 'Make in India' initiative has also contributed to increased domestic steel consumption.

(Source: D&B Report)

## OUR KEY STRENGTHS

We believe that we benefit from the following competitive key strengths:

### ***Established, integrated manufacturing setup at strategic location***

We primarily operate through our Manufacturing Facility which is spread across 35,196.98 sq.m of land at Halol Kalol Road, Kalol, Panchmahal, Gujarat and we possess over 20 years of operating experience in manufacturing long and flat stainless-steel products. Our Manufacturing Facility is equipped with an induction furnace, AOD, CCM, heat treatment facilities, rolling mill and bright bar shop. In addition to the same, our Manufacturing Facility is also equipped with an Oxygen Plant and a Nitrogen Plant which reduces our dependence on third party supplier. We use a combination of mechanized and human skills to achieve the desired standards of manufacturing. As on June 30, 2024 and last three fiscals, the following table sets forth details of our aggregate utilized capacity:

Particulars	Utilized Capacity							
	For three-month period ended June 30, 2024*	Capacity utilized (in %)	As on Fiscal 2024	Capacity utilized (in %)	As on Fiscal 2023	Capacity utilized (in %)	As on Fiscal 2022	Capacity utilized (in %)
Melting Capacity	12,000 MT	98.40	48,000 MT	99.96	48,000 MT	99.99	48,000 MT	97.73
Rolling Capacity	9,000 MT	99.46	36,000 MT	98.13	36,000 MT	92.97	36,000 MT	99.79
Bright Bar	1,500 MT	54.10	6,000 MT	51.84	6,000 MT	54.25	6,000 MT	71.12
Heat Treatment Facility	500 Tonnes	100	2,000 Tonnes	100	2,000 Tonnes	100	2,000 Tonnes	100
Oxygen plant	350 CuM/hour	100	350 CuM/hour	100	350 CuM/hour	100	350 CuM/hour	100
Nitrogen Plant	200 CuM/hour	100	200 CuM/hour	100	200 CuM/hour	100	200 CuM/hour	100

As certified by M/s JAS Associates Independent Chartered Engineer, vide his certificate dated November 26, 2024

\*Not Annualized and is only reflecting the capacity utilized for quarter ending June 30, 2024.

Our Manufacturing Facility is also supported by infrastructure for storage of raw materials and finished goods, together with quality control.

Further, our integrated production process allows us to be flexible with our production and be able to alter our products as per the customer's specific requirements as well as change our product mix to cater to the continuously evolving market conditions. We have the ability to convert the stainless-steel billets into long and flat products, and thereafter into black or bright category or sell the billets independently in the market.

The quantity of our stainless-steel products produced at our manufacturing facility is detailed as below.

Products	(in MT)						
	Billets produced	Ingots produced	Rolled Black Bar produced	Rolled Bright Bar produced	Flat & Patti produced	Wire Rods produced	Other Products (RCS, angle, mill scale) produced
For three-month period ended June 30, 2024	11,240.78	390.89	8,009.60	779.31	818.02	103.24	20.32
Fiscal 2024	46,839.94	1,139.11	30,805.77	2,506.04	2,252.44	723.61	308.28
Fiscal 2023	46,148.06	1,397.55	29,239.89	3,152.16	3,182.39	790.18	223.01
Fiscal 2022	44,659.70	1,344.04	30,803.35	4,149.92	4,308.44	440.35	371.23

As certified by the Statutory Auditors through certificate dated December 29, 2024.

Further, we propose to expand our manufacturing operations in form of forward integration and product portfolio by utilising the part of the vacant land by setting up plant for manufacturing of stainless-steel seamless pipes plant within the premise of our existing Manufacturing Facility which is one of the objects of the Fresh Issue. For further details, see "**Objects of the Offer**" on page no. 136.

As per the TEV Report issued by D & B, some common industrial areas where stainless steel seamless pipes are used include: Oil and Gas Industry, Chemical and Petrochemical Industry, Power Generation: Food and Beverage Industry: Automotive Industry: Construction and Architecture.

Further, as per the said TEV Report, few factors which suggests growing domestic demand for stainless steel pipes and tubes are;

- The consumption of stainless-steel seamless pipes and tubes has grown from 80,626 MT in 2011-12 to 2,14,654 MT in 2023-24, aligning with the overall growth in consumption.
- Close to 18,000 MT extruded pipes were imported from China last year. However, in order to protect the

domestic market, the Government of India has presently imposed import restriction and Anti-Dumping Duties on import of certain types of steel from China.

- India’s strategic position under the China +1 strategy enhances its role as a global stainless-steel supplier, driven by competitive costs and robust export infrastructure
- ‘Make in India’ campaign, PLI Schemes for specialty steel, and the Smart Cities Mission, has increased and is expected to amplify demand of stainless-steel pipes in construction, automotive, and infrastructure sectors.

The basic raw material required for manufacturing of stainless-steel seamless pipes is rolled bars, which is being presently manufactured by the Company in its existing Manufacturing Facility with rolling mill installed capacity of 36,000 MT per annum. This forward integration initiatives would enable us to produce stainless-steel seamless pipes using raw materials manufactured in-house and will ultimately result in operational efficiency, reducing product costs, controlling supply of raw materials and monitoring the quality of our products, thus giving us a competitive advantage and allow us to achieve economies of scale. The proposed integrated set-up will also reduce delivery timelines and allows us to service our customers faster and lead to higher operating margins. For details, see “*Objects of the Offer*” on page 136.

In addition to production at our Manufacturing Facility, we also engage third party manufacturing units on job work basis. During June 30, 2024 and Fiscal 2024, 2023 and 2022, we derived 841.52 MT, 6,800.27 MT, 3455.49 MT and 2593.34 MT of stainless-steel products through third party manufacturing units on job work basis. Our Company continuously seeks to identify new manufacturing units, on job work basis or similar arrangements, to achieve operational efficiency. Outsourcing the manufacturing of some of our products enables us to enhance our capabilities to cater the client’s requirements and leverage the market opportunities.

Our Manufacturing Facility is strategically located at Halol Kalol Road, Kalol, Panchmahal in Gujarat which is connected to the National Highway (NH 148N) and is also near different mediums of transport that are used for our business for inward and outward freight. The connectivity to our Manufacturing Facility is set forth below:

<b>Nearest City</b>	• Vadodara – 50.7 km
<b>Nearest Railway Station</b>	• Derol Railway Station – 5.9 km • Vadodara Railway Station, 50.7 km
<b>Nearest Ports</b>	• Varnama ICD – 60 kms • Dahej Port – 177 km • Hazira – 220 km
<b>Nearest Airport</b>	• Vadodara Airport – 45.2 kms
<b>Nearest highway</b>	• State Highway NH 148N – 0 km

The strategic location of our Manufacturing Facility reduce our transportation cost, be it for transportation of raw material or transportation of our products to our customers, and therefore provides us with logistics management and cost benefits, thereby improving our operating margins.

### Diverse Product Portfolio

We are engaged in the business of manufacturing of long and flat stainless-steel products. Our product portfolio comprises billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. We offer our products in more than eighty (80) diverse grades of stainless steel.

We specialize in the manufacture of stainless-steel products in a variety of sizes and grades having wide applications in varied industries. Listed below are our product size;

Billets	Cast ingots	Rolled Black & Bright bars			Flat & Patti	Wire Rods	Others	
		Hexagonal Bars	Square Bars	Round Bars			Mill scale	RCS
100 x 100mm	10’’x12’’x60’’inch	14mm to 70 mm	14mm to 70mm	16mm to 105mm	10 x 100mm	5.5mm to 17mm	023 MM fines	55mm x 100mm
120 x 120mm	14’’x17’’x72’’				12 x 120mm			



Billets	Cast ingots	Rolled Black & Bright bars			Flat & Patti	Wire Rods	Others	
		Hexagonal Bars	Square Bars	Round Bars			Mill scale	RCS
120mm	inch				160mm			
130 x 130mm	21''x23''x67'' inch				14 x 160mm			
140 x 140mm	31.50''x38''x7'' inch				33 x 75mm			
160 x 160mm	26''x31''x62'' inch				30 x 63mm			
200 x 200mm	325 x 325 x 2500 inch & 400 x 400 x 2300 inch				25 x 70mm			
130 x 170mm	500 x 500 x 2300 inch & 600 x 600 x 2300 inch				22 x 63mm			

Our diverse product portfolio that includes a broad range of sizes and grades not only make it possible for us to satisfy the ever-evolving expectations of our clients and comply with the latest demand in the market, but it also provides our Company with an advantage that allows us to compete more effectively with our rivals.

Our diversified product portfolio reduces our dependency on a particular product and de-risked our revenue streams. The following table provides information in relation to the revenue obtained from our products portfolio for June 30, 2023 and last three Fiscals:

(₹ in lakhs except for percentages)

Products	Billet	Ingots	Rolled Black Bar	Rolled Bright Bar	Flat & Patti	Wire rods	Other Products (RCS, , SS Mill Scale)
Revenue during the three-month period ended June 30, 2024	3,377.31	645.20	12,158.67	2,599.18	853.33	373.44	27.90
% of Revenue from Operations	16.45%	3.14%	59.23%	12.66%	4.16%	1.82%	0.14%
Revenue in Fiscal 2024	13,150.97	1,881.39	50,362.25	10,938.23	2,951.11	9,107.38	289.53
% of Revenue from Operations	14.45%	2.07%	55.35%	12.02%	3.24%	10.01%	0.32%
Revenue in Fiscal 2023	16,331.97	3,077.67	50,703.11	8,999.65	4,588.18	7,174.14	734.35
% of Revenue from Operations	17.23%	3.25%	53.50%	9.50%	4.84%	7.57%	0.77%
Revenue in Fiscal 2022	9,315.14	3,324.04	45,182.91	6,990.24	7,047.45	2,730.69	972.22
% of Revenue from Operations	12.15%	4.34%	58.95%	9.12%	9.20%	3.56%	1.27%

As certified by the Statutory Auditors through certificate dated December 30, 2024.

The following table provides information in relation to the average price of the Products sold per Kg for the periods indicated:

(in ₹)

Products	Billet	Ingots	Rolled Black Bar	Rolled Bright Bar	Flat & Patti	Wire rods
During the three-month period ended June 30, 2024	176	213	175	225	114	208

Products	Billet	Ingots	Rolled Bar	Black	Rolled Bright Bar	Flat Patti	& Wire rods
Fiscal 2024	168	222	188		234	130	248
Fiscal 2023	192	242	190		254	137	247
Fiscal 2022	222	246	167		250	110	166

As certified by the Statutory Auditors through certificate dated December 29, 2024.

#### ***Established customer base and strong relationships***

We believe that we have established strong customer relations in the course of over 20 years of operating experience. We believe that one of the key factors differentiating us from our competitors is the quality of our products and customer centric approach of offering products meeting the customers' specifications. We believe that this approach has helped us to not only grow our business but has also nurtured and expanded our market presence in the industry in which we operate.

During the three-month period ending June 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, we catered to over 209 customers, 385 customers, 363 customers and 315 customers respectively, out of which around 150 customers have been associated with us for over a period of 3 years, and such customers contributed to ₹60,757.67 lakhs to our revenue from operations which amounted 66.78% of total revenue from operations of Fiscal 2024.

We majorly cater the domestic market and have also exported our products to five (5) countries during the three months period ended June 30, 2024 and Fiscal 2024. We exported our products to countries such as, UAE, USA, Poland. During the three-month period ended June 30, 2024 and Fiscal 2024 our revenue from export of our Company's products amounted to ₹298.57 lakhs, and ₹486.33 lakhs representing 1.45% and 0.53% of our Company's revenue from operations, respectively. Further, we have supplied samples of our products to international market of Korea and Thailand.

Our long-term association with our key customers also offers significant competitive advantages such as revenue visibility, industry goodwill and quality assurance. Set forth below are the details of contribution towards our revenue from our top 5 customers during the three-month period ending June 30, 2024 and in last three Fiscals and other details;

#### **For three months period ending June 30, 2024**

Customer Name	June 30, 2024		
	Other Details	Revenue (₹ in lakhs)	% to revenue from operations
<b>Aamor Inox Limited</b>		1,985.62	9.67%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Billets, Bright Bars and Threaded Bars</i>		
<i>Product Category</i>	<i>Stainless Steel Billet and Bars</i>		
<i>Length of Relationship</i>	<i>More than 5 years</i>		
<b>Hindustan Inox Limited</b>		1,592.06	7.76%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Bright Bars</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 10 years</i>		
<b>Maxim Tubes Company Private Limited</b>		1,516.17	7.39%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Seamless Pipes and Tubes</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		



Customer Name		June 30, 2024	
Other Details		Revenue (₹ in lakhs)	% to revenue from operations
<i>Length of Relationship</i>	<i>More than 5 years</i>		
<b>Venus Pipes and Tubes Limited</b>		1,121.26	5.46%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Seamless Pipes and Tubes</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 3 years</i>		
<b>D H Exports Private Limited</b>		594.42	2.90%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Bright Bars</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 10 years</i>		

\*As certified by the Statutory Auditors through certificate dated December 29, 2024.

#### For Fiscal 2024

Customer Name		Fiscal 2024	
Other Details		Revenue (₹ in lakhs)	% to revenue from operations
<b>Aamor Inox Limited</b>		8136.08	8.94%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Billets, Bright Bars and Threaded Bars</i>		
<i>Product Category</i>	<i>Stainless Steel Billet and Bars</i>		
<i>Length of Relationship</i>	<i>More than 5 years</i>		
<b>Hindustan Inox Limited</b>		7359.45	8.09%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Bright Bars</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 10 years</i>		
<b>Maxim Tubes Company Pvt Ltd.</b>		6706.93	7.37%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Seamless Pipes and Tubes</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 5 years</i>		
<b>Suraj Limited</b>		2807.37	3.09%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Seamless Pipes and Tubes</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 10 years</i>		
<b>Sieves Manufacturer (I) Pvt. Ltd.</b>		2491.01	2.74%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Bright Bars</i>		

Customer Name	Fiscal 2024		
	Other Details	Revenue (₹ in lakhs)	% to revenue from operations
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 10 years</i>		

\*As certified by the Statutory Auditors through certificate dated December 29, 2024.

#### For Fiscal 2023

Customer Name*	Fiscal 2023		
	Other Details	Revenue (₹ in lakhs)	% to revenue from operations
<b>Hindustan Inox Limited</b>		8746.80	9.23%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Bright Bars</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 10 years</i>		
<b>Aamor Inox Limited</b>		8390.10	8.85%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Billets, Bright Bars and Threaded Bars</i>		
<i>Product Category</i>	<i>Stainless Steel Billet and Bars</i>		
<i>Length of Relationship</i>	<i>More than 5 years</i>		
<b>Ambica Steels Limited</b>		5102.78	5.38%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Stainless Steel Long Products</i>		
<i>Product Category</i>	<i>Stainless Steel Billet and Bars</i>		
<i>Length of Relationship</i>	<i>More than 3 years</i>		
<b>Maxim Tubes Company Private Limited</b>		4,721.78	4.98%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Seamless Pipes and Tubes</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 5 years</i>		
<b>Suraj Limited</b>		3166.74	3.34%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Seamless Pipes and Tubes</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 10 years</i>		

\*As certified by the Statutory Auditors through certificate dated December 29, 2024.

#### For Fiscal 2022

Customer Name*	Fiscal 2022		
	Other Details	Revenue (₹ in lakhs)	% to revenue from operations
<b>Hindustan Inox Limited</b>		6913.60	9.02%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Bright Bars</i>		

Customer Name*	Fiscal 2022		
	Other Details	Revenue (₹ in lakhs)	% to revenue from operations
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 10 years</i>		
<b>Sieves Manufacturer (I) Pvt. Ltd.</b>		4165.83	5.44%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Bright Bars</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 10 years</i>		
<b>Aamor Inox Limited</b>		4,067.75	5.31%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Billets, Bright Bars and Threaded Bars</i>		
<i>Product Category</i>	<i>Stainless Steel Billet and Bars</i>		
<i>Length of Relationship</i>	<i>More than 5 years</i>		
<b>Precision Metals</b>		3,898.11	5.09%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Bright Bars</i>		
<i>Product Category</i>	<i>Stainless Steel Bars</i>		
<i>Length of Relationship</i>	<i>More than 10 years</i>		
<b>Ambica Steels Limited</b>		3626.27	4.73%
<i>Country</i>	<i>India</i>		
<i>Customer type</i>	<i>Manufacturers of Stainless Steel Long Products</i>		
<i>Product Category</i>	<i>Stainless Steel Billet and Bars</i>		
<i>Length of Relationship</i>	<i>More than 3 years</i>		

\*As certified by the Statutory Auditors through certificate dated December 29, 2024.

The table set forth below are contribution of our top 10 customers towards our revenue from operations:

(₹ in lakhs except for percentages)

Period	Revenue from operations	Revenue contribution of our top 10 customers	% Revenue contribution of our top 10 customers
For the period ended June 30, 2024	20,528.03	9087.76	44.27%
Fiscal 2024	90,980.80	38164.09	41.95%
Fiscal 2023	94,767.44	41972.57	44.29%
Fiscal 2022	76,641.70	36255.25	47.30%

\*As certified by the Statutory Auditors through certificate dated December 29, 2024.

We believe that the recognition of our product quality has enabled us to penetrate the stainless-steel products market and cater the new customers in addition to our existing customer network.

#### **Strong Promoters and Experienced Management Team**

We are driven by a qualified and dedicated management team, which is led by our Board of Directors. Our Promoters Shankarlal Deepchand Mehta and Babulal D Mehta have been associated with the Company since the year 1999 and Jayesh Natvarlal Pithva and Yashkumar Shankarlal Mehta since the year 2007 & 2015 respectively

and have played a significant role in the development of our business. Our Promoters play a pivotal role in formulating business strategies, driving innovation, integrating systems, processes and technologies, diversification and expansion of business, and commitment to customer-focused approach.

Our management approach is collaborative and function-oriented, and we believe this to be critical to our competitive advantage. Our management team’s collective experience and capabilities enable us to understand and anticipate market trends, manage our business operations and growth, leverage customer relationships and respond to changes in customer preferences. We will continue to leverage on the experience of our management team and their understanding of the special steels industry, to take advantage of current and future market opportunities. For further details, see “*Our Promoters and Promoter Group*” and “*Our Management*” on page 276 and 262. With the support of a qualified pool of employees including our quality assurance team, we have collectively demonstrated an ability to manage and grow our operations.

We believe that with the combination of our Promoters, our management along with qualified pool of employees and their experience and expertise in the steel industry has provided us with a competitive advantage and enabled us to maintain the consistency in our financial performance on year-on-year basis.

### ***Track Record of healthy growth***

We have demonstrated consistent growth in terms of revenues and profitability. We have been able to increase our revenue from operations from year 2006 onwards. We, from being a Non-BIFR Sick Industrial Unit in the year 2006, have grown into a profit-making stainless-steel products manufacturing company. Onwards, the year 2006, we have demonstrated consistent growth in terms of revenues and profitability. Our revenue from operations has grown from ₹3604.07 Lakhs in Fiscal 2006 to ₹90,980.80 lakhs in Fiscal 2024 registering a CAGR of 19.65% in last 18 years. Similarly, our profit after tax has grown from ₹71.23 lakhs in Fiscal 2006 to ₹3,162 lakhs in Fiscal 2024, registering a CAGR of 23.46 % in last 18 years. The significant growth of our business during the three-month period ended June 30, 2024 and last three Fiscals has contributed significantly to our financial strength. Our Company had achieved revenue from operations of ₹20,528.03 lakh in three-month period ended June 30, 2024, ₹90,980.80 lakh in Fiscal 2024, ₹94,767.44 lakh in Fiscal 2023 and ₹76,641.70 lakhs in Fiscal 2022. Our revenue from operations have grown at a CAGR of 5.88% between Fiscal 2022 and Fiscal 2024. Our key financial performance indicator for three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 are detailed below.

*(₹ in lakhs except for percentages)*

<b>Parameter</b>	<b>Three months ended June 30, 2024</b>	<b>Financial Year 2024</b>	<b>Financial Year 2023</b>	<b>Financial Year 2022</b>
Revenue from operations	20,528.03	90,980.80	94,767.44	76,641.70
EBITDA	1934.27	5940.97	4384.58	3024.50
EBITDA Margin (%)	9.42%	6.53%	4.63%	3.95%
Restated Profit after Tax	1,091.39	3,162.89	2,404.46	869.70
PAT Margin (%)	5.32%	3.48%	2.54%	1.13%

*\*As certified by the Statutory Auditors through certificate dated December 29, 2024.*

We believe that we have been able to maintain our financial growth, due to efficient business model. We strive to maintain a robust financial position with emphasis on having a strong balance sheet. Our balance sheet enables us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations.

Further, we believe that we have built a resilient business model that has allowed us to navigate through challenges with resilience and continue to grow our business through adverse events such as the Indian banknote demonetization in 2016, and COVID-19 pandemic.

We believe that our financial performance, demonstrates not only the growth of our operations over the years, but also the effectiveness of our management, our well-established customer relationship and cost monitoring that we have implemented. Among other things, our strong financial position and results of operations have enabled us to enhance scale of operation.

## OUR STRATEGIES

### Setting up of Stainless-Steel Seamless Pipes Unit

We propose to establish manufacturing of stainless-steel seamless pipes plant within the premise of our existing Manufacturing Facility. The basic raw material required for manufacturing of stainless-steel seamless pipes is rolled black/bright bar, which is being presently manufactured by the Company in its existing Manufacturing Facility with rolling mill installed capacity of 36,000 MT per annum. This forward integration initiatives would enable us to produce stainless-steel seamless pipes using raw materials manufactured in-house and will ultimately result in operational efficiency, reducing product costs, controlling supply of raw materials, and monitoring the quality of our products, thus giving us a competitive advantage and allow us to achieve economies of scale. The proposed integrated set will also reduce delivery timelines which will allows us to service our customers faster, leads to higher operating margins. For details, see “*Objects of the Offer*” on page 136.

Further, with the proposed manufacturing plant of stainless-steel seamless pipes, would leverage the Company to either opt to sell the intermediate product i.e. mother pipes to various companies engaged in pilgering of mother pipes. This will widen the market for the Company as it will increase Company’s product portfolio and hence customer base. This will further help in mitigating the offtake risk.

### Strengthening our foothold in our existing markets and expanding our customer base

A majority of our products are primarily sold domestically through direct sales and traders’ network and our products caters to the raw material requirements of a number of other industries/unit such as stainless-steel bar processing, seamless pipes manufacturing, forging, wire manufacturing, utensils manufacturing, engineering, pump and shaft, automotive, fasteners and fitting, etc. The brief details of industry wise sale of our products for the three-month period ended June 30, 2024 and last three fiscals is listed as below;

Industry	During the three month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations
Bar processing	6,979.53	34.00	29,545.53	32.47	3,6136.25	38.13	30,104.86	39.28
Seamless pipes	4,351.94	21.20	16,889.54	18.56	11,634.88	12.28	9,281.31	12.11
Forging	1,837.26	8.95	8,417.79	9.25	9,948.06	10.50	6,974.39	9.10
Wire manufacturing	769.80	3.75	8,195.05	9.01	6,260.07	6.61	2,153.63	2.81
Engineering	1,005.87	4.90	3,595.20	3.95	3,721.94	3.93	2,605.82	3.40
Casting	570.68	2.78	3,313.12	3.64	3,774.61	3.98	2,843.41	3.71
Fastners	478.30	2.33	2,310.91	2.54	1,042.44	1.10	1,210.94	1.58
Utensile manufacturing	726.69	3.54	1,656.06	1.82	3,012.16	3.18	6,246.30	8.15
Pump shaft	383.87	1.87	1,336.39	1.47	1,245.64	1.31	643.79	0.84
Auto industry	236.07	1.15	485.55	0.53	1,775.86	1.87	851.57	1.11
Others	3,188.00	15.53	15,235.65	16.75	16,215.52	17.11	13,725.69	17.91

\*As certified by the Statutory Auditors through certificate dated December 29, 2024.

We currently sell our products in thirteen (13) states and two (2) union territories through direct sales and our dealers distribution network. We generate significant revenue from operations from the state of Maharashtra, Gujarat and Uttar Pradesh which amounts to 18,506.83 lakhs, 79,245.58 lakhs, 86,416.05 lakhs and 67,137.65

lakhs constituting 90.15%, 87.10 %, 91.19% and 87.60% of total revenue from operations during the three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively.

The following table sets forth a breakdown of our revenues from operations from the various states/union territories of the Country, in absolute terms and as a percentage of total revenue from operations, for the periods indicated;

Name of the States/Union Territories	For the three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations
Andhra Pradesh	37.59	0.18%	150.00	0.16%	119.58	0.13%	128.10	0.17%
Chhattisgarh	-	0.00%	-	0.00%	6.17	0.01%	-	0.00%
Dadra & Nagar Haveli and Daman & Diu	24.46	0.12%	848.77	0.93%	880.04	0.93%	1,079.56	1.41%
Delhi	73.02	0.36%	467.31	0.51%	1,199.96	1.27%	778.74	1.02%
Gujarat	7,748.31	37.75%	26,659.37	29.30%	23,732.80	25.04%	15,772.13	20.58%
Haryana	123.26	0.60%	3,296.36	3.62%	1,353.92	1.43%	6.02	0.01%
Karnataka	659.59	3.21%	1,983.79	2.18%	1,102.98	1.16%	1,368.92	1.79%
Madhya Pradesh	23.59	0.11%	1,378.61	1.52%	781.61	0.82%	147.51	0.19%
Maharashtra	8,177.25	39.83%	39,962.48	43.92%	46,047.33	48.59%	39,842.91	51.99%
Punjab	65.76	0.32%	557.80	0.61%	468.67	0.49%	144.29	0.19%
Rajasthan	370.61	1.81%	1,224.94	1.35%	1,686.42	1.78%	5,243.05	6.84%
Tamil Nadu	30.44	0.15%	494.51	0.54%	728.65	0.77%	419.90	0.55%
Telangana	-	0.00%	-	0.00%	23.84	0.03%	28.69	0.04%
Uttar Pradesh	2,581.27	12.57%	12,623.73	13.88%	16,635.92	17.55%	11,522.61	15.03%
West Bengal	314.30	1.53%	846.80	0.93%	(0.44)	0.00%	159.27	0.21%

In addition to catering domestic market, presently our products are being exported to five countries, including international markets of UAE, USA, Turkey, and Poland. Moreover, we have supplied samples of our products to International market of Korea and Thailand. The following table sets forth a breakdown of our revenues from operations in India and our revenue from operations outside India, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

Particulars	<i>(₹ in lakhs except for percentages)</i>							
	For the period ended June 30, 2024	% to the total revenue	Fiscal 2024	% to the total revenue	Fiscal 2023	% to the total revenue	Fiscal 2022	% to the total revenue
Domestic Revenue	20,229.46	98.55	90,494.47	99.47	94,767.44	100	76,641.70	100
Export Revenue	298.57	1.45	486.33	0.53	-	-	-	-
<b>Total Revenue from Operations</b>	<b>20,528.03</b>	<b>100</b>	<b>90,980.80</b>	<b>100</b>	<b>94,767.44</b>	<b>100</b>	<b>76,641.70</b>	<b>100</b>

\*As certified by the Statutory Auditors through certificate dated December 29, 2024.

Further, while our revenue from operations have grown between Fiscal 2022 and Fiscal 2024, we have been predominantly focused on the domestic market with small exports contribution. We aim to leverage our product portfolio, customer acceptance in domestic markets and our presence in export markets to expand into new international markets.

Further, with our integrated Manufacturing Facility along with proposed stainless-steel seamless pipes manufacturing facility and capabilities, we also intend to continue focus on increasing our domestic wallet share with existing customers and establish relationships with new customers.

***Continue to improve operations and profitability through strategic initiatives***

We believe that our emphasis on quality operations and the provision of customized solutions has strengthened the trust and engagement we have with our customers, in addition to contributing to the growth of our business. We analyze our operational and maintenance processes on a regular basis to enhance efficiencies. We supplement these measures by investing in new technology, improved machinery and minor automation. We believe that the various strategic initiatives that we have implemented, including the continued investment in our manufacturing facilities, developing and enhancing our in-house capabilities, and our supply-chain management protocols will continue to play a critical role in our future success. Accordingly, we intend to build on our existing strategic initiatives to achieve operational excellence that translates into financial strength and performance.

***Continue our efforts towards training of manpower***

Our success in the future will depend on our ability to continue to maintain a pool of experienced employees. We have been successful in building a team of talented employees and intend to continue placing special emphasis on managing attrition and attracting and retaining our employees. We also provide technical and functional training to our employees. We intend to continue to encourage our employees to be enterprising and help them to ‘learn on the job’ and grow within our organisation. We believe in internal progression and this emanates from the notion of making employees grow along with the organization.

***Focus on rationalizing our indebtedness***

We intend to rationalize our borrowings to improve our debt-to-equity ratio and lower our overall finance costs. As on October 31, 2024, the amount outstanding under our loan facilities was ₹ 13,576.53 lakhs. We propose to use a portion of the Net Proceeds to repay or prepay part of our borrowings. The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt-equity ratio and enable utilization of some additional amount from our internal accruals for further investment in business growth and expansion. In addition, we believe that since our debt-equity ratio will improve significantly, it will enable us to raise further resources at competitive rates and additional funds or capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future. For further details on the proposed use of the Net Proceeds, see “*Objects of the Offer*” on page 136.

**OUR BUSINESS OPERATIONS:**

In addition to revenue from manufacturing and supply our stainless steel products, we also derive revenue; (i) from sale of consumable goods, ferro alloys, fluxes and scrap residue; and (ii) stainless steel products manufactured by us on job-work basis. Our Company’s revenue from operations for three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 are detailed as below;

*(₹ in lakhs except for percentages)*

<b>Our operations</b>	<b>For the three months period ended June 30, 2024</b>	<b>As % of Revenue from Operations</b>	<b>Fiscal 2024</b>	<b>As % of Revenue from Operations</b>	<b>Fiscal 2023</b>	<b>As % of Revenue from Operations</b>	<b>Fiscal 2022</b>	<b>As % of Revenue from Operations</b>
Income from Manufacturing	20,035.02	97.60%	88,680.85	97.47%	91,609.07	96.67%	75,562.68	98.59%
Income from Trading	402.59	1.96%	1,651.61	1.82%	2,810.72	2.97%	685.32	0.89%
Job work	90.42	0.44%	648.34	0.71%	347.66	0.37%	393.70	0.51%




Our operations	For the three months period ended June 30, 2024	As % of Revenue from Operations	Fiscal 2024	As % of Revenue from Operations	Fiscal 2023	As % of Revenue from Operations	Fiscal 2022	As % of Revenue from Operations
income and other income								
<b>Total</b>	<b>20,528.03</b>	<b>100%</b>	<b>90,980.80</b>	<b>100%</b>	<b>94,767.44</b>	<b>100%</b>	<b>76,641.70</b>	<b>100%</b>



\*As certified by Statutory Auditors through certificate dated December 29, 2024.

### OUR PRODUCT PORTFOLIO



We specialize in the manufacture of stainless-steel products in a variety of sizes and grades having wide applications in varied industries. We market and sell our products under the name 'RSL'. Details of our product portfolio are as follows:



Product Type	Specification (in mm)	Product features / Description	Application/End Use	Image
<b>Billet</b>	100 x 100	Billets are semi-finished products made from liquid steel solidified into a continuous strand.	<ul style="list-style-type: none"> <li>• Forging</li> <li>• Rolling</li> <li>• Ring Rolling</li> </ul>	
	120 x 120			
	130 x 130			
	140 x 140	The stainless-steel billets serve as optimal inputs for subsequent hot working processes.		
	160 x 160			
	200 x 200			
	130 x 70			
	<p><b><u>Length:</u></b> Up to 8.5 meters, with saw end cuts, providing flexibility for different applications.</p> <p><b><u>Surface Condition:</u></b> Supplied in spot ground or fully ground condition, adhering to specific requests for varied applications.</p> <p><b><u>Marking:</u></b> Each billet is marked with essential information, including heat number, grade, size, and weight, facilitating easy</p>			



Product Type	Specification (in mm)	Product features / Description	Application/End Use	Image
		identification and traceability.		
<b>Cast ingots</b>	10''x12''x60'' 14''x17''x72'' 21''x23''x67'' 31.50''x38''x7'' 26''x31''x62'' 325 x 325 x 2500 & 400 x 400 x 2300 500 x 500 x 2300 & 600 x 600 x 2300	<p>Cast ingot are mass of metal that are poured into a mold and solidified into a shape that is convenient for storage, transportation, and further processing.</p> <p><b>Surface Quality:</b> Free from surface defects or cracks, ensuring the integrity of the forging process.</p> <p><b>Marking:</b> Each billet is marked with essential information, including heat number, grade, size, and weight, facilitating easy identification and traceability.</p>	<ul style="list-style-type: none"> <li>● Open die hot forgings</li> <li>● Re-Rolling</li> <li>● Ring Rolling</li> </ul>	
<b>Rolled Bars</b>				
<ul style="list-style-type: none"> <li>● <b>Hexagonal Bars</b></li> </ul>	14 mm to 70 mm	<p>Hexagonal Bar refers to stainless steel rolled bars that has been processed through a rolling mill to achieve hexagonal shapes and dimensions.</p> <p><b>Length:</b> Up to 6 meters, offering flexibility for different construction and manufacturing requirements.</p> <p><b>Tolerances:</b> meeting h11, k12, and k13 standards to ensure accurate and consistent</p>	Manufacturing nuts, valves, hose ends, fasteners, and hex bolts.	

Product Type	Specification (in mm)	Product features / Description	Application/End Use	Image
<ul style="list-style-type: none"> <li><b>Square Bars</b></li> </ul>	14mm to 70 mm	<p>These are stainless steel bar in square shape with improved mechanical attributes, precise dimensional accuracy, and a flawless surface finish.</p> <p><b>Length:</b> Up to 6 meters, offering flexibility for different construction and manufacturing requirements.</p> <p><b>Tolerances:</b> Meeting ASTM A 484, EN 10059 &amp; EN 10278 standards, ensuring precise dimensions.</p>	Construction and fabrication.	
<ul style="list-style-type: none"> <li><b>Round Bars</b></li> </ul>	16mm to 105mm	<p>Rolled stainless steel refers to stainless steel that has been processed through a rolling mill to achieve specific shapes and dimensions. The rolling process involves passing the steel through one or more pairs of rolls to reduce its thickness, increase its length, or shape it into various forms.</p> <p><b>Forms</b> – black and brights</p> <p><b>Length</b> - up to 8 meters, providing flexibility for diverse construction needs.</p> <p><b>Tolerance:</b></p>	Construction, engineering, automotive industries, manufacturing shafts, gears, and axles.	 

Product Type	Specification (in mm)	Product features / Description	Application/End Use	Image
		<p>Adhering to ASTM A484 and EN10060 standards for black bars and h7, h8, h9, h10, h11, k12, and k13 for bright bars</p> <p><b>Surface:</b> Hot Rolled Black for black bars and high-quality surface for bright bars.</p>		
<b>Flat &amp; Patti</b>	10 x 100 12 x 160 14 x 160 33 x 75 30 x 63 25 x 70 22 x 63	<p>The production of HRAP (Hot Rolled and Annealed Pickled) Flat Bars involves a meticulous process, ensuring the highest quality. The steps include hot rolling of steel, thorough solution annealing, and a pickling process to enhance corrosion resistance. This comprehensive approach results in flat bars with exceptional properties.</p>	<ul style="list-style-type: none"> <li>• Chemical Industry,</li> <li>• Architectural and Structural Design Components</li> <li>• Pharmaceuticals</li> <li>• Kitchen Equipment &amp; Utensils</li> </ul>	
<b>Wire Rods</b>	5.5 to 17	<p>Stainless steel wire rods are slender, cylindrical metal bars that are strong, flexible, and resistant to corrosion.</p> <p><b>Length:</b> The length of the wire rods is customizable based on customer requirements, ensuring flexibility for different applications.</p> <p><b>Surface Finish:</b> Wire rods</p>	<p>Wire Drawing, Construction, Automotive, General Engineering</p>	

Product Type	Specification (in mm)	Product features / Description	Application/End Use	Image
		are in various surface finishes, including Bright Finish, and Matte Finish.		
<b>Others</b>				
<b>RCS (Round Cornered Square Bars)</b>	55 x 55	Our Hot Rolled Round Cornered Squares (RCS) stainless steel bars with curved corners.  They have strict tolerance standards such as ASTM A484	Fabrication, Construction and architectural sectors.	
	63 x 63			
	70 x 70			
	90 x 90			
<b>SS Mill Scale</b>	0-3	Mill Scales are fines which are product of rolling mill	Used in re-melting in furnace to remanufacture steel ingots.	

### ***OUR MANUFACTURING FACILITY***

We primarily operate through our Manufacturing Facility which is equipped with an induction arc furnace, a rolling mill and a bright bar shop. We use a combination of mechanized and human skills to achieve the desired standards of manufacturing. As on June 30, 2024, we had an installed melting capacity of 48,000 MTPA, rolling capacity of 36,000 MTPA and bright bar capacity of 6,000 MTPA, heat treatment facility having installed capacity of 25 tonnes/batch size and Oxygen and Nitrogen plants having installed capacity of 350 cum/hour & 200 cum/hour respectively. Our Manufacturing Facility is also supported by infrastructure for storage of raw materials, and finished goods, together with quality control.

As on the date of this Draft Red Herring Prospectus, we are accredited with AD 2000-Merkblatt W0 certification as material manufacturer from TUV NORD Systems GmbH & Co. KG. We have also received, and maintain, product certifications from the Bureau of Indian Standards, such as the IS 6603:2001 for Stainless Steel Bars and Flat products.

These regulatory approvals and accreditations enable us to supply our products in regulated and other markets. We analyze our operational and maintenance processes on a regular basis to enhance efficiencies. We supplement these measures by investing in new technology, improved machinery and minor automation.

Our Manufacturing Facility is operated 7 (seven) days in a week working between 1 to 3 shifts per day of 8 hours as per production requirement and we comply with applicable national and public holidays as per National and Festival Holidays Act, 1963.

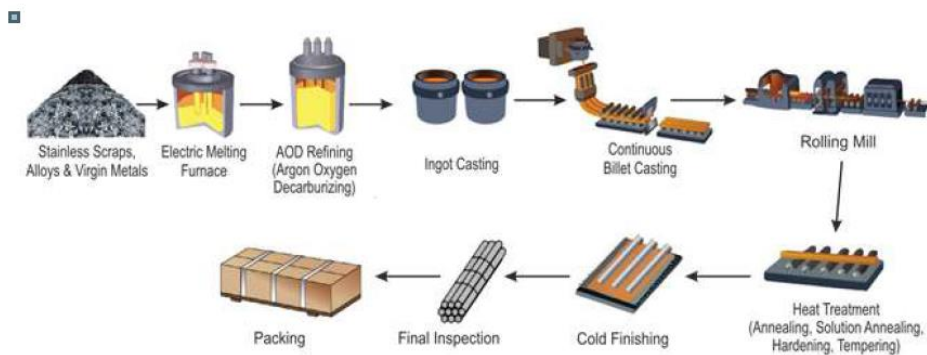
In addition to the same, our Manufacturing Facility is also equipped with an Oxygen Plant and Nitrogen Plant. We have also entered into arrangement with third-party manufacturers for manufacturing of some our products on job work basis. For details, see “***Our Business - Raw Material and Third-Party Manufacturers***” on page 240. A few photographs of our Manufacturing Facility is set out below;



### Flowchart of Manufacturing Process

A brief flow chart explaining the synergies of complete integration is presented below:

PROCESS FLOW CHART



### Manufacturing Process

#### Purchase and Testing of Raw Material

The scrap and Ferro Alloys are purchased as per different grade requirements. The scrap received is tested and based on the requirement of finish goods it is used.

Our Manufacturing Facility which is equipped with an induction furnace, a rolling mill and a bright bar shop.

#### Induction Furnace

To make stainless steel, the primary raw materials i.e. scrap is melted in an induction furnace. After melting stage the material goes to the AOD – Argon Oxygen Decarburization process. Here the molten material is further processed to make it low carbon stainless steel and to further purify the material. This stage involves blowing of

gases like oxygen, nitrogen and argon through the submerged tuyeres of the AOD vessel. Also ferro alloys and other metal scrap is added to achieve the finish chemistry required for the material.

AOD provides an economical way to produce stainless steel with a minimal loss of precious elements. It is part of a duplex process in which scrap or virgin raw materials are first melted in an induction furnace. The molten metal is then decarburized and refined in a special AOD vessel to less than 0.05% carbon. The key feature in the AOD vessel is that oxygen for decarburization is mixed with argon or nitrogen gases and injected through submerged tuyeres. This argon dilution minimizes unwanted oxidation of precious elements contained in specialty steels, such as chromium. Also ferro alloys and other metal scrap is added to achieve the finish chemistry required for the material.

After AOD process the material is transferred to Continuous Casting Machine for casting as billets. The billets are made of various sizes as per customer requirements and mould sizes. The continuous casting machine makes billets in various sections.

### **Rolling Mill**

As per the requirement of finished product, the input i.e. billet sizes are decided and cut into required lengths. These billets are either moved to the platforms of shearing machines or are cut into pieces of smaller lengths by oxy-acetylene torches. Pneumatically operated shearing machines shear the billets into smaller sizes.

- Sheared billets are piled over one another manually and these piles are picked by overhead crane that lifts it to the raised platform of pusher. Billets are placed manually in front of pusher. Pusher then pushes the billets into the furnace.
- In furnace billets are heated to over 1200 degree Celsius. When billets reach the other end of the furnace they are hot enough to be rolled.
- Red-hot billets are then pulled from the furnace on to the conveyor, which transports it to the rolling stand. After passing through rolling stands several times (depending upon the type of bar required) they are taken to the cooling bed. Bars rolled by the mill are transported to the cooling bed by conveyor.
- Bars are air-cooled while on cooling bed. Chains carry the bars and transport them at snail's pace to the conveyor. Slow speed of chains allows sufficient time for bars to cool down. Cooling bed adjacent to mill drops the bars on to a conveyor which takes them to the bar yard. The other cooling bed drops them directly in to the bar yard without employing any conveyor.

### **Heat Treatment Facility**

Annealing through our heat treatment facility restores ductility and removes residual stress from processed metals. We have 2 pot furnaces as well as an in-line strand annealing to enable us to produce intricate shapes without overly taxing the material, improving the corrosion resistance, relieving residual stress and enhancing the mechanical properties in stainless steel bars.

### **Bright Bar Shop**

Bright Bar Shop is a step towards manufacturing value-added steel meant for certain critical applications. After rolling of billets/blooms, the Black, Hexagon, Square and other such bars are transferred to Bright Bar Shop. The activities carried out in the Bright Bar Shop are rinsing, coating, cold drawing, straightening, cutting.

- Cold Drawing: Cold drawing forms metal wire from a pre-rolled or pre-drawn condition into a secondary or final shape by pulling it through precision draw dies.
- Straightening: Two different strengtheners that can handle a wide variety of shaped straightening are used. In addition, heat treated bars can be straightened directly off of the heat treat line.
- Polishing: The bars are then polished using the polishing machine and these polished bars are called bright bars.
- Cutting: The finished bright bars are now sent to the cutting machine to be cut into specific lengths depending on the customer requirements.



### Capacity and Capacity Utilization

The following table sets forth certain information relating to the capacity utilization of our Manufacturing Facility calculated on the basis of total installed production capacity and actual production, as of and for the years/periods indicated herein:

Particulars	Installed Capacity				Actual Production (In MTPA)				Capacity Utilization# (%)			
	For three-month period ended June 30, 2024*	As on Fiscal 2024	As on Fiscal 2023	As on Fiscal 2022	For three-month period ended June 30, 2024	As on Fiscal 2024	As on Fiscal 2023	As on Fiscal 2022	For three-month period ended June 30, 2024	As on Fiscal 2024	As on Fiscal 2023	As on Fiscal 2022
Melting Capacity	12,000 MT	48000 MT	48000 Mt	48000 MT	11807.89 MT	47979.05 MT	47993.43 MT	46911.62 MT	98.40	99.96	99.99	97.73
Rolling Capacity	9,000 MT	36000 MT	36000 MT	36000 MT	8951.18 MT	35327.16 MT	33469.97 MT	35923.38 MT	99.46	98.13	92.97	99.79
Bright Bar	1,500 MT	6000 MT	6000 MT	6000 MT	811.57 MT	3110.25 MT	3254.87 MT	4267.24 MT	54.10	51.84	54.25	71.12
Heat Treatment Facility	500 Tonne s	2000 Tonne s	2000 Tonne s	2000 Tonne s	500 Tonne s	2000 Tonne s	2000 Tonne s	2000 Tonne s	100	100	100	100
Oxygen plant	350 CuM	350 CuM	350 CuM	350 CuM	350 CuM	350 CuM	350 CuM	350 CuM	100	100	100	100
Nitrogen Plant	200 CuM	200 CuM	200 CuM	200 CuM	200 CuM	200 CuM	200 CuM	200 CuM	100	100	100	100

As certified by M/s JAS Associates, Independent Chartered Engineer, vide his certificate dated November 26, 2024

\*Not Annualized and is only reflecting the capacity utilized for quarter ending June 30, 2024

### Packaging & dispatch

The packaging of the finished product is the last step in manufacturing of the products. We have laid down the packaging standards. We have a dedicated team of employees for packaging and dispatch of the products and their efforts helps us to deliver the finished goods in a proper packaging to our customers in India and outside India.

### Our Equipment

The details of existing major Plant and Machineries in our Facility are given below:

Sr. No.	Broad Description	Details of Machineries	Capacity	Make
1	Induction Furnace, Argon-Oxygen Decarburizer & Continuous Casting Machine	Includes 2 Induction furnaces, AOD Continuous casting machine, EOT cranes, HT transformer, Generators, Cooling Tower, Ladle, Electrical & Mechanical Equipment's, Bundle Press Machine, FES systems, Hot Billet Sharing and all other accessories.	48,000 MTPA	Electrotherm India limited, Pooja Engineering.

Sr. No.	Broad Description	Details of Machineries	Capacity	Make
2	Rolling Mills	Includes 18” and 12” inch rolling mills, mill Stand, Billet preheating Furnace, Lathe Machines, Hot Saw Shearing machine, Slip ring Induction, Hot Flat Shearing machine, Weighing Bridges, Swinging Grinders, Motor with reduction and distribution gear box, Pinch Roll Motor, Fly share motor, Universal testing machine, punching machine, Cooling Bar bed, Electrical and Mechanical equipment’s and all other accessories	36,000 MTPA	Lucky Industries, Deem Rolls, Bihari lal Ispat private limited.
3	Bright Bar Shop	Includes bar peeling lines, Bar Straightening machines, Draw Benches, Belt Polish Machines, Schemag Machines, Motors and rollers, Weighing bridge, Laboratory equipment and all other accessories.	6,000 MTPA	Shri Gayatri engineering, Lucky Industries
4	Nitrogen & Oxygen Gas plant	Includes Compressor, Motors, Chillers, Storage Tanks, Electrical Panels, Transformer, Pump Sets, Cooling Towers, Water Tanks and all other accessories.	Nitrogen Plant: 200 CuM Oxygen Plant: 350 CuM	Sanghi oxygen, Ashoka compressor.
5	Heat Treatment Furnace	Heat treating the long products for improving variety of properties like hardness, tensile, toughness or residual stress.	2,000 Tonnes	Vicky Refractories.
6	Testing Laboratory	PMI Machines, Spectro - Machines, Electronic extensor meter, Impact Testing Machine, Digital Ultrasonic Flow Detector, Roackwell cum Brinell hardness tester, Dig. Universal testing machine and all other accessories.		Amtek Instruments, IR technology services private limited.

\*As certified by M/s JAS Associates, Independent Chartered Engineer, vide his certificate dated November 26, 2024

## ENVIRONMENT, HEALTH AND SAFETY MEASURES

We strive to operate our Manufacturing Facility in a manner that protects the environment and the health and safety of our employees and communities. The safety and security of our employees, customers, plants and equipment and assets is of utmost importance. We are also subject to various environmental laws and regulations. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. For further details, see “**Government and Other**



*Approvals*” on page 395.

Our Manufacturing Facility has effluent treatment processes in compliance with applicable law. In the past, we have not been subject to any material fines or legal action involving non-compliance with any applicable environmental laws or regulations, nor are we aware of any threatened or pending action against us by any environmental regulatory authority.

We, from time to time, may adjust our internal policies to accommodate for material changes that have been implemented under the relevant labour and safety laws. In order to ensure the safety of our workforce, we internally implement operational procedures and safety standards for our manufacturing process including work-related injuries, electricity safety, and emergency and evacuation procedures.

We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees and therefore we provide our workforce with occupational safety education and training to enhance their awareness of safety issues. Our workers are covered under the Employees’ State Insurance Act, 1948 thereby entitling them to medical services for themselves and their immediate families.

In the past, we have experienced an incident of fire at our Manufacturing Facility. For details, see, “*Risk Factors - Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability*” on page 72.

#### **COLLABORATIONS/TIE UPS/JOINT VENTURES**

As on the date of this Draft Red Herring Prospectus, we do not have any collaborations/tie ups/joint ventures.

#### **SALES AND MARKETING STRATEGY**

Our Company operates in the business-to-business segment of our industry consequent to which, all of our sales are made to various industries across different sectors who use our products as component of their final product. Our major customers are domestic manufacturers and traders. We carry out our marketing activities primarily through engagement in sponsorship and by participating in exhibitions to increase the visibility of our business activities.

Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our Promoters, through their vast experience and with our track record of timely and quality delivery of products as per requisite specification, play an instrumental role in creating and expanding a work platform for our Company. In order to maintain good relationship with our customers, our Promoters endeavour to regularly interact with our existing customer and focuses on gaining an insight into the additional needs of our customers.

We leverage our relationships with our existing customers to procure repeat orders from them.

#### **OUR CUSTOMERS**

The following is the breakup of our top 2 (two), top 5 (five) and top 10 (ten) customers for the three months period ending June 30, 2024, Fiscal 2024, 2023 and 2022:

Particulars	Three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ lakhs)	% to operation revenue	Amount (in ₹ lakhs)	% to operation revenue	Amount (in ₹ lakhs)	% to operation revenue	Amount (in ₹ lakhs)	% to operation revenue
<b>Customers</b>								
Top 2	3577.67	17.43%	15495.52	17.03%	17136.90	18.08%	11079.43	14.46%

Particulars	Three months period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ lakhs)	% to operation revenue	Amount (in ₹ lakhs)	% to operation revenue	Amount (in ₹ lakhs)	% to operation revenue	Amount (in ₹ lakhs)	% to operation revenue
Customers								
Top 5 customers	6809.53	33.17%	27500.83	30.23%	30128.20	31.79%	22671.56	29.58%
Top 10 customers	9087.76	44.27%	38164.10	41.95%	41972.57	44.29%	36255.25	47.30%

\*As certified by Statutory Auditors of the Company, through certificate dated December 29, 2024.

We do not enter into any long-term contract with our customers. We sell our products against the purchase order received from our customers.

## COMPETITION

We operate in a competitive business, both in India and overseas. Some of our competitors especially overseas competitors may have greater financial resources, better distribution network, technical and marketing resources and generate greater revenues, and therefore may be able to respond better to market changes than we can. However, we continuously strive to remain competitive and identify emerging opportunities. We believe that our consistent tracking of markets, and our ability to deliver products with requisite specifications and our consistent interaction with our customers is a key to our competitiveness.

For further details on our competition, see “*Industry Overview*” and “*Risk Factors - We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations*” on page 176 and 60.

## AWARDS AND RECOGNITION

For details, see “*History and other Corporate Matters*” on page 257.

## UTILITIES

**Power** - We require continuous power supply for manufacturing our products and to meet our requirements. The requirement of power is met by supply of electricity by state grid. In addition to above, our Manufacturing Facility has a power back-up through its in house installed Diesel Generator set having aggregate 1,000 KVA Capacity.

Additionally, our Company has also set up captive solar plant and windmills with an aggregate installed capacity of 7.2 MW, as of June 30, 2024, which enable us to reduce our operating costs.

The details of solar power plant and windmills of the Company is as follows;

No.	Location	Capacity	Operative since
Solar Power Plant			
1.	Village Simratha Amod, Jambusar Highway, Baruch, Gujarat, India	3 MW	Fiscal 2024
Windmill			
1.	502/P, Vanku, Kutchh, Gujarat	0.6 MW	Fiscal 2008
2.	195/P, Maliya Miyana, Rajkot, Gujarat	1.50 MW	Fiscal 2011
3.	104/P, Charopadi Nani, Kutchh	2.1 MW	Fiscal 2012
Total		7.2 MW	

As certified by Chartered Engineer vide certificate dated November 26, 2024

The Solar Power plant and the windmills have an existing aggregate power generation capacity of 7.2 MW and are operated by third parties entities on our behalf. The power generated by them at these sites is transmitted by

M/s. Gujarat Energy Transmission Corporation Limited (“GETCO”) to the distribution network of our principal energy supplier namely Madhya Gujarat Vij Company Ltd (“MGVCL”). The amount of power transmitted to MGVCL is thereby adjusted against the power consumed by us and reduced from our monthly bill. This leads to a reduction in power costs.

**Water** – The requirements are fully met through borewell and local sources, as may be required.

## RAW MATERIAL AND THIRD-PARTY MANUFACTURERS

Our key raw materials are stainless scrap, mild steel scrap, oxygen, nitrogen, ferro alloys including nickel, copper, molybdenum, ferro chrome etc. Our Company sources raw materials from a diversified base of suppliers which not only offers us competitive prices but also quality and quantity assurance. Our Company also enters into contracts with such raw material suppliers to guarantee consistent supply, however the prices of the raw material are finalised as per market conditions. For instance, we have entered into procurement arrangement; (i) for the procurement of metal scrap and allied items; (ii) for the procurement of liquid oxygen, liquid nitrogen and liquid argon; (iii) for the procurement of pipe natural gas from Gujrat Gas Company Limited. These contracts not only offer us the quantity assurance but as a stainless-steel manufacturing company, we are able to place larger order and negotiate the prices for the raw materials which helps us to manufacture and sell our products at a competitive price as compared to our peers.

We procure our raw materials, both from the domestic market and international market, depending upon the price and availability of raw materials. Our expenses towards purchase of raw materials for three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹16,602.04 lakhs, ₹73,680.99 lakhs, ₹75,513.48 lakhs and ₹63,750.03 lakhs comprising 80.87%, 80.99%, 79.68% and 83.18% of our revenue from operations, respectively. The following table sets forth a breakdown of our expense towards procurement of raw material, in absolute terms and as a percentage of total expense, for the periods indicated:

Particulars	As on June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	in ₹ in lakhs	% of Total Purchases	in ₹ in lakhs	% of Total Purchases	in ₹ in lakhs	% of Total Purchases	in ₹ in lakhs	% of Total Purchases
Import of goods	3,646.64	21.97%	26,226.49	35.59%	19,822.29	26.25%	4,608.01	7.23%
Indigenous goods Purchase	12,955.39	78.03%	47,454.50	64.41%	55,691.19	73.75%	59,142.01	92.77%
Total Purchases	16,602.04	100%	73,680.99	100%	75,513.48	100%	63,750.03	100%

\*As certified by Statutory Auditors of the Company through certificate dated December 29, 2024.

The details of expenses incurred toward our top 5 and 10 suppliers of our Company for three month ended June 30, 2024, Fiscal 2024, Fiscal 2023, Fiscal 2022 are set out below:

Particulars		For the period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		in ₹ in lakhs	% to cost of material consumed	in ₹ in lakhs	% to cost of material consumed	in ₹ in lakhs	% to cost of material consumed	in ₹ in lakhs	% to cost of material consumed
Top suppliers	5	3,384.57	19.85%	13,542.75	18.23%	13,422.77	17.93%	9,418.99	14.80%
Top suppliers	10	5,437.04	31.88 %	20,893.39	28.13%	22,320.83	29.82%	15,160.91	23.83 %

\*As certified by Statutory Auditors of the Company through certificate dated December 29, 2024.

## Import of Raw Materials

We majorly import raw material such as stainless scrap and mild steel scrap. The table set forth below lists out the brief details of export made from such countries.

Country	As on June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ lakhs)	% to cost of material consumed	Amount (in ₹ lakhs)	% to cost of material consumed	Amount (in ₹ lakhs)	% to cost of material consumed	Amount (in ₹ lakhs)	% to cost of material consumed
Malaysia	1,071.26	6.28	5,362.15	7.22	6,754.73	9.02	2,450.51	3.85
UAE	1,054.16	6.18	5,834.57	7.86	3,868.57	5.17	652.31	1.03
Singapore	54.91	0.32	2,253.38	3.03	398.54	0.53	51.50	0.08
South Korea	539.56	3.16	4,507.20	6.07	3,001.04	4.01	422.60	0.66
USA	168.42	0.99	1,211.69	1.63	1,358.41	1.81	268.21	0.42
Hong Kong	323.69	1.90	2,778.24	3.74	1,247.81	1.67	16.97	0.03
Others	434.64	2.55	4,279.26	5.76	3,193.19	4.27	745.91	1.17
<b>Total Imports</b>	<b>3,646.64</b>	<b>21.38</b>	<b>26,226.4 9</b>	<b>35.31</b>	<b>19,822.2 9</b>	<b>26.48</b>	<b>4,608.01</b>	<b>7.24</b>

\*As certified by Statutory Auditors of the Company through certificate dated December 29, 2024.

### Third Party Manufacturing on Job Work Basis

In addition to production at our Manufacturing Facility, we also engage third party manufacturing units on job work basis. As on March 31, 2024, we have entered into contractual arrangement with 23 third parties manufacturing units majorly situated in state of Maharashtra, Madhya Pradesh and Gujarat, whom we supply raw material and get the same processed into intermediary and final products. We majorly utilise third party manufacturing unit on job work basis for conversion of black bar into bright bars, billets into wire rods, annealing, straightening, etc. as per our requirement.

During the three-month period ended June 30, 2024, and Fiscal 2024, 2023 and 2022, we derived 841.52 MT, 6,800.27 MT, 3455.49 MT and 2593.34 MT of stainless-steel products through third party manufacturing units on job work basis.

Further, for the three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, job work charges paid to third-party manufacturing arrangements contributed 73.72 lakhs, 721.39 lakhs, 407.65 lakhs and 236.51 lakhs representing 0.43%, 0.97%, 0.54% and 0.37% of cost of material consumed respectively.

We generally conduct inspections prior to entering into any new third-party manufacturing agreement. We typically enter into third-party manufacturing agreements for shorter periods with provision for renewal. For risk associated with third party manufacturing, see “*Risk Factors–In addition to our Manufacturing Facilities, we enter into arrangement with third-party manufacturers on job work basis and therefore, we are subject to risks associated with the third-party manufacturing processes*” on page 59.

### Job-work carried out by us for our customers

In addition to the manufacturing of our products, we also carry out manufacturing processes on job work basis for some of our customers in order to retain such customers to effect sale of our other products. For instance, some of our customers who deal in black bars require us to convert the scrap supplied by them into billets and then to round bars.

During the three-month period ended June 30, 2024, and Fiscal 2024, 2023 and 2022, we processed 208.48 MT, 1841.27 MT, 585.03 MT and 1025.20 MT of stainless-steel on job work basis for our customers.

For the three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, products manufactured on job-work basis for our customers, contributed 51.31 lakhs, 465.23 lakhs, 188.96 lakhs and 299.63 lakhs representing 0.25%, 0.51%, 0.20% and 0.39% of our total revenue, respectively.

## INFORMATION TECHNOLOGY

Our IT systems are aligned with our business strategy and are vital to our business. Its key objectives are speed, agility, adaptability and scalability in development as well as service and collaboration. The key focus areas are protecting intellectual property rights, mitigating cyber and business continuity related risks, improving efficiency, increasing digitalization and automation, leveraging the value of data and ensuring availability of skills and resources. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements.

We have taken necessary measures to ensure cyber security, data protection from virus attacks and hacking and disaster recovery servers and systems for data retrieval and business continuity. We use modern software i.e. Tally Editlog 5.0, Relyon Payroll, Reylon Saral GST, Reylon TDS for our accounting and invoicing purpose, etc.

## HUMAN RESOURCES

We place importance on developing our human resources. As on June 30, 2024, we had 429 permanent employees and workers comprising of skilled and unskilled workers. We also engage manpower agencies to provide us with a temporary workforce. Our workforce is a critical factor in maintaining quality and safety standards and our workforce are critical in strengthening our competitive position. Our employees are not unionized into any labour or workers' union, and we have not experienced any work stoppages due to labour disputes or cessation of work during three months period ended June 30, 2024 and last three Fiscals. A break-up of our permanent employees by function, as on June 30, 2024, is set out below:

Sr. No.	Department	No. of Employees
1	Executive directors & Managerial personnel	3
2	Accounts & Finance	11
3	Business Operations	4
4	Secretarial Department	2
5	Electrical Maintenance	19
6	House Keeping	13
7	Human Resources	4
8	IT Department	1
9	Maintenance Department	28
10	Management	2
11	Marketing & Business Development	11
12	Mechanical Maintenance	3
13	Packaging and Logistic Department	45
14	Procurement - Raw Materials	14
15	Production Department	240
16	Quality Control & Assurance	20
17	Security	2
18	Storage Department	10
	<b>Total</b>	<b>429</b>

Our employee's attrition rate for Fiscal 2024, Fiscal 2023 and Fiscal 2022, was 9.52%, 8.34%, and 9.10%, respectively. We believe that our attrition rate is not high in the industry in which we operate.

## INSURANCE

Our operations are subject to risks inherent to manufacturing operations. In order to manage the risk of losses from potentially harmful events, we maintain insurance policies such as corporate cover, industrial all risk, public liability insurance, health insurance, burglary insurance, standard fire and special peril policy, workmen compensation policy. These insurance policies are renewed periodically to ensure adequate coverage.

No.	Insurance Company	Description	Expiry date	Sum Assured (₹ in lakhs )
1.	Tata AIG General Insurance Company Ltd	Industrial All Risk	February 26, 2025	9,970.00
2.	ICICI Lombard General Insurance Company Ltd	Group personal accident insurance	April 4, 2025	1,313.00
3.	Royal Sundaram General Insurance	Vadodara Office	January 26, 2025	134.00
4.	Future Generali india Insurance Company Limited	Insurance Public Liability Industrial Insurance	May 19, 2025	1,500.00
5.	United India Insurance Company Limited	Insurance covering Wind Mill	June 21, 2025	1,584.00
6.	Reliance General Insurance Co.Ltd	Insurance covering Wind Mill	August 25, 2025	450.00
7.	Reliance General Insurance Co.Ltd	Insurance covering Wind Mill	August 25, 2025	1,000.00
8.	Reliance General Insurance Co.Ltd	Insurance covering Solar Project	August 30, 2025	1,633.60
9.	ICICI Lombard General Insurance Company Ltd	Marine Cargo policy	October 4, 2025	300.00
10.	ICICI Lombard General Insurance Company Ltd	Marine Cargo policy	October 4, 2025	700.00

In addition to the above detailed policies, our Company has also obtained insurances for the vehicles being used by the Company.

We believe that our insurance coverage is in accordance with industry customs, including the terms of and the coverage provided by such insurances. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. For further details, see ***“Risk Factors – Our insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability”*** on page 72.

## QUALITY ASSURANCE

We place great emphasis on quality assurance and product safety at each step of the production process, right from the procurement of our raw materials until the final product is packaged and ready for distribution to ensure that the quality of our products meets the expectations of our customers and achieves maximum customer satisfaction.

We also consider our quality control procedures to be the cornerstone of our business operations. We have a dedicated quality control department in our Company which is responsible for ensuring the quality of our raw material and also our finished products along with its focus on continuous improvements to our manufacturing and quality processes. As on the date of this Draft Red Herring Prospectus, we are accredited with; (AD 2000-Merkblatt W0 certification as material manufacturer from TUV NORD Systems GmbH & Co. KG. We have also received, and maintain, product certifications from the Bureau of Indian Standards, such as the IS 6603:2001 for Stainless Steel Bars and Flat products.

Our ISO 9001:2015 certification for manufacture and supply of stainless-steel billets, ingots, rounds, hex square, round corner square (RCS), angle, flat black & bright bar; and the quality-assurance system certification in accordance with the Pressure Equipment Directive 2014/68/EU for cast stainless steel billets and tolled products

has recently expired and we have made application for renewal of the same. For details, see “**Government and Other Approval**” and “**Risk Factors – We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, any failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations may adversely affect our operations**” on pages 395 and 67, respectively.

## EXPORT AND EXPORT OBLIGATIONS

As on date, we are exporting to over five (5) countries including USA, UAE, Turkey and Poland. Our revenue from exports for the three-month period ended June 30,2024 and Fiscal 2024 were 1.45% and 0.53% respectively. Our Company did not make any export in Fiscal 2023 and Fiscal 2022. Moreover, we have supplied samples of our products to international market of Korea and Thailand.

Our sales from exports are denominated in foreign currencies, mostly the U.S. Dollars. Therefore, changes in the relevant exchange rates could also affect our sales as reported in Indian Rupees as part of our financial statements. For details, see “**Risk Factor – A portion of our revenues are denominated in foreign currencies and going forward, we intend to increase our export sales. As a result, we are exposed to foreign currency exchange risks which may adversely impact our results of operations currency exchange risks which may adversely impact our results of operations**” on page 58.


As of date we are not under any obligation under Export Promotion Capital Goods. However, we derive benefits under Duty Drawback. As on three-month period ended June 30,2024 and Fiscal 2024, we derived duty drawback benefit amounting to ₹ 2.16 lakhs and ₹7.45 lakhs, respectively.

## Corporate Social Responsibility

Our Company has adopted a CSR policy in compliance with the requirements of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. We have incurred ₹44.38 Lakhs, ₹13.80 lakhs and ₹20.40 lakhs for the Fiscals 2024, 2023 and 2022, respectively, towards corporate social responsibility, particularly for Oxygen and Other Medical Equipments, Preventive Material Supply in Covid 19 Pandemic, Donation for School Building and utensils given to Village and Donation to Jain International Trade Organisation and Donation for Promoting education, including special education, Promoting health care including preventive health and sanitation & Protection of national heritage, art and culture,promotion and development of traditional arts.

## Intellectual Property Rights

As on the date of this Draft Red Herring Prospectus, our Company has made application for registration of some of our Trademarks with the Registrar of Trademarks under the Trademarks Act, 1999. We set out below the details of such trademark:

Date of Application	Trademark	Class	Application Number	Status
November 4, 2023	 Rajputana Stainless Limited	6	6175861	Objected

For details, see “**Risk Factor - We may fail to protect our intellectual property, including our designs and are susceptible to litigation for infringement of intellectual property rights in relation to such designs. This could materially and adversely affect our reputation, results of operations and financial condition**” on page 64.

## OUR PROPERTIES

### Immovable Properties

The following table sets forth the location and other details of the material properties owned/leased (including sub-leased) by our Company;



Purpose	Location	Owned/Leased	Lessor	Lease Amount and Term	Period
Manufacturing Facility	Old Survey No. 183/3 New Survey No. 560 at Halol Kalol Road	Owned	-	-	-
	Old Survey No. 183/1 New Survey No. 550 at Halol Kalol Road				
	Old Survey No. 186/1 New Survey No. 532 at Halol Kalol Road				
	Old Survey No. 214/1 New Survey No. 555 at Halol Kalol Road				
	Old Survey No. 214/3 New Survey No. 557 at Halol Kalol Road				
	Old Survey No. 183/2 New Survey No. 561 at Halol Kalol Road				
	Old Survey No. 182/1 Paiki 1 New Survey No. 559 at Halol Kalol Road				
	Old Survey No. 184 New Survey No. 551 at Halol Kalol Road				
	Old Survey No. 185 New Survey No. 552 at Halol Kalol Road				
	Old Survey No. 212/1 New Survey No. 553 at Halol Kalol Road				
Old Survey No. 213/1 New Survey No. 554 at Halol Kalol Road					
Administrative Office	Office at India Bull Mega Mall, Jetalpur Road, Vadodara	Owned	-	-	-
Land parcel on which Windmill of 0.6 MW is situated	502/P, Vanku, Kutchh, Gujarat	Leased	Suzlon Gujarat Wind Park Limited	Rs.10000/- For 10000 Sq. Mtr Per Annum	20 Years
Land parcel on which Windmill of 1.50 MW is situated	195/P, Maliya Miyana, Rajkot, Gujarat	Leased	Sarjan Realities Limited	Rs.10000/- Per Annum	20 Years
Land parcel on which Windmill of 2.1 MW is situated	S. No. 104/P, Charopadi Nani, Kutchh	Leased	Suzlon Gujarat Wind Park Limited	Rs. 10000/- For 10000 Sq. Mtr Per Annum	20 Years
Land parcel on which Solar power plant of 3 MW is situated	Village Simratha Amod, Jambusar Highway, Baruch, Gujarat, India	Leased	KPI Green Energy Limited	Rs.142500 0/- Every Year With 2% Increment	25 Years



Purpose	Location	Owned/Leased	Lessor	Lease Amount and Term	Period
				Every Year	
Administrative Office	Room No. 22, 2 <sup>nd</sup> Floor 22/23/25/27, Guruchayya Building, Girgaon, Mumbai. 400004	Rental	Mamta Girishkumar Jain	Rs. 37,500/- Per month	12 Months

## KEY REGULATIONS AND POLICIES IN INDIA

*In carrying on our business as described in the section titled “Our Business” on page 214, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see “Government and Other Statutory Approvals” on page 395.*

Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our Company’s businesses. Our Company is required to obtain and regularly renew certain licenses/registrations and/or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye-laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by our Company:

### A. Industry Related Laws

#### *The Factories Act of 1948 (“Factories Act”)*

The Factories Act seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory. The Factories Act requires that the occupier of a factory, i.e., the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory, such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. The Factories Act also provides for fines to be paid and imprisonment of the manager of the factory in case of any contravention of the provisions of the Factories Act.

#### *The Legal Metrology Act, 2009 (the “Legal Metrology Act”) and The Legal Metrology (Packaged Commodities) Rules, 2011 (the “Legal Metrology Rules”)*

The Legal Metrology Act, along with the Legal Metrology 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 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 Rules 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 in the Legal Metrology Rules.

#### *National Steel Policy, 2017 (“NSP”)*

The NSP 2017, notified on May 8, 2017, seeks to enhance domestic steel consumption, ensure high quality steel production, and create a technologically advanced and globally competitive steel industry

in India. As per the NSP 2017, the Ministry of Steel will facilitate research and development in the sector, through the establishment of the Steel Research and Technology Mission of India (SRTMI). The initiative is aimed to spearhead research and development of national importance in the iron and steel sector, by utilizing tripartite synergy amongst industry, national research and development laboratories and academic institutes. The NSP 2017 covers, inter alia, steel demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferro-alloys, land, water, power, infrastructure and logistics, and environmental management. Through policy measures the Ministry of Steel will ensure availability of raw materials such as iron ore, coking coal, natural gas, etc. at competitive rates. The NSP 2017 envisions that in the steel industry, an environment will be created to promote domestic steel and thereby create a scenario where production meets the anticipated pace of growth in consumption, through technologically advanced and globally competitive steel industry.

#### ***Bureau of Indian Standards Act, 2016 (“BIS Act”)***

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

#### ***Steel and Steel Products (Quality Control) Order, 2024 (“QC Order”)***

The QC Order was notified by the Ministry of Steel, Government of India, vide Gazette Notification No. S.O 574(E) dated February 5, 2024 to bring certain steel products under mandatory BIS certification. All manufacturers of steel and steel products are required to apply for certification and ensure compliance with the QC Order. The QC Order further provides that every steel and steel product stated therein shall bear the standard mark under a license from BIS, as provided in the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018

#### ***The Explosives Act, 1884 (“Explosives Act”)***

The Explosives Act is a comprehensive law which regulates by licensing for the manufacturing possession, sale, transportation, export and import of explosives. As per the definition of ‘explosives’ under the Explosives Act, any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act. In furtherance to the purpose of this Act, the Central Government has notified the Explosive Rules in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

#### ***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.

#### ***Industrial Disputes Act, 1947, as amended (the "ID Act")***

The ID Act provides for a statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person. The Industrial Dispute (Central) Rules, 1957 inter-alia specify procedural guidelines for lock-outs, closures, layoffs and retrenchment.

#### ***Industrial Employment (Standing Orders) Act, 1946***

In order to strengthen the bargaining powers of the workers this act is enacted, it requires the employers to formally define the working conditions to the employee. As per this act, an employer is required to submit five copies of standing orders required by him for adoption of his industrial establishment. An employer failing to submit the draft standing orders as required by this act shall be liable to pay fine as per section 13 of this act.

#### ***The Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this Code will be brought into force on a date to be notified by the GoI.

### **B. Laws Relating to Employment**

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include, among others, the following: (i) Contract Labour (Regulation and Abolition) Act, 1970; (ii) Relevant state specific shops and commercial establishment legislations; (iii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952; (iv) Employees' State Insurance Act, 1948; (v) Minimum Wages Act, 1948; (vi) Payment of Bonus Act, 1965; (vii) Payment of Gratuity Act, 1972; (viii) Payment of Wages Act, 1936; (ix) Maternity Benefit Act, 1961; (x) Apprenticeship Act, 1961; (xi) Equal Remuneration Act, 1976; (xii) Employees' Compensation Act, 1923; and (xiii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

#### ***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 employees. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the central advisory board. Certain portions of the Code on Wages, 2019, have come into force upon notification by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India.

### **Code on Social Security, 2020**

The Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, among other things, including the Employee's Compensation Act, 1923, Employee's State Insurance Act, 1948, the Employee's Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1966, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1956 and the Unorganized Workers' Social Security Act, 2008. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund 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. Recently, the Ministry of Labour and Employment vide notification No. S.O. 206I dated May 3, 2023, has enforced certain provisions of the said code inter alia Employees' Pension Scheme, 1995 and Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

### **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 certain 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.

#### ***Shops and Establishments Legislations***

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

## **C. Environmental Laws**

### **The Environment Protection Act 1986 (the "Environment Protection Act") and Environment Protection Rules, 1986 (the "Environment Protection Rules")**

The Environment Protection Act was enacted to provide a framework for co-ordination 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 Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as prescribed. The contravention or failure to comply with the provisions of the Environment Protection Act may attract penalties in the form of imprisonment or fine. Further, the Environment Protection Rules specifies, amongst others, the standards for emission or discharge of environmental pollutants, and restrictions on the handling of hazardous substances in different areas.

### **The Environmental Impact Assessment Notification, 2006 (the "Notification")**

As per the Notification, any construction of new projects or activities or the expansion or modernization of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different

sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme 'Housing for All by 2022' and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant bye-laws of the concerned State authorities.

#### **The Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”) and Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)**

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”) The Air Act requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

#### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)**

The Hazardous Waste Rules define the term ‘hazardous waste’ to include any waste which by reason of physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive characteristics cause danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances including waste specified in the schedules to the Hazardous Waste Rules. In terms of the Hazardous Waste Rules, occupiers, being persons who have control over the affairs of a factory or premises or any person in possession of hazardous or other waste, have been, inter alia, made responsible for safe and environmentally sound management of hazardous and other wastes generated in their establishments and are required to obtain license/ authorization from the respective State PCB for handling, generation, collection, storage, packaging, transportation, usage, treatment, processing, recycling, recovery, pre-processing, co-processing, utilization, selling, transferring or disposing hazardous or other waste.

#### **The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)**

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

#### **The Public Liability Insurance Act, 1991 (“PLI Act”) and Public Liability Insurance Rules, 1991 (“PLI Rules”)**

The primary objective of the PLI Act is to provide public liability insurance for the purpose of providing immediate relief to the persons affected by an accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. The PLI Act imposes a duty on the owner, a person who owns or has control over handling hazardous substance at the time of accident, to take out insurance policies before manufacturing, processing, treating, storing, packaging or transporting hazardous substances, for any damage arising out of an accident involving such hazardous substances. The penalties for contravention of the provisions of the PLI Act includes imprisonment or fine or both. Further, the PLI Rules mandate that the owner contributes towards the Environmental Relief Fund for a sum equal to the premium paid on the insurance policies.

## D. Intellectual Property Laws

### *The Trademarks Act, 1999 (“Trademarks Act”)*

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trademark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewals.

## E. Foreign Investment Regulations

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA Rules**”) and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion (“**FDI Policy**”), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe inter alia the method of calculation of total foreign investment (i.e. direct foreign investment and indirect foreign investment) in an Indian company.

### *Foreign Trade (Development and Regulation) Act, 1992 (“FTDRA”), the Foreign Trade (Regulation) Rules, 1993 (“FTRR”) and the Foreign Trade Policy 2015-2020 (“Foreign Trade Policy”)*

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number (“**IEC**”) granted by the director general or any other authorized person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person violating its provisions. The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license. The FTDRA empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect in 2017 and requires all importers and exporters to obtain an IEC. Further, pursuant to the policy, the Director General of Foreign Trade may impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organisations, groups, individuals or products. The Foreign Trade Policy also provides for various schemes, including the export promotions capital goods scheme and duty exemption/remission schemes. India’s current Foreign Trade Policy (2015-20) (as extended until September 30, 2022 and thereafter, extended till March 31, 2023) envisages helping exporters leverage benefits of GST, closely monitoring export performances, increasing ease of trading across borders, increasing realization from India’s agriculture-based exports and promoting exports from MSMEs and labour-intensive sectors.

### *FEMA Rules*

The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 by Notification No. FEMA. 395/2019-RB dated October 17, 2019 (“**FEMA Rules**”) to prohibit, restrict, or regulate transfer

by or issue security to a person resident outside India. As laid down by the FEMA Rules, no prior consents and approvals are required from the RBI for Foreign Direct Investment (“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 RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

## **F. Taxation Laws**

### ***Income Tax Act, 1961***

Income Tax Act, 1961 is applicable to every domestic or foreign company whose income is taxable under the provisions of this Act or rules made under it depending upon its “Residential Status” and “Type of Income” involved. Under section 139(1) every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied with by every company.

### ***Goods and Service Tax (GST)***

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre 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 center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

### ***Customs Act, 1962 (“Customs Act”)***

The Customs Act, as amended, regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any company intending to import or export goods is first required to get registered under the Customs Act and obtain an Importer Exporter Code under FTDR. Customs duties are administered by the Central Board of Indirect Tax and Customs under the Ministry of Finance, GoI.

### ***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 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.



## **G. Other Applicable Laws**

### ***Fire Prevention Laws***

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our Manufacturing Facility and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance.

### ***The Companies Act, 2013 (“Companies Act”)***

The Companies Act deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning, and winding up of companies. The Companies Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial, and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors.

### ***The Consumer Protection Act, 1986 (“Consumer Protection Act”)***

The Consumer Protection Act was enacted to provide speedy and simple redressal to consumer disputes through quasi-judicial machinery set up at district, state and national level. The provisions of the Consumer Protection Act cover products as well as services.

### ***The Transfer of Property Act, 1882 (“T.P. Act”)***

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by operation of law, is governed by the T.P. Act. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price, paid or promised to be paid.
- Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.
- Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

### ***The Sale of Good Act, 1930 (“Sale of Goods Act”)***

The Sale of Goods Act provides for the setting up of contracts where the seller transfers or agrees to transfer the title (ownership) of the goods to the buyer for consideration. It is applicable all over India.

Under the act, goods sold from owner to buyer must be sold for a certain price and at a given period of time.

#### **The Registration Act, 1908 (“Registration Act”)**

The Registration Act, was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

#### **The Indian Contract Act, 1872 (“Contract Act”)**

The Indian Contract Act lays down the essentials of a valid contract, it provides a framework of rules and regulations that govern the validity, execution and performance of a contract and codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

#### **The Specific Relief Act, 1963 (“Specific Relief Act”)**

The Specific Relief Act is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for the 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.

#### **Competition Act, 2002 (“Competition Act”)**

The Competition Act aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“**Competition Commission**”) which became operational from May 20, 2009, has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising, or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

#### **Legislations pertaining to Stamp Duty**

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 (“**Stamp Act**”) which is enacted by the Central Government. All other instruments are required to be stamped, as per the rates prescribed by the respective State Governments in the respective schedules of the respective legislations pertaining to stamp duty as applicable in the State. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one State to another. Certain State in India have enacted their own legislation in relation to stamp duty while the other State have adopted and amended the Stamp Act, as per the rates applicable in the State. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on

such instruments may vary from State to State.

***The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")***

The MSME Act was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("MSME"). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020, revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

***Steel Scrap Recycling Policy 2019***

The Ministry of Steel, Government of India has introduced the Steel Scrap Recycling Policy, 2019 ("Policy") which envisages a framework to facilitate and promote establishment of metal scrapping centers in India. The policy aims to ensure scientific processing & recycling of ferrous scrap generated from various sources and a variety of products. The policy framework provides standard guidelines for collection, dismantling and shredding activities in an organized, safe, and environmentally sound manner. The policy aims to achieve the following objectives – (i) to promote circular economy in the steel sector, (ii) to promote a formal and scientific collection, dismantling and processing activities for end of life products that are sources of recyclable (ferrous, non-ferrous and other non-metallic) scraps which will lead to resource conservation and energy savings and setting up of an environmentally sound management system for handling ferrous scrap; (iii) processing and recycling of products in an organized, safe and environment friendly manner; (iv) to evolve a responsive ecosystem by involving all stakeholders; (v) to produce high quality ferrous scrap for quality steel production thus minimizing the dependency on imports; (vi) To decongest the Indian cities from ELVs and reuse of ferrous scrap; (vii) to create a mechanism for treating waste streams and residues produced from dismantling and shredding facilities in compliance to Hazardous & Other Wastes (Management & Transboundary Movement ) Rules, 2016 issued by MoEF & CC; and (viii) to promote 6Rs principles of reduce, reuse, recycle, recover, redesign and remanufacture through scientific handling, processing and disposal of all types of recyclable scraps including nonferrous scraps, through authorized centers / facility.

**H. Other Laws**

In addition to the above, our Company is required to comply with the provisions of the Prevention of Corruption Act, 1988, Rent Control Act, Information technology act and other applicable laws and regulations imposed by the Central and State Governments and other authorities for its day-to-day operations.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as 'Rajputana Steel Castings Private Limited' under the erstwhile Companies Act, 1956, pursuant to a certificate of incorporation dated on April 2, 1991 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, pursuant to a special resolution dated June 1, 2007, our Company was converted to a public limited company, and the name of our Company was changed from 'Rajputana Steel Castings Private Limited' to 'Rajputana Steel Castings Limited', and a fresh certificate of incorporation dated June 18, 2007 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, the name of our Company was further changed to 'Rajputana Stainless Limited' and consequent to change in name, a fresh certificate of incorporation dated July 12, 2007 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

### Changes in the Registered Office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change	Details of change in the registered office	Reasons for change
August 16, 1993	Change within local limits of the city from "30/B, Vrindavan Society, Halol - 389 350, Panchmahal, Gujarat, India" to "213, Madhvas, Kalol - 389 330, Panchmahal, Gujarat, India"	For better operation and convenience

### Main objects of our Company

The main objects contained in our Memorandum of Association of our Company are as follows:

"To carry on business of manufactures, buyers sellers, importers, exporters, agents, merchants, fabricators and dealers in all grades, types, qualities, shapes, categories and descriptions of ferrous and non-ferrous metals and their products including melting castings, heat treating, forging cold or hot rolling, re-rolling, slitting, edge milling, pressing, extruding, drawing and stampings of mild steel, carbon steel and alloy steel, special steel, stainless steel, moulds, malleable iron, S.G. iron, cast iron, injections and compression moldings, agricultural implements, die making and die casting, automobile parts, spare parts of all kinds of machinery and engineering works including structural and ferrous and non-ferrous rolling works in all kinds and to manufacture and deal in foundry work of all kinds and tin mill products and to work as makers of various types of steel and other metal equipment's and to do the business of dealing in metal scraps of all types."

The main objects clause as contained in the Memorandum of Association enables our Company to undertake its existing activities.

### Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association for the past ten years of our Company till the date of this Draft Red Herring Prospectus.

Date of Shareholder's resolution/ Effective date	Particulars
July 10, 2024	Increase in Authorised Share Capital of our Company from ₹ 35,00,00,000 (Rupees Thirty-Five Crores) consisting of 3,50,0000 (Three crores and Fifty Lakhs) Equity Shares of ₹10 each to ₹70,00,00,000 (Rupees Seventy Crores) consisting of 7,00,00,000 (Seven Crores) Equity Shares of ₹10 each
October 10, 2024	Increase in Authorised Share Capital of our Company from ₹ 70,00,00,000 (Rupees Seventy Crores) consisting of 7,00,00,000 (Seven Crores) Equity Shares of ₹10 each to ₹100,00,00,000 (Rupees Hundred Crores) consisting

Date of Shareholder's resolution/ Effective date	Particulars
	of 10,00,00,000 (Ten Crores) Equity Shares of ₹10 each

### Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Year	Events
1991	Our Company was incorporated as Rajputana Steel Castings Private Limited
2007	Our Company converted into a public limited company and its name was changed from 'Rajputana Steel Castings Private Limited' to 'Rajputana Steel Castings Limited'
	Our Company's name was changed from 'Rajputana Steel Castings Limited' to 'Rajputana Stainless Limited'
2008	Our Company set up an Induction Furnace with a fully automatic caster
2011	Our Company expanded our manufacturing facility and commenced production of bright bars with an installed capacity of 3,000 MT per annum
2012	Our Company set up an 18 inch rolling mill with an installed capacity of 5,000 MT per annum
	Our Company upgraded our capacity to 20,000 MT per annum

### Awards and Accreditations

Year	Events
2021	Our Company has received an Award from Industry Outlook for Top 10 Vadodara Manufacturers.
2022	Our Company obtained the AD 2000-Merkblatt W0 certification as material manufacturer from TUV NORD Systems GmbH & Co. KG bearing certificate number 07/203/1409/WP/1971/22.
	Our Company obtained the quality-assurance system certification in accordance with the Pressure Equipment Directive 2014/68/EU for cast stainless steel billets and rolled products bearing certification number 07/202/1409/WZ/1971/22.
2023	Our Company has received an Award from MASSMA for Business Excellence in Steel.
2024	Our Company has received the certificate for management systems as per ISO 9001:2015.

### Significant financial and strategic partnerships

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partnerships.

### Time/cost overrun

There has been no time or cost over-run in respect of our business operations.

### Capacity/facility creation, location of plants

Sr. No.	Broad Description	Details of Machineries	Capacity	Make
1	Induction Furnace, Argon-Oxygen Decarburizer & Continuous Casting Machine	Includes 2 Induction furnaces, AOD Vessels, Continuous casting machine, EOT cranes, HT transformer, Generators, Cooling Tower, Ladle, Electrical & Mechanical	48,000 MTPA	Electrotherm India limited, Pooja Engineering.

Sr. No.	Broad Description	Details of Machineries	Capacity	Make
		Equipment's, Bundle Press Machine, FES systems, Hot Billet Sharing and all other accessories.		
2	Rolling Mills	Includes 18" and 12" inch rolling mills, mill Stand, Billet preheating Furnace, Lathe Machines, Hot Saw Shearing machine, Slip ring Induction, Hot Flat Shearing machine, Weighing Bridges, Swinging Grinders, Motor with reduction and distribution gear box, Pinch Roll Motor, Fly share motor, Universal testing machine, punching machine, Cooling Bar bed, Electrical and Mechanical equipment's and all other accessories	36,000 MTPA	Lucky Industries, Deem Rolls, Bihari lal Ispat private limited.
3	Bright Bar Shop	Includes bar peeling lines, Bar Straightening machines, Draw Benches, Belt Polish Machines, Schemag Machines, Motors and rollers, Weighing bridge, Laboratory equipment and all other accessories.	6,000 MTPA	Shri Gayatri engineering, Lucky Industries
4	Nitrogen & Oxygen Gas plant	Includes Compressor, Motors, Chillers, Storage Tanks, Electrical Panels, Transformer, Pump Sets, Cooling Towers, Water Tanks and all other accessories.	Nitrogen Plant: 200 CuM Oxygen Plant: 350 CuM	Sanghi oxygen, Ashoka compressor.
5	Heat Treatment Furnace	Heat treating the long products for improving variety of properties like hardness, tensile, toughness or residual stress.	2,000 Tonnes	Vicky Refractories.
6	Testing Laboratory	PMI Machines, Spectro - Machines, Electronic extensor meter, Impact Testing Machine, Digital Ultrasonic Flow Detector, Roackwell cum Brinell hardness tester, Dig. Universal testing machine and all other accessories.		Amtek Instruments, IR technology services private limited.

### Launch of key products or services, entry into new geographies or exit from existing markets

For details of key services launched by our Company, entry into new geographies or exit from existing markets, see "**Our Business**" beginning on page 214.

### Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

Except as stated below, there have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders.

In past, our Company was classified as a BIFR Unit due to a default in the timely repayment of a loan from the Bank of Baroda and was later declared a Non-BIFR Sick Industrial Unit by the Government of Gujarat, Industries and Mines Department under Resolution No. SIU-1098-668-CH, as part of the Scheme for Rehabilitation of Small

Scale and Non-BIFR Sick Viable Industries. Between 1999 and 2006, the management implemented various measures to revive the Company, including shifting the focus from mild steel products and steel casting to stainless steel production, setting up a bright bar shop, and settling outstanding liabilities. These efforts resulted in significant improvement in the Company's financial health, leading to its removal from the list of Non-BIFR Sick Units and recognition as a viable entity under the then applicable norms of the Government of Gujarat.

**Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last ten years**

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last ten years.

**Holding company**

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

**Our Subsidiaries**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary company.

**Joint Ventures or Associates of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

**Summary of key agreements**

***Inter-se Arrangement/ Agreement***

There are no inter-se agreements/ arrangements to which the Company or any of its Promoters or Shareholders are a party to and therefore, there are no clauses/ covenants which are material and which needs to be disclosed, and that there are no other clauses / covenants in the inter-se agreements or arrangements or the Articles of Association which are adverse / pre-judicial to the interest of the minority / public shareholders of the Company and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in this Draft Red Herring Prospectus. There are no other agreements, deed of assignments, acquisition agreements, SHA, inter-se agreements, agreements of like nature to which the Company or any of its Promoters or Shareholders are a party.

For details with respect to agreements in relation to the business and operations of our Company, see "***Our Business***" on page 214.

***Details of shareholders' agreement***

There are no subsisting shareholders' agreements as on the date of this Draft Red Herring Prospectus.

**Key terms of other subsisting material agreements**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners or any other subsisting material agreements other than in the ordinary course of the business of our Company or which are otherwise material and need to be disclosed in this Draft Red Herring Prospectus in context of the Offer.

**Agreements with our Key Managerial Personnel, Senior Management Personnel, Directors, Promoters or any other employee**

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Senior Management Personnel or Directors 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.

***Details of Special Rights***

There are no special rights available to any shareholder of our Company or any other person as per the Articles of Association of the Company.

***Other confirmations***

There are no material clauses of our Articles of Association that have been left out from disclosures having bearing on the Offer or this Draft Red Herring Prospectus.

No Directors or KMPs of our Company are appointed pursuant any inter-se agreement/agreement to which our Company or any of its Promoters or Shareholders are a party to.

There is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of the Company) and the Company, Promoters, Promoter Group, Key Managerial Personnel and Directors.

There is no conflict of interest between the lessor of immovable properties and the Company, Promoters, Promoter Group, Key Managerial Personnel and Directors.

***Guarantees given by the Promoter(s) offering its shares in the offer for sale***

As on the date of this Draft Red Herring Prospectus, Shankarlal Deepchand Mehta, our Promoter Selling Shareholder along with our Promoter Babulal D. Mehta, has issued the following guarantees to third parties. There are guarantees in the nature of personal guarantees and have been issued towards contractual obligations in respect of loans availed by our Company.

*(in ₹ lakhs)*

<b>Name of Lender</b>	<b>Type of borrowing/facility</b>	<b>Amount Sanctioned / Guaranteed (in ₹ lakhs)</b>	<b>Amount outstanding as on October 31, 2024 (in ₹ lakhs)</b>
State Bank of India and IDBI Bank	Fund based Working capital	6,500.00	5,057.55
	Non-fund based Working capital	6,500.00	5,172.48



## OUR MANAGEMENT

### Board of Directors

As on the date of this Draft Red Herring Prospectus, we have six (6) directors on our Board, comprising of one (1) Managing Director, one (1) Whole-time Director, one (1) Executive Director and three (3) independent directors (out of which 1(one) is woman director). The present composition of our Board of Directors and its committees are in accordance with the Companies Act, 2013, and SEBI Listing Regulations.

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

Name, date of birth, age, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
<b>Shankarlal Deepchand Mehta</b>  <b>Date of birth:</b> July 3, 1971  <b>Age (years):</b> 53  <b>Address:</b> 5 Pratishtha Bungalows, R. V. Desai Road, Opp Mayur Apartment, near Javahar Society, Vadodara – 390 001 Gujarat, India.  <b>Occupation:</b> Business  <b>Term:</b> From April 1, 2024 till March 31, 2027  <b>Period of directorship:</b> Since February 25, 2000, liable to retire by rotation  <b>DIN:</b> 02656381	Chairman and Managing Director	<i>Indian Companies</i>  Nil  <i>Foreign Companies</i>  Nil
<b>Babulal D. Mehta</b>  <b>Date of birth:</b> December 8, 1958  <b>Age (years):</b> 66  <b>Address:</b> A/1704, Shreepati Jewels, 17 <sup>th</sup> Floor, Plot No 370, Pimpalwadi, T.G. Marg, Girgoan, Mumbai – 400 004, Maharashtra, India  <b>Occupation:</b> Business  <b>Period of Directorship:</b> Since November 1, 1999 liable to retire by rotation  <b>Current Term:</b> From April 01, 2024 till March 31, 2027  <b>DIN:</b> 02656396	Whole-Time Director	<i>Indian Companies</i>  Nil  <i>Foreign Companies</i>  Nil

<b>Name, date of birth, age, address, occupation, term, period of directorship and DIN</b>	<b>Designation</b>	<b>Other Directorships</b>
<b>Jayesh Natvarlal Pithva</b>	Executive Director	<i>Indian Companies</i>
<b>Date of birth:</b> November 9, 1967		<i>Nil</i>
<b>Age (years):</b> 57		<i>Foreign Companies</i>
<b>Address:</b> 103 Parshva Kunj, Malaviya Road, Vile Parle East - 400 057, Maharashtra, India		<i>Nil</i>
<b>Occupation:</b> Business		
<b>Term:</b> From April 1, 2024 to March 31, 2027 liable to retire by rotation		
<b>Period of directorship:</b> Since May 7, 2007		
<b>DIN:</b> 01531196		
<b>Kushal Kamlesh Brahmkshatriya</b>	Non-Executive Director	Independent <i>Indian Companies</i>
<b>Date of birth:</b> August 21, 1987		<i>Nil</i>
<b>Age (years):</b> 37		<i>Foreign Companies</i>
<b>Address:</b> 204 Anvayaa, Opp Torent Power Station, Vejalpur, Makarba, Jivraj Park, Ahmedabad-380051, Gujarat		<i>Nil</i>
<b>Occupation:</b> Professional		
<b>Term:</b> From June 12, 2024 till June 11, 2029		
<b>Period of directorship:</b> Since June 12, 2024		
<b>DIN:</b> 06558832		
<b>Nikita Ronak Mehta</b>	Non-Executive Director	Independent <i>Indian Companies</i>
<b>Date of birth:</b> March 8, 1991		<i>Nil</i>
<b>Age (years):</b> 33		<i>Foreign Companies</i>
<b>Address:</b> D-503, ICB Flora, behind Vodafon Tower, S.G. Highway, Gota, Chandoliya (Ahmedabad City), Ahmedabad - 382 481, Gujarat, India		<i>Nil</i>
<b>Occupation:</b> Service		

Name, date of birth, age, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
<p><b>Term:</b> From June 12, 2024 till June 11, 2029, not liable to retire by rotation</p> <p><b>Period of directorship:</b> Since June 12, 2024</p> <p><b>DIN:</b> 10625486</p>		
<p><b>Prashant B. Patel</b></p> <p><b>Date of birth:</b> July 16, 1980</p> <p><b>Age (years):</b> 44</p> <p><b>Address:</b> 51, Hariom Villa, Lal Gebi Ashram, Ghuma, Daskroi, Ahmedabad - 380 058, Gujarat, India</p> <p><b>Occupation:</b> Professional</p> <p><b>Term:</b> From June 12, 2024 till June 11, 2029, not liable to retire by rotation</p> <p><b>Period of directorship:</b> Since June 12, 2024</p> <p><b>DIN:</b> 03633382</p>	<p>Non-Executive Director</p> <p>Independent</p>	<p><b>Indian Companies</b></p> <p>Parth Electricals &amp; Engineering Private Limited; Ganga Bath Fittings Limited</p> <p><b>Foreign Companies</b></p> <p>Nil</p>

#### Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors on the Board of our Company have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. For details, please see "*History and Certain Corporate Matters*" on page 257.

#### Brief profiles of our Directors

**Shankarlal Deepchand Mehta** is the Chairman and Managing Director of our Company. He has been on the Board of our Company since February 25, 2000. He has over 24 years of experience in the steel industry. His roles and responsibilities in the Company include implementing business strategy, ensuring compliance, monitoring performance, and communicating progress to the stakeholders.

**Babulal D. Mehta** is the Whole-Time Director of our Company. He has been on the Board of our Company since November 1, 1999. He has over 25 years of experience in the steel industry. His roles and responsibilities in the Company include executing board policies, managing company operations, fostering customer satisfaction and employee morale, and maintaining external stakeholder relations.

**Jayesh Natvarlal Pithva** is an Executive Director of our Company. He has been on the Board of our Company since May 7, 2007. He has over 17 years of experience in the steel industry. His roles and responsibilities in the Company include overseeing commercial operations and driving market development. .

**Kushal Kamlesh Brahmshatriya** is an Independent Director of our Company. He has been on the Board of our

Company since June 12, 2024. He has completed a degree in Master of Commerce from the Gujarat University. He is also a qualified Chartered Accountant and holds a certificate of practice from ICAI. He also holds a certificate of Professional Membership from Indian Institute of Insolvency Professionals of ICAI. He has previously worked with organizations such as Pipavav Defense and Offshore Engineering Company Limited. He has over 10 years of experience in the fields of audit and taxation.

**Nikita Ronak Mehta** is an Independent Director of our Company. She has been on the Board of our Company since June 12, 2024. She has completed her degree of Bachelor of Commerce from the Gujarat University. She has also completed her degree of Bachelor of Laws from the Gujarat University. She is also a qualified company secretary from the Institute of Company Secretary of India. She is presently working as a company secretary in Montecarlo Munger Mirzachauki 3 Highway Private Limited. She has previously worked with organizations such as Suvridha Infraestate Corporation Limited and Shreeji Infraspaces Private Limited and holds over 5 years of experience in the fields of secretarial compliance.

**Prashant B. Patel** is an Independent Director of our Company. He has been on the Board of our Company since June 12, 2024. He has completed his degree of Master of Commerce from the Gujarat University. He has also completed his degree in Bachelor of Law from the Sardar Patel University and holds a certificate of practice from the Bar Council of Gujarat. He is a qualified company secretary. He is also a registered Insolvency Professional from the Insolvency and Bankruptcy Board of India. He was previously a practicing company secretary. However, he has been practicing as an advocate since the year 2017 and has over 13 years of experience in the fields of corporate, secretarial, compliance and legal advisory.

#### **Relationship between Directors and Key Managerial Personnel or Senior Management**

Except as mentioned below, none of the Directors are related to each other or to Key Managerial Personnel or Senior Management:

<b>Name of the Director</b>	<b>Relation with</b>	<b>Relationship</b>
Shankarlal Deepchand Mehta	Babulal D. Mehta	Brother
	Yashkumar Shankarlal Mehta	Father

#### **Terms of appointment of our Executive Directors**

##### ***Shankarlal Deepchand Mehta, Managing Director***

The following table sets forth the terms of appointment of Shankarlal Deepchand Mehta with effect from April 01, 2024 till March 31, 2027:

<b>Sr. No</b>	<b>Particulars</b>	<b>Salary and Perquisites</b>
1.	Basic Salary	Shankarlal Deepchand Mehta shall be entitled to basic salary amounting ₹25 lakhs per month
2.	Other Benefits	<ul style="list-style-type: none"> <li>• Commission as may be determined by the Board of Directors in terms of the Companies Act, 2013;</li> <li>• Provision of car used for Company's business and telephone at residence (except for private purposes which will be billed by the Company);</li> <li>• Mobile instrument costs and bill to be borne by the Company;</li> <li>• Reimbursement of expenses for entertainment, travelling and other expenses in connection with the business of the Company.</li> </ul>

##### ***Babulal D. Mehta, Whole Time Director***

The following table sets forth the terms of appointment of Babulal D. Mehta with effect from April 01, 2024 till March 31, 2027:

<b>Sr. No</b>	<b>Particulars</b>	<b>Salary and Perquisites</b>
1.	Basic Salary	Babulal D Mehta shall be entitled to basic salary amounting up to ₹3 lakhs per month

Sr. No	Particulars	Salary and Perquisites
2.	Other Benefits	<ul style="list-style-type: none"> <li>Commission as may be determined by the Board of Directors in terms of the Companies Act, 2013;</li> <li>Provision of car used for Company's business and telephone at residence (except for private purposes which will be billed by the Company);</li> <li>Mobile instrument costs and bill to be borne by the Company;</li> <li>Reimbursement of expenses for entertainment, travelling and other expenses in connection with the business of the Company.</li> </ul>

#### **Executive Director**

The following table sets forth the terms of appointment of Jayesh Natvarlal Pithva with effect from April 01, 2024 till March 31, 2027:

Sr. No	Particulars	Salary and perquisites
1.	Basic Salary	Jayesh Natvarlal Pithva shall be entitled to basic salary amounting up to ₹1.5 Lakhs per month
2.	Other Benefits	-

#### **Terms of appointment of our Non-Executive Directors (including Independent Directors)**

Except for sitting fees, our Independent Directors are not entitled to receive any remuneration or compensation from our Company.

Pursuant to the Board resolution dated June 12, 2024, each Independent Director, is entitled to receive sitting fees of ₹5,000 per meeting for attending meetings of the Board and ₹2,000 per meeting for attending meetings of the committees of the Board of Directors.

Since all the Independent Directors of our Company were appointed during the financial year 2024-25, there were not payments (including sitting fees, salaries, commission and perquisites) and professional fees paid to them during Fiscal 2024.

#### **Compensation of Managing Director and/or Whole-Time Directors**

The details of the Remuneration paid to our Executive Directors in the Fiscal 2024 is set out as below:

Name of Director	Designation	Remuneration (₹ in lakhs)
Shankarlal Deepchand Mehta	Chairman and Managing Director	₹300.00 lakhs
Babulal D Mehta	Whole-Time Director	₹18.00 lakhs
Jayesh Natvarlal Pithva	Executive Director	₹18.00 lakhs

#### **Remuneration paid or payable to our Directors from our Subsidiaries**

Our Company does not have any subsidiaries as on date.

#### **Bonus or profit-sharing plan for the Directors**

Our Company does not have any bonus or profit-sharing plan for our Directors.

#### **Shareholding of our Directors**

Our Articles of Association do not require our Directors to hold any qualification shares.

The table below sets forth details of Equity Shares held by the Directors, as on date of filing of this Draft Red Herring Prospectus:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>No. of shares held</b>	<b>Percentage (%)</b>
1	Shankarlal Deepchand Mehta	3,63,14,500	52.69
2	Babulal D. Mehta	54,01,226	7.84
3	Jayesh Natvarlal Pithva	37,98,914	5.51
<b>Total</b>		<b>4,55,14,640</b>	<b>66.04</b>

### **Service contracts with Directors**

As on the date of filing of this Draft Red Herring Prospectus, our Company has not entered into any service contracts with the Directors.

### **Contingent and/or deferred compensation payable to our Executive Directors**

Except as disclosed under “*Our Management – Terms of appointment of our Executive Directors*” on page 265 there are no contingent or deferred compensation payable to our Executive Director which does not form part of their remuneration.

### **Borrowing Powers**

Pursuant to our Articles of Association and the applicable provisions of the Companies Act, 2013 and the rules framed thereunder, and pursuant to our Board resolution dated September 16, 2024, and the special resolution passed by our Shareholders on October 10, 2024, our Board is authorized to borrow sums of money up to ₹45,000 Lakhs, which, together with the monies already borrowed by our Company on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the company's assets and effects or properties including stock in trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (excluding temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) and remaining un-discharged at any given point of time exceeding, for the time being, the aggregate of the paid up capital of our Company and its free reserves, provided that the aggregate borrowings and outstanding at any time shall not exceed the amount of ₹45,000 lakhs or the aggregate of the paid-up share capital and free reserves of our Company, whichever is higher.

### **Interest of Directors**

Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses and sitting fees, if any, payable to them by our Company for rendering their services as well as attending meetings of our Board or committees thereof.

Our Directors may be interested to the extent of Equity Shares, if any, held by them, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees and any dividend and other distributions payable in respect of such Equity Shares, if any.

None of our Directors have availed any loan from our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

### **Interest in property**

None of our Directors are interested in any property acquired or proposed to be acquired by our Company.

### **Interest in promotion or formation of our Company**

Shankarlal Deepchand Mehta, Chairman and Managing Director, Babulal D. Mehta, Whole-Time Director and Jayesh Natvarlal Pithva, Executive Director are the Promoters and interested in the Promotion of our Company. For further details regarding our Promoters, see **“Our Promoters”** on page 276.

### **Business interest**

Except as stated in the sections titled **“Restated Financial Statements –Transactions with Related Parties”** on page 336, our Directors do not have any other business interest in our Company.

### **Confirmation**

None of our Directors is or was a director of any listed company whose shares have been or were suspended from being traded on any stock exchanges in India during the term of their directorship in such companies, in the last five years preceding the date of this Draft Red Herring Prospectus.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchanges, during the term of their directorship in such Companies.

None of our Directors have been declared as Wilful Defaulters.

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.

### **Confirmation in relation to RBI Circular dated July 1, 2016**

Neither our Company nor any of our Directors have been declared as Fraudulent Borrowers by RBI in terms of the RBI circular dated July 1, 2016.

### **Changes in our Board during the last three years**

The changes in our Board of our Company during the last three years till the date of this Draft Red Herring Prospectus are set forth below.

<b>Name of Director</b>	<b>Date</b>	<b>Reason</b>	
Mahima Shankarlal Mehta	September 1, 2023	Resignation due to pre-occupations in other activities	
Meenakshi Rajendra Kumar Khatri	September 1, 2023	Appointment as Additional Director	
Meenakshi Rajendra Kumar Khatri	September 29, 2023	Change in designation to Independent Director	
Yashkumar Shankarlal Mehta	January 1, 2024	Appointment as Additional Director	
Jigar Maheshbhai Pithva	June 12, 2024	Resignation due to pre-occupation in other activities	
Meenakshi Rajendra Kumar Khatri	June 12, 2024	Resignation due to pre-occupation in other activities	
Yashkumar Shankarlal Mehta	June 12, 2024	Resignation due to pre-occupation in other activities	
Nikita Ronak Mehta	June 12, 2024	Appointment as Additional Independent Director	
Prashant B. Patel	June 12, 2024	Appointment as Additional Independent Director	
Kushal Brahmshatriya	Kamlesh	June 12, 2024	Appointment as Additional Independent Director
Nikita Ronak Mehta	July 10, 2024	Change in designation to Independent Director	
Prashant B. Patel	July 10, 2024	Change in designation to Independent Director	
Kushal	Kamlesh	July 10, 2024	Change in designation to Independent Director

Name of Director	Date	Reason
Brahmkshatriya		

## Corporate Governance

As on the date of this Draft Red Herring Prospectus, we have six (6) directors on our Board, comprising of one (1) Managing Director, one (1) Whole-time Director, one (1) Executive Director and three (3) Independent Directors (out of which 1(one) is woman director). The present composition of our Board of Directors and its committees are in accordance with the Companies Act, 2013, and SEBI Listing Regulations.

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations in relation to the composition of our Board and constitution of committees thereof. Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of the SEBI Listing Regulations and the Companies Act.

## Board committees

Our Board has constituted/ reconstituted the following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholders Relationship Committee;
- d. Corporate Social Responsibility Committee;-and

Details of each of these committees are as follows:

### Audit Committee

The Audit Committee was constituted pursuant to a meeting of our Board held on February 26, 2010 and reconstituted on June 12, 2024.

The Audit Committee currently consists of:

- a) Kushal Kamlesh Brahmkshatriya (*Chairperson*)
- b) Prahsant B Patel (*Member*); and
- c) Jayesh Natwarlal Pithva (*Member*).

Further, the Company Secretary of our Company shall act as the secretary to the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C.

The role of the audit committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. 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:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;



- (f) Disclosure of any related party transactions;
- (g) 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/ 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. 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;
- 16. 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;
- 17. 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;
- 18. 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;
- 19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
- 20. 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;
- 21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary (if any) 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;
- 22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- 23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Further, the Audit Committee shall mandatorily review the following:

- (a) Management discussion and analysis of financial condition and results of operations;
- (b) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (c) Internal audit reports relating to internal control weaknesses; and
- (d) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- (e) Statement of deviations:
  - 1. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1);
    - (a) 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**

The Nomination and Remuneration committee was constituted by a resolution of our Board dated February 26,

2010 and was reconstituted on June 12, 2024.

The Nomination and Remuneration Committee currently consists of:

- a) Prashant B Patel (*Chairperson*);
- b) Kushal Kamlesh Brahkshatriya (*Member*); and
- c) Nikita Ronak Mehta (*Member*)

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of Nomination and Remuneration Committee shall include the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) 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: a. use the services of an external agencies, if required; b. consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates;
- (3) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (4) Devising a policy on diversity of board of directors;
- (5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (6) 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.
- (7) Recommend to the board, all remuneration, in whatever form, payable to senior management

#### **Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was constituted pursuant to a meeting of our Board held on June 12, 2024. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently consists of:

- a) Nikita Ronak Mehta (*Chairperson*);
- b) Shankarlal Deepchand Mehta (*Member*); and
- c) Jayesh Natwarlal Pithva (*Member*).

#### **Role of Stakeholders' Committee**

The role of Stakeholder Relationship Committee, together with its powers, is as follows:

- (1) Resolving grievances of our security holders, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- (2) Review of measures taken for effective exercise of voting rights by shareholders;
- (3) Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (4) Review of various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### **Corporate Social Responsibility Committee**

The CSR Committee was constituted by a resolution of our Board dated June 12, 2024 by a resolution of our Board. The current constitution of the CSR Committee is as follows:

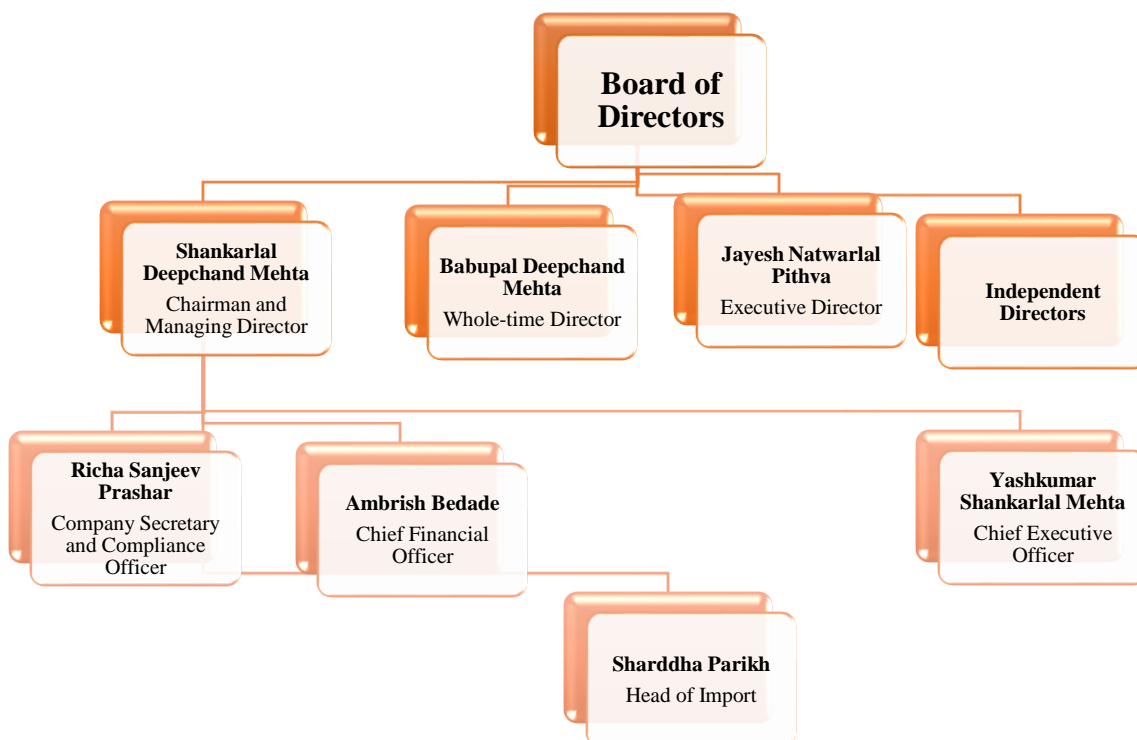
- a) Nikita Ronak Mehta (*Chairperson*);

- b) Prasahant B. Patel(*Member*); and
- c) Shankarlal Deepchand Mehta (*Member*)

The terms of reference of the Corporate Social Responsibility Committee shall include the following:

1. formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
2. identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
3. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (i) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
4. delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
5. review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
6. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and
7. exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

### Management Organization Structure



### Key Managerial Personnel and Senior Management Personnel

#### *Key Managerial Personnel*

Other than Shankarlal Deepchand Mehta, Chairman and Managing Director and Babulal D Mehta, Whole-time Director, whose details are provided hereinabove, the details of our Key Managerial Personnel, as on the date of

this Draft Red Herring Prospectus are set forth below.

**Ambrish Bedade** is the Chief Financial Officer of our Company. He has been associated with our Company since March 02, 2020 as the Head - Finance and was appointed as the Chief Financial Officer on August 1, 2024. He has also completed his degree in Bachelor of Commerce from University of Baroda. He has completed his Post-Graduate Diploma in Industrial Relations and Personnel Management from the Bhavan's Rajendra Prasad Institute of Communication & Management. He has previously worked with organisations such as Philips Glass India Limited and S.E. Power Limited and has more than 18 years of experience in finance and administration. His roles and responsibilities include overseeing financial reporting, tax planning, budgeting, risk management, and strategic decision-making to ensure the company's financial health and achievement of its goals. He received a gross remuneration of ₹24 lakhs in Fiscal 2024.

**Yashkumar Shankarlal Mehta** is the Chief Executive Officer of our Company and has been associated with our Company since August 1, 2015 as the Manager – Business Operations and was appointed as the Chief Executive Officer of the Company on August 13, 2024. He has completed degree in Bachelor of Business Administration from Navrachana University. He has an experience of over 9 years in the steel industry. He presently also serves as a director on the board of Bhansali Bright Bars Private Limited, Rutvij Stainless Private Limited and Ventana Speciality Private Limited and also served as a Director of our Company from January 1, 2024 till June 12, 2024. His roles and responsibilities include implementing board decisions, managing strategy execution, overseeing acquisitions, risk management, and internal controls, recommending senior executive policies, communicating workforce insights to the board, and engaging with shareholders and stakeholders effectively. He received a gross remuneration of ₹36.05 lakhs in Fiscal 2024.

**Richa Sanjeev Prashar** is the Company Secretary and Compliance Officer of our Company. She has been working with our Company since March 6, 2020. She is an associate of the Institute of Company Secretaries of India. She has more than 21 years of experience in the field of legal and secretarial compliances. She has previously worked with CH Jewellers Private Limited. Her roles and responsibilities include ensuring compliance with regulations, accurate filings under SEBI Listing Rules, coordination with authorities, and monitoring of investor grievance redressal. She received a gross remuneration of ₹3.10 lakhs in Fiscal 2024.

### **Senior Management**

**Shraddha Jignesh Parikh** is the Head of Import of our Company. She has been working with our Company since April 01, 2012 and was appointed as Head of Import on June 12, 2024. She has completed her Master of Commerce degree from the University of Mumbai in 2011. She has previously worked with Nexus Multi Commodities. She has more than 12 years of experience in both accountancy and importing. Her roles and responsibilities include developing and implementing strategies to optimize international trade by ensuring regulatory compliance, cost efficiency, and effective risk management. Lead the import team, foster vendor relationships, and provide regular performance updates to senior management. She received a gross remuneration of ₹6.60 lakhs in Fiscal 2024.

### **Service Contracts with Key Managerial Personnel and Senior Management Personnel**

No Key Managerial Personnel and Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

### **Interest of Key Managerial Personnel and Senior Management Personnel**

For details of the interest of our Managing Director and Whole-time Directors in our Company, see “**Our Management – Interest of Directors**” on page 267.

Other than to the extent of the remuneration, benefits, reimbursement of expenses incurred in the ordinary course of business and the interest of Yashkumar Shankarlal Mehta in the Promotion of our Company, our Key Managerial Personnel and Senior Management Personnel have no other interest in the equity share capital of the Company.

No loans have been availed by our Key Managerial Personnel and Senior Management Personnel from our Company as on the date of this Draft Red Herring Prospectus.

### **Relationship amongst Key Managerial Personnel and Senior Management Personnel**

Except as disclosed in the “*Our Management – Relationship between Directors and Key Managerial Personnel or Senior Management*”, none of our Key Managerial Personnel and Senior Management Personnel are related to each other.

### **Arrangements and understanding with major Shareholders, customers, suppliers or others**

None of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

### **Payment or benefit to officers of our Company (non-salary related)**

No non-salary related amount or benefit has been paid or given to any officer of our Company including Key Managerial Personnel or Senior Management within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

### **Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel**

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management Personnel.

### **Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel**

Except the payment of Bonus as per Statutory norms there is no bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel.

### **Status of Key Managerial Personnel and Senior Management Personnel**

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

### **Shareholding of Key Managerial Personnel and Senior Management Personnel**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>No. of shares held</b>	<b>Percentage (%)</b>
1	Shankarlal Deepchand Mehta	3,63,14,500	52.69
2	Babulal D Mehta	54,01,226	7.84
<b>Total</b>		<b>4,17,15,726</b>	<b>60.53</b>

### **Changes in Key Managerial Personnel and Senior Management Personnel during the last three years**

The changes in our Key Managerial Personnel and Senior Management Personnel during the last three years till the date of this Draft Red Herring Prospectus are set forth below.

<b>Name of KMP/SMP</b>	<b>Date</b>	<b>Reason</b>
Yashkumar Shankarlal Mehta	August 13, 2024	Appointment as Chief Executive Officer
Shraddha Jignesh Parikh	June 12, 2024	Change in designation to Head of Import
Jayesh Natvarlal Pithva	August 1, 2024	Cessation as Chief Financial Officer due to pre-occupation in other activities
Ambrish Bedade	August 1, 2024	Change in designation to Chief Financial Officer

**Attrition of Key Managerial Personnel and Senior Management Personnel**

The attrition of Key Managerial Personnel and Senior Management Personnel is not high in our Company.

**Employee Stock Options and Stock Purchase Schemes**

As on date of this Draft Red Herring Prospectus, our Company does not have any Employee Stock Options and other Equity-Based Employee Benefit Schemes.

## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTERS

Shankarlal Deepchand Mehta, Babulal D. Mehta, Jayesh Natvarlal Pithva and Yashkumar Shankarlal Mehta are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

Name of the Promoter	No. of Equity Shares	% of pre-Offer issued, subscribed and paid-up Equity Share Capital
Shankarlal Deepchand Mehta	3,63,14,500	52.69
Babulal D. Mehta	54,01,226	7.84
Jayesh Natvarlal Pithva	37,98,914	5.51
Yashkumar Shankarlal Mehta	-	-
<b>Total</b>	<b>4,55,14,640</b>	<b>66.04</b>

For further details, see “*Capital Structure – The aggregate shareholding of the Promoters and Promoter group*” on page 132.

The details of our Promoters are as under:



#### **Shankarlal Deepchand Mehta**

Shankarlal Deepchand Mehta, aged 53 years is the Chairman and Managing Director of our Company. He is an Indian national. For details of his educational qualifications, residential address, date of birth, experience, positions and posts held in the past, other directorships and interest in other entities, business, financial activities and special achievements, see “*Our Management*” on page 262. Other than the entities forming part of the Group Companies and Promoter Group, Shankarlal Deepchand Mehta is not involved in other ventures.

His permanent account number is AEWPM3898J.



#### **Babulal D. Mehta**

Babulal D. Mehta, aged 65 years is the Whole-time Director of our Company. He is an Indian national. For details of his educational qualifications, residential address, date of birth, experience, positions and posts held in the past, other directorships and interest in other entities, business, financial activities and special achievements, see “*Our Management*” on page 262. Other than the entities forming part of the Group Companies and Promoter Group, Babulal D Mehta is not involved in other ventures.

His permanent account number is AEEPM0912M.



### **Jayesh Natvarlal Pithva**

Jayesh Natvarlal Pithva, aged 56 years is the Executive Director of our Company. He is an Indian national. For details of his educational qualifications, residential address, date of birth, experience, positions and posts held in the past, other directorships and interest in other entities, business, financial activities and special achievements, see “*Our Management*” on page 262. Other than the entities forming part of the Group Companies and Promoter Group, Jayesh Natvarlal Pithva is not involved in other ventures

His permanent account number is AADPP6145Q.



### **Yashkumar Shankarlal Mehta**

Yashkumar Shankarlal Mehta, aged 29 years is the Chief Executive Officer of our Company. He is an Indian national. For details of his educational qualifications, experience, positions and posts held in the past, other directorships and interest in other entities, business, financial activities and special achievements, see “*Our Management - Key Managerial Personnel and Senior Management Personnel*” on page 272. Other than the entities forming part of the Group Companies and Promoter Group, Yashkumar Deepchand Mehta is not involved in other ventures.

His permanent account number is CODPM1740Q.

**Date of Birth:** September 02, 1995

**Address:** 5 Pratishtha Bunglow, R V Desai Road, near Javahar Society, Opp. Mayur Apartment, Vadodara – 390 001, Gujarat, India

## **Confirmations and Undertakings**

We confirm that the Permanent Account Number, Bank Account number, Passport number, Aadhaar card number and driving license number of our Promoters have been submitted to the Stock Exchange(s) at the time of filing of this Draft Red Herring Prospectus.

### **Change in Control of our Company**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

### **Other ventures of our Promoters**

Other than as disclosed in the section “*Our Management – Other Directorships*” on page 262, and our Promoter Group entities and Group Companies, our Promoters are not involved in any other ventures. For details see, “*Our Group Companies*” on page 282 and “*Risk Factors – Our Company’s Directors or Promoter may enter into ventures that may lead to real or potential conflicts of interest with our business.*” on page 77. Further, except our Promoter Group entities and Group Companies our Promoters do not have any interest in a venture that is involved in any activities similar to those conducted by our Company.



### **Experience of our Promoter in the business of our Company**

Our Promoters have adequate experience in the industry in which our Company conducts its business. For further details please see “*Our Management – Brief profiles of our Directors*” and “*Our Management – Key Management Personnel and Senior Management Personnel*” on pages 264 and 272.

### **Interest of our Promoters**

Our Promoters are interested in our Company to the extent of: (i) having promoted our Company; (ii) their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by him or their relatives; (iii) of remuneration payable to them as Directors, Key Managerial Personnel and Senior Managerial Personnel of our Company; (v) interest on unsecured loan provided to the Company; and (iv) receivables in the ordinary course of business. For further details, see “*Capital Structure*”, “*Our Management*”, “*Summary of the Offer Document – Related Party Transactions*” and “*Restated Financial Statements*” on pages 103, 262, 29 and 287 respectively.

Except as stated in “*Summary of the Offer Document – Related Party Transactions*” on page 29 and disclosed in “*Our Management – Interest of Directors*” and “*Our Management – Interest of Key Management Personnel and Senior Management Personnel*” on pages 267 and 272, there has been no payment of any amount or benefit given to our Promoters or Promoter Group during the two years preceding the date of filing of the Draft Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Draft Red Herring Prospectus.

### **Interest of our Promoters in our Company arising out of being a member of a firm or company**

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to any firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a director, promoter or otherwise for services rendered by such Promoters or by such firm or company, in connection with the promotion or formation of our Company.

### **Interest of our Promoters in the property of our Company**

Our Promoters are not interested in the properties acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it, or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery, other than in the normal course of business.

### **Payment of Amounts or Benefits to the Promoters or Promoter Group During the last two years**

Except as stated in the section “*Restated Financial Statements – Transactions with Related Parties*” on page 336 there has been no payment of benefits paid or given to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoter Group.

### **Material Guarantees**

Except as stated in the chapters “*History and Certain Corporate Matters*”, “*Financial Information*” and “*Financial Indebtedness*” on pages 257, 287 and 363, respectively, 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.

### **Companies with which the Promoters have disassociated in the last three years**

Except for Shankarlal Deepchand Mehta and Babulal D. Mehta who recently disassociated from Rajputana Bright Bars Private Limited, none of our other Promoters have disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Red Herring Prospectus.

## Confirmations

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters or a fraudulent borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

Our Promoters, members of our Promoter Group, are not prohibited from accessing or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Promoters and members of the Promoter Group are not promoters, directors or persons in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of the Company) and the Company, Promoters and the Promoter Group.

For details on litigation involving our Promoters in accordance with SEBI ICDR Regulation, see “*Outstanding Litigation and Material Developments – Litigation involving our Promoters*” on page 392.

## Other Confirmations

Except as stated below, none of our Promoters or individuals forming part of our Promoter Group are appearing in the list of directors of struck-off companies by the RoC or the MCA under Section 248 of the Companies Act. Further, none of the entities forming part of our Promoter Group are appearing in the list of struck-off companies by the RoC or the MCA under Section 248 of the Companies Act.

Persons	Struck-off Entities
Omprakash Siremajji Kanungo	Metal Test Laboratory Private Limited Kanungo Impex Private Limited
Mehul Omprakash Kanungo	Kanungo Impex Private Limited

## Our Promoter Group

Persons constituting the Promoter Group (other than our Promoters) of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations 2018 are set out below:

*Natural persons forming part of our Promoter Group (other than our Promoters):*

Sr. No.	Name of Individuals	Relationships
<b>Shankarlal Deepchand Mehta</b>		
1.	Mehta Surekha	Spouse
2.	Yashkumar Shankarlal Mehta	Son
3.	Mahima Shankarlal Mehta	Daughter
4.	Nihali Yash Sanghvi	Daughter
5.	Mehta Rameshkumar Deepchand	Brother
6.	Babulal D. Mehta	Brother
7.	Kamla Mangilal Sanghvi	Sister
8.	Bhawaridevi Motilal Bothra	Sister
9.	Ugamben Bhawarji Shah	Spouse's Mother
10.	Dinesh Bhanvarlal Shah	Spouse's Brother
11.	Gautam Bhanvarlal Shah	Spouse's Brother
12.	Anita Ramesh Bhansali	Spouse's Sister

Sr. No.	Name of Individuals	Relationships
13.	Meena Mehta Kamlesh	Spouse's Sister
14.	Mehta Rekha	Spouse's Sister
15.	Vimla Ashok Mehta	Spouse's Sister
16.	Kamlaben Motilal Mehta	Brother's Wife
17.	Mahendra Motilal Mehta	Brother's Son
18.	Mehta Vikramkumar Motilal	Brother's Son
19.	Teena Manish Sanghvi	Brother's Daughter
20.	Meena Vikramkumar Mehta	Brother's Daughter in law
21.	Rohini Rameshkumar Mehta	Brother's Wife
22.	Jayantilal Mangilal Sanghvi	Sister's Son
23.	Mangilal Bachraj Sanghvi	Brother-in-law
<b><i>Babulal D Mehta</i></b>		
24.	Bhaguben Babulal Mehta	Spouse
25.	Girish B. Mehta	Son
26.	Kalpesh Babulal Mehta	Son
27.	Pinky Pravinkumar Jain	Daughter
28.	Mehta Rameshkumar Deepchand	Brother
29.	Shankarlal Deepchand Mehta	Brother
30.	Kamla Mangilal Sanghvi	Sister
31.	Ramesh Pukharaj Sanghvi	Spouse's Brother
32.	Sumermal P. Sanghvi	Spouse's Brother
33.	Pankhidevi Moolchand Bokadia	Spouse's Sister
34.	Sitaben Shantilal Bokadia	Spouse's Sister
35.	Kamlaben Motilal Mehta	Brother's Wife
36.	Mahendra Motilal Mehta	Brother's Son
37.	Mehta Vikramkumar Motilal	Brother's Son
38.	Teena Manish Sanghvi	Brother's Daughter
39.	Meena Vikramkumar Mehta	Brother's Daughter in law
40.	Rohini Rameshkumar Mehta	Brother's Wife
41.	Jayantilal Mangilal Sanghvi	Sister's Son
42.	Mangilal Bachraj Sanghvi	Brother-in-law
<b><i>Jayesh Natvarlal Pithva</i></b>		
43.	Nirmalaben Natvarlal Pithwa	Mother
44.	Hetal Jayesh Pithva	Spouse
45.	Mohit Jayesh Pithva	Son
46.	Darshit Jayesh Pithva	Son
47.	Bhavika Samir Chudasama	Sister
48.	Daksha Jain Sidhpura	Sister
49.	Jyotsna Hareesh Parmar	Sister
50.	Rathod Dhirendrabhai Amrutlal	Spouse's Brother
51.	Solanki Charuben Bharatbhai	Spouse's Sister
52.	Kalpana Jitendra Luhar	Spouse's Sister
53.	Siddhpura Kusum Kirit	Spouse's Sister
<b><i>Yashkumar Shankarlal Mehta</i></b>		
54.	Shankarlal Deepchand Mehta	Father
55.	Mehta Surekha	Mother
56.	Mahima Shankarlal Mehta	Sister
57.	Nihali Yash Sanghvi	Sister
58.	Devyani Omprakash Kanungo	Spouse
59.	Omprakash S Kanungo	Spouse's Father
60.	Sowan Omprakash Kanungo	Spouse's Mother
61.	Heer Omprakash Kanungo	Spouse's Brother
62.	Mehul Omprakash Kanungo	Spouse's Brother

*Entities forming part of our Promoter Group (other than our Promoters):*

<b>Sr. No.</b>	<b>Name of Entities</b>	<b>Nature</b>
1.	Mehta Babulal D. HUF	HUF
2.	Shankarlal Deepchand Mehta HUF	HUF
3.	Rameshkumar Deepchand Mehta HUF	HUF
4.	Motilal D. Mehta HUF	HUF
5.	Steel Wire India	Partnership firm
6.	Steel Trade	Partnership firm
7.	Steel World India	Proprietorship
8.	Steel Forge	Proprietorship
9.	Metal Sales	Proprietorship
10.	Surya Steel	Proprietorship
11.	Rutvij Stainless Private Limited	Company
12.	Bhansali Bright Bar Private Limited	Company
13.	Steel Icon Stainless Private Limited	Company
14.	Kanungo Ferromet Private Limited	Company
15.	Steel Inox Private Limited	Company
16.	Cetus Engineering Private limited	Company
17.	Neo Ferromet Private Limited	Company
18.	Red & Yellow Realty Private Limited	Company
19.	Stainless Trading (India) Limited	Company
20.	Kanungo Recycling LLP	LLP

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “*Group Companies*”, includes (i) such companies (other than promoter(s) and subsidiary(ies), if any) with which there were related party transactions during the period for which financial information is disclosed, in accordance with Ind AS 24, as disclosed in the Restated Financial Statement (“**Relevant Period**”), including any additions or deletions in such companies, after the Relevant Period and until the date of the respective offer documents; and (ii) any other companies considered material by the Board of Directors.

Accordingly, all such companies with which the Company had related party transactions, in accordance with Ind AS 24, during the Relevant Period and as disclosed in the Restated Financial Statement, which is contained in Draft Red Herring Prospectus, shall be considered as group companies of the Company for the purpose of disclosure in this Draft Red Herring Prospectus to be filed in relation to the Offer.

Pursuant to a resolution of our Board dated June 12, 2024, with respect to item (ii) mentioned above, our Board has considered that such companies, which are a part of the Promoter Group (as defined in the SEBI ICDR Regulations) with whom our Company has entered into one or more transactions during and stub period ended on June, 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, if any, the monetary value of which individually or cumulatively exceeds 10% of the total revenue of our Company for the Relevant Period as per the Restated Financial Statement shall also be considered as group companies of the Company.

Set forth below, based on the aforementioned criteria, are the details of our Group Company as on the date of this Draft Red Herring Prospectus.

### **Steel Icon Stainless Private Limited**

#### *Corporate Information*

Steel Icon Stainless Private Limited was incorporated on December 5, 2020 under the Companies Act, 2013. The registered office is located at Shop No 2, Plot 16/18, Sharddhanand Niwas, Khetwadi 6<sup>th</sup> Lane, Girgaon, Mumbai City, Mumbai – 400 004 Maharashtra, India. The corporate identity number of Steel Icon Stainless Private Limited is U28999MH2020PTC351317.

#### *Financial Information*

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Steel Icon Stainless Private Limited for the last three Fiscals, extracted from its audited financial statements (as applicable) is available at the website of our Company at [www.rajputanastainless.com](http://www.rajputanastainless.com).

### **Bhansali Bright Bars Private Limited**

#### *Corporate Information*

Bhansali Bright Bars Private Limited was incorporated on October 29, 1990 under the erstwhile Companies Act, 1956. The registered office is located at 150 Nanubhaidesai Road, Mumbai City, Mumbai – 400 004 Maharashtra, India. The corporate identity number of Bhansali Bright Bars Private Limited is U12020MH1990PTC058711.

#### *Financial Information*

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Bhansali Bright Bars Private Limited for the last three Fiscals, extracted from its audited financial statements (as applicable) is available at the website of our Company at [www.rajputanastainless.com](http://www.rajputanastainless.com).

## **Rutvij Stainless Private Limited**

### *Corporate Information*

Rutvij Stainless Private Limited was incorporated on October 30, 2017 under the Companies Act, 2013. The registered office is located at Tf-06 Megamall, Akotaroad, Old Ambica Mill Compound, Village Vadodara (M Corpog), Vadodara – 390 020, Gujarat, India. The corporate identity number of Rutvij Stainless Private Limited is U27300GJ2017PTC099601.

### *Financial Information*

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Rutvij Stainless Private Limited for the last three Fiscals, extracted from its audited financial statements (as applicable) is available at the website of our Company at [www.rajputanastainless.com](http://www.rajputanastainless.com).

## **Steel Inox Private Limited**

### *Corporate Information*

Steel Inox Private Limited was incorporated on August 10, 2021 under the Companies Act, 2013. The registered office is located at A-2902, Floor-29<sup>th</sup>, Plot-370, A-Wing, Shreepati Jewels Taty Gharpure Marg, Pimpalwadi, Girgaon, Mumbai City, Mumbai – 400 004, Maharashtra, India. The Corporate Identification Number of Steel Inox Private Limited is U27205MH2021PTC365617.

### *Financial Information*

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Steel Inox Private Limited for the last three Fiscals, extracted from its audited financial statements (as applicable) is available at the website of our Company at [www.rajputanastainless.com](http://www.rajputanastainless.com).

## **Ventana Speciality Private Limited**

### *Corporate Information*

Ventana Speciality Private Limited was incorporated on March 18, 2021 under the Companies Act, 2013. The registered office is located at Survey No.268, Village Ghantiyal, Samlaya Chandrapura Road, Taluka Savli, Vadodara, Vadodara – 391 510 Gujarat, India. The corporate identity number of Ventana Speciality Private Limited is U27100GJ2021PTC121319.

### *Financial Information*

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Ventana Speciality Private Limited for the last three Fiscals, extracted from its audited financial statements (as applicable) is available at the website of our Company at [www.rajputanastainless.com](http://www.rajputanastainless.com).

## **Rajputana Bright Bars Private Limited**

### *Corporate Information*

Rajputana Bright Bars Private Limited was incorporated on May 18, 2010 under the erstwhile Companies Act, 1956. The registered office is located at 802, 8<sup>th</sup> Floor, Krishna Towers opp Bank Of Baroda, R V Desai Road, Vadodara – 390 001, Gujarat, India. The corporate identity number of Rajputana Bright Bars Private Limited is

U27100GJ2010PTC060786.

*Financial Information*

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Rajputana Bright Bars Private Limited for the last three Fiscals, extracted from its audited financial statements (as applicable) is available at the website of our Company at [www.rajputanastainless.com](http://www.rajputanastainless.com).

**Kanungo Ferromet Private Limited**

*Corporate Information*

Kanungo Ferromet Private Limited was incorporated on July 9, 1990 under the erstwhile Companies Act, 1956. The registered office is located at 1A, 1<sup>st</sup> floor, 28 Mahimwala Bungalow Khetwadi, 12<sup>th</sup> Lane, Mumbai – 400 004, Maharashtra, India. The corporate identity number of Kanungo Ferromet Private Limited is U27200MH1990PTC057138.

*Financial Information*

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Kanungo Ferromet Private Limited for the last three Fiscals, extracted from its audited financial statements (as applicable) is available at the website of our Company at [www.rajputanastainless.com](http://www.rajputanastainless.com).

**Cetus Engineering Private Limited**

*Corporate Information*

Cetus Engineering Private Limited was incorporated on February 21, 2020 under the Companies Act, 2013. The registered office is located at Survey No. 239/1, Plot No. 4, 5 & 6, Opp. Kishan Cement, B/H. GEB Substation, Shapar (Ver, aval), Rajkot – 360 024 Gujarat, India. The corporate identity number of Cetus Engineering Private Limited is U29249GJ2020PTC112869.

*Financial Information*

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Cetus Engineering Private Limited for the last three Fiscals, extracted from its audited financial statements (as applicable) is available at the website of our Company at [www.rajputanastainless.com](http://www.rajputanastainless.com).

**Neo Ferromet Private Limited**

*Corporate Information*

Neo Ferromet Private Limited was incorporated on June 7, 2010 under the Companies Act, 2013. The registered office is located at 1/A, 1<sup>st</sup> Floor, Mahimwala Bungalow, 12<sup>th</sup> Khetwadi Lane, Mumbai – 400 004, Maharashtra, India. The corporate identity number of Neo Ferromet Private Limited is U51101MH2010PTC203729.

*Financial Information*

In accordance with SEBI ICDR Regulations, certain financial information pertaining to (i) the details of reserves (excluding revaluation reserves); (ii) sales; (iii) profit/loss after tax; (iv) earnings per share; (v) diluted earnings per shares; and (vi) net asset value in relation to Neo Ferromet Private Limited for the last three Fiscals, extracted from its audited financial statements (as applicable) is available at the website of our Company at

[www.rajputanastainless.com](http://www.rajputanastainless.com).

### **Nature and extent of interests of our Group Companies**

#### *In the promotion of our Company*

Our Group Company does not have an interest in the promotion or formation of our Company.

#### *In the properties acquired by our Company*

Our Group Company does not have any interest in any property acquired by our Company in the 3 years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on date of this Draft Red Herring Prospectus.

#### *In transactions for acquisition of land, construction of building and supply of machinery*

Our Group Company does not have an interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery.

#### *Business interests in our Company*

Except in the ordinary course of business and as disclosed under “**Restated Financial Statements**” on page 287, our Group Company does not have any business interest in our Company.

#### *Related Business Transactions within our Group Companies and significance on the financial performance of our Company*

Except as disclosed under “**Restated Financial Statements**” on page 287, there are no related business transactions with our Group Companies.

### **Common pursuits of our Group Companies**

There are common pursuits amongst our group company and our Company by virtue of engagement in the similar line of activities. However, there is no conflict of interest among our Group Companies and Company. Further, as on date, Rajputana Bright Bars Private Limited is not a related party to our Company. Therefore, as on date, there is no conflict of interest amongst our Company and Rajputana Bright Bars Private Limited. Our Company shall adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any instances of conflict of interest, if and when they may arise. For risks related to conflict of interest, please see “**Risk Factors – Our Company’s Promoter Directors are at present involve and may enter into ventures that may lead to real or potential conflicts of interest with our business**” on page 77.

### **Litigation**

As on date of this Draft Red Herring Prospectus, our Group Company is not party to any pending litigation which will have a material impact on our Company.

### **Utilisation of Offer Proceeds**

There are no material existing or anticipated transactions with our Group Company in relation to utilisation of the Offer Proceeds.



## DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by the Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013 together with the applicable rules notified thereunder, as amended. Further the Board shall also have the absolute power to declare interim dividend in compliance with the Companies Act.

The declaration and payment of dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, financial commitments and financial requirements including business expansion and/or diversification, acquisition of new businesses, liquidity position, applicable legal restrictions, cost of raising funds from alternate sources, cash flows, , the prevailing taxation policy or any amendments expected thereof, with respect to distribution of dividend, capital expenditure requirements considering opportunities for expansion and acquisition, cost and availability of alternative sources of financing, prevailing macroeconomic and business conditions, and overall financial position of our Company and other factors considered relevant by our Board. We may retain all our future earnings, if any, for use in the operations and expansion of our business. Our Company may not distribute dividend when there is absence or inadequacy of profits. For further details, see “*Risk Factors - Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*” on page 79.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. We have neither declared nor paid any dividends on the Equity Shares in any of the three Financial Years preceding the date of this Draft Red Herring Prospectus and the period from April 1, 2024 until the date of this Draft Red Herring Prospectus. There is no guarantee that any dividends will be declared or paid by our Company in the future. We cannot assure you that we will be able to pay dividends in the future.

**SECTION V – FINANCIAL INFORMATION**

**RESTATED FINANCIAL STATEMENTS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	The examination report and the Restated Financial Statements	288

## INDEPENDENT AUDITOR'S REPORT

**As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies  
(Prospectus and Allotment of Securities) Rules, 2014)**

To  
The Board of Directors,  
**Rajputana Stainless Limited**  
CIN: U27109GJ1991PLC015331  
213, Madhwas, Halol Kalol Road Kalol,  
Panchmahal, Gujarat,  
India, 389330.

1. We have examined the attached Restated Financial Statements of **Rajputana Stainless Limited** (hereinafter referred as the "Company" or "Issuer") comprising of Restated Statement of Assets and Liabilities as at June 30<sup>th</sup>, 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023, March 31<sup>st</sup>, 2022 the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the years or period ended June 30<sup>th</sup>, 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023, March 31<sup>st</sup>, 2022, the Summary Statement of Significant Accounting Policies to the Restated Financial Statements (collectively, the "Restated Financial Statements"), as approved by the Board of Directors of the Company at their meeting held on December 11<sup>th</sup>, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus ("RHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended ("the Act") read with Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules").
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time pursuant to the provisions of the Securities and Exchange Board of India, 1992 (**"the SEBI 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"**).

### **Management's Responsibility for the Restated Summary Statement**

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") and Registrar of

Companies, Gujarat at Ahmedabad in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in **note 1** to the Restated Financial Information.

The Board of directors of the Company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of directors of the Company are also responsible for identifying and ensuring that the company complies with the Act, the ICDR Regulations and the Guidance Note.

### **Auditors' Responsibilities**

3. 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 November 25<sup>th</sup>, 2024 in connection with the proposed IPO of equity shares of the Company;
  - b) 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 proposed IPO of equity shares of the Company.

4. These Restated Financial Information have been compiled by the management from audited financial statements of the Company as at June 30<sup>th</sup>, 2024, March 31<sup>st</sup>, 2024 prepared in accordance with Ind AS and as at June 30<sup>th</sup>, 2024, March 31<sup>st</sup>, 2023 & March 31<sup>st</sup>, 2022 prepared in accordance with Ind AS, as prescribed under Section 133 of the Act and other accounting principles generally accepted in India (the "Audited Financial Statements"), which have been approved by the Board of Directors at their Board meetings held on 11<sup>th</sup> December, 2024, 19<sup>th</sup> June 2024, 1<sup>st</sup> September 2023 and 22<sup>nd</sup> September 2022 respectively.
5. For the purpose of our examination, we have relied on Auditors' reports issued by us dated 11<sup>th</sup> December 2024, 19<sup>th</sup> June 2024, 1<sup>st</sup> September 2023 and 22<sup>nd</sup> September 2022 on the Audited Financial Statements of the Company as at and for the years or period ended June 30<sup>th</sup>, 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023, March 31<sup>st</sup>, 2022 respectively, as referred in paragraph 4 above.

6. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.
7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
9. Our report is intended solely for use of the Board of Directors for inclusion in the Offering Documents to be filed with Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, Gujarat, in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For Ruparel & Bavadiya**  
**Chartered Accountants**  
FRN: 126260W

**CA P N Bavadiya**  
**Partner**  
Membership No.: 113300  
UDIN: 24113300BKFEUW9086

Place: Vadodara  
Date: 11/12/2024

**RAJPUTANA STAINLESS LIMITED**

CIN NO : U27109GJ1991PLC015331

213, Madhwas, Halol, Panchmahal - 389330

**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	As at 30th June, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>I. ASSETS</b>					
<b>(1) Non - current assets</b>					
(a) Property, Plant and Equipment	2	6,995.74	7,039.01	5,258.52	5,497.17
(b) Intangible assets	2	7.18	7.02	13.74	21.52
(c) Capital Work In Progress	3	6.78	2.82	1,548.23	66.79
(d) Financial assets					
(i) Others Financial assets	4	18.16	19.02	493.73	6.68
(e) Deferred tax assets (net)		-	-	-	-
(f) Other non - current assets	5	102.20	118.59	103.36	100.27
<b>Total Non - current assets - A</b>		<b>7,130.05</b>	<b>7,186.46</b>	<b>7,417.58</b>	<b>5,692.43</b>
<b>(2) Current assets</b>					
(a) Inventories	6	11,314.17	10,419.30	8,804.54	11,266.69
(b) Financial assets					
(i) Investments	7	89.33	18.71	105.59	445.24
(ii) Trade receivables	8	11,029.09	8,949.59	10,668.73	8,725.62
(iii) Cash and cash equivalents	9	3.32	3.76	5.05	1.58
(iv) Bank balances other than cash and cash equivalents	10	1,168.49	934.47	712.47	619.80
(c) Other current assets	11	6,364.48	4,889.12	2,019.69	1,359.00
<b>Total Current assets - B</b>		<b>29,968.88</b>	<b>25,214.96</b>	<b>22,316.07</b>	<b>22,417.93</b>
<b>Total Assets (C=A+B)</b>		<b>37,098.93</b>	<b>32,401.42</b>	<b>29,733.64</b>	<b>28,110.36</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>(1) Equity</b>					
(a) Equity Share capital	12	3,445.88	3,445.88	3,445.88	3,445.88
(b) Other Equity	13	8,875.84	7,781.05	4,670.73	2,329.84
<b>Total Equity - D</b>		<b>12,321.72</b>	<b>11,226.94</b>	<b>8,116.61</b>	<b>5,775.72</b>
<b>Liabilities</b>					
<b>(2) Non - current liabilities</b>					
(a) Financial liabilities					
(i) Long Term Borrowings	14	1,839.34	1,937.75	2,481.11	3,389.43
(ii) Other Financial Liabilities	15	13.89	8.34	1,135.35	0.74
(b) Deferred Tax Liability (net)	16	667.50	695.70	700.57	1,073.20
(C) Provisions	17	268.26	258.61	180.96	173.77
<b>Total Non - current liabilities - E</b>		<b>2,788.99</b>	<b>2,900.41</b>	<b>4,497.98</b>	<b>4,637.15</b>
<b>(3) Current liabilities</b>					
(a) Financial liabilities					
(i) Short Term Borrowings	18	6,129.78	6,037.99	5,501.43	5,794.89
(ii) Trade payables	19				
a) Total outstanding dues of micro and small enterprises		4,283.26	1,612.83	813.49	457.59
b) Total outstanding dues of creditors others than micro and small enterprises		9,423.02	8,722.44	8,940.74	10,216.24
(b) Provisions	20	1,618.24	1,216.71	952.81	521.94
(c) Other current liabilities	21	533.92	684.10	910.58	706.83
<b>Total Current liabilities - F</b>		<b>21,988.22</b>	<b>18,274.07</b>	<b>17,119.05</b>	<b>17,697.49</b>
<b>Total Equity and Liabilities (G=D+E+F)</b>		<b>37,098.93</b>	<b>32,401.42</b>	<b>29,733.64</b>	<b>28,110.36</b>
Material accounting policies and estimates	1	-	-	-	-
Notes on the financial statement	29				

**For and on behalf of the Board of Directors**

**Shankarlal D Mehta**  
Managing Director  
DIN : 02656381

**Ambrish Bedade**  
CFO  
PAN : AFBPB7577B

As per our Report of even date attached  
**For Ruparel & Bavadiya**  
**Chartered Accountants**  
Firm Reg. No. 126260W

**Jayesh N. Pithva**  
Director  
DIN : 01531196

**Richa S. Prashar**  
Company Secretary  
M. No. : A16780

**CA P N Bavadiya**  
Partner  
Membership No. 113300  
JDIN : 24113300BKFEUW9086  
Place : Vadodara  
Date : 11/12/2024

Place : Vadodara  
Date : 11/12/2024

**RAJPUTANA STAINLESS LIMITED**

CIN NO : U27109GJ1991PLC015331

213, Madhwas, Halol, Panchmahal - 389330

**RESTATED STATEMENT OF PROFIT AND LOSS**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No.	Period Ended 30th June, 2024	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<b>Incomes</b>					
I. Revenue from operations	22	20,528.03	90,980.80	94,767.44	76,641.70
II. Other income	23	108.26	569.45	301.62	151.29
<b>III. Total Income ( I+II)</b>		<b>20,636.29</b>	<b>91,550.25</b>	<b>95,069.06</b>	<b>76,792.99</b>
<b>IV. Expenses:</b>					
a Cost of materials consumed	24	17,054.43	74,278.29	74,854.55	63,633.17
b Purchase of Traded Goods		-	-	-	-
c Changes in inventories of finished goods and work in progress	25	(1,345.29)	(2,261.22)	3,040.95	(298.36)
d Employee benefits expense	26	555.42	2,144.81	1,816.94	1,487.39
e Finance costs	27	351.67	1,446.52	1,137.18	1,102.95
f Depreciation and amortization expense	2	178.83	831.64	691.25	679.31
g Other expenses	28	2,329.20	10,877.95	10,670.42	8,795.00
<b>Total expenses (IV)</b>		<b>19,124.26</b>	<b>87,318.00</b>	<b>92,211.30</b>	<b>75,399.46</b>
<b>V. Profit before Exceptional Items and Tax (III-IV)</b>		<b>1,512.03</b>	<b>4,232.26</b>	<b>2,857.76</b>	<b>1,393.54</b>
VI Exceptional Items		-	-	-	-
<b>VII Profit / (Loss) Before Tax (V+VI)</b>		<b>1,512.03</b>	<b>4,232.26</b>	<b>2,857.76</b>	<b>1,393.54</b>
<b>VIII Tax expense :</b>					
a Current tax		380.55	1,055.73	827.07	417.84
b MAT Credit		-	-	-	125.36
b Deferred tax		(29.34)	13.63	(373.77)	(19.37)
d Income tax relating to earlier years		69.44	-	-	-
		<b>420.64</b>	<b>1,069.36</b>	<b>453.30</b>	<b>523.83</b>
<b>IX. Profit for the year</b>		<b>1,091.39</b>	<b>3,162.89</b>	<b>2,404.46</b>	<b>869.70</b>
<b>X. Other comprehensive income</b>					
<b>(i) Items that will not be reclassified to profit or loss</b>					
Remeasurement of the defined benefit plans		(0.09)	(73.69)	6.92	27.79
Income tax relating to these items		0.02	18.55	(1.74)	(9.71)
<b>(ii) Items that will be reclassified to profit or loss</b>					
Remeasurement of Fair Value Investments		4.62	0.21	(2.41)	66.94
Income tax relating to these items		(1.16)	(0.05)	0.61	(23.39)
<b>Total other comprehensive income, net of tax</b>		<b>3.40</b>	<b>(54.98)</b>	<b>3.37</b>	<b>61.63</b>
<b>XI. Total comprehensive income for the year</b>		<b>1,094.78</b>	<b>3,107.91</b>	<b>2,407.84</b>	<b>931.33</b>
<b>XII. Earnings per equity share</b>					
<b>(Nominal value per share Rs. 10/-)</b>					
- Basic (Rs.)		<b>1.58</b>	<b>4.59</b>	<b>3.49</b>	<b>1.26</b>
- Diluted (Rs.)		<b>1.58</b>	<b>4.59</b>	<b>3.49</b>	<b>1.26</b>

Material accounting policies and estimates

1

Notes on the financial statement

29

For and on behalf of the Board of Directors

**Shankarlal D Mehta**  
Managing Director  
DIN : 02656381

**Amrish Bedade**  
CFO  
PAN : AFBPB7577B

As per our Report of even date attached  
**For Ruparel & Bavadiya**  
**Chartered Accountants**  
Firm Reg. No. 126260W

**Jayesh N. Pithva**  
Director  
DIN : 01531196

**Richa S. Prashar**  
Company Secretary  
M. No. : A16780

**CA P N Bavadiya**  
Partner  
Membership No. 113300  
UDIN : 24113300BKFEUW9086  
Place : Vadodara  
Date : 11/12/2024

Place : Vadodara  
Date : 11/12/2024

**RAJPUTANA STAINLESS LIMITED**

CIN NO : U27109GJ1991PLC015331

213, Madhwas, Halol, Panchmahal - 389330

**RESTATED STATEMENT OF CASH FLOWS**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Period Ended 30th June, 2024	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<b>A. Cash flow from Operating activities</b>				
<b>Net profit before tax</b>	<b>1,512.03</b>	<b>4,232.26</b>	<b>2,857.76</b>	<b>1,393.54</b>
<b>Adjustments for :</b>				
Depreciation and amortisation expense	178.83	831.64	691.25	679.31
Profit/Loss on Sale of Fixed Assets	-	(1.77)	-	(0.05)
Profit/Loss on sale of investments	-	(73.52)	(117.20)	-
Amount Reclassified to P & L	-	2.41	(66.94)	-
Interest Income	(103.16)	(250.04)	(162.11)	(129.54)
Finance Costs	351.67	1,446.52	1,137.18	1,102.95
<b>Operating profit before working capital changes</b>	<b>1,939.37</b>	<b>6,187.51</b>	<b>4,339.95</b>	<b>3,046.21</b>
<b>Adjustments for :</b>				
(Increase)/Decrease In Trade Receivables	(2,079.50)	1,719.14	(1,943.11)	(3,398.15)
(Increase)/Decrease In Inventories	(894.87)	(1,614.76)	2,462.15	(274.55)
(Increase)/Decrease In Other Current Assets	(1,283.52)	(2,483.65)	(412.15)	68.24
(Increase)/Decrease In Other Bank Balances	(234.02)	(222.01)	(92.67)	118.91
(Increase)/Decrease in Others Financial Assets	0.87	474.70	(487.05)	(0.70)
(Increase)/Decrease in Other Non - Current Assets	16.40	(15.23)	(3.10)	21.90
Increase/(Decrease) In Trade Payables	3,371.01	581.04	(919.61)	964.43
Increase/(Decrease) In Other Current Liabilities	(150.19)	(226.48)	203.76	(263.47)
Increase/(Decrease) In Provisions	20.90	(38.45)	28.56	37.88
<b>Cash (used)/generated from operating activities before</b>	<b>706.46</b>	<b>4,361.82</b>	<b>3,176.73</b>	<b>320.70</b>
Direct taxes paid	261.28	1,212.86	666.39	514.60
<b>Net cash (used)/generated from operating activities (A)</b>	<b>445.18</b>	<b>3,148.96</b>	<b>2,510.35</b>	<b>(193.91)</b>
<b>B. Cash flow from Investing activities</b>				
Purchase Of Property, Plant And Equipment, Intangible Assets And Investment Property	(139.68)	(1,059.99)	(1,926.25)	(501.86)
Profit/Loss on Sale of Fixed Assets	-	1.77	-	0.05
Profit/Loss on Sale of Investments	-	73.52	117.20	-
Purchase/Sale of Investments	(66.00)	87.09	337.24	(226.50)
Interest Received	103.16	250.04	162.11	129.54
<b>Net cash from/(used in) investing activities (B)</b>	<b>(102.52)</b>	<b>(647.58)</b>	<b>(1,309.70)</b>	<b>(598.77)</b>
<b>C. Cash flow from Financing activities</b>				
Increase/(Decrease) in Other Financial Liabilities	5.55	(1,127.01)	1,134.61	(4.44)
Increase/(Decrease) in Long Term Borrowings	(98.41)	(543.37)	(908.32)	1,776.38
Increase/(Decrease) in Provision	9.64	77.66	7.18	(4.34)
Increase/(Decrease) in Short Term Borrowings	91.78	536.57	(293.47)	123.78
Finance Costs	(351.67)	(1,446.52)	(1,137.18)	(1,102.95)
<b>Net cash used in financing activities (C)</b>	<b>(343.10)</b>	<b>(2,502.67)</b>	<b>(1,197.17)</b>	<b>788.43</b>
<b>Net cash (used)/generated during the year (A+B+C)</b>	<b>(0.44)</b>	<b>(1.30)</b>	<b>3.48</b>	<b>(4.25)</b>
Cash and cash equivalents (Opening balance)	3.76	5.05	1.58	5.83
<b>Cash and cash equivalents (Closing balance)</b>	<b>3.32</b>	<b>3.76</b>	<b>5.05</b>	<b>1.58</b>
	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>



**RAJPUTANA STAINLESS LIMITED**

CIN NO : U27109GJ1991PLC015331

213, Madhwas, Halol, Panchmahal - 389330

**RESTATED STATEMENT OF CASH FLOWS**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Period Ended 30th June, 2024	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2022
-------------	------------------------------------	-----------------------------------	-----------------------------------	-----------------------------------

There is no amount of significant cash & cash equivalent balance held by the company that are not available for use by the company.

The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Cash Flow Statement prescribed in Companies (Indian Accounting Standard) Rules, 2015, notified under section 133 of the Companies Act, 2013.

**For and on behalf of the Board of Directors**

**Shankarlal D Mehta**  
Managing Director  
DIN : 02656381

**Ambrish Bedade**  
CFO  
PAN : AFBPB7577B

As per our Report of even date attached  
**For Ruparel & Bavadiya**  
**Chartered Accountants**  
Firm Reg. No. 126260W

**Jayesh N. Pithva**  
Director  
DIN : 01531196

**Richa S. Prashar**  
Company Secretary  
M. No. : A16780

**CA P N Bavadiya**  
Partner  
Membership No. 113300  
UDIN : 24113300BKFEUW9086  
Place : Vadodara  
Date : 11/12/2024

Place : Vadodara  
Date : 11/12/2024

**RAJPUTANA STAINLESS LIMITED**

CIN NO : U27109GJ1991PLC015331

213, Madhwas, Halol, Panchmahal - 389330

**Reconciliation of Equity as at 31st March, 2023**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As per Indian GAAP	Adjustments	As per Ind AS
<b>I. ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, Plant and Equipment	5,651.78	(393.25)	5,258.52
(b) Intangible assets	13.74	-	13.74
(c) Capital Work In Progress	1,548.23	-	1,548.23
(d) Financial assets			
(i) Others Financial assets	493.73	-	493.73
(e) Deferred tax assets (net)			
(f) Other non - current assets	732.83	(629.47)	103.36
<b>Total Non - current assets</b>	<b>8,440.31</b>	<b>(1,022.73)</b>	<b>7,417.58</b>
<b>(2) Current assets</b>			
(a) Inventories	8,804.54	-	8,804.54
(b) Financial assets			
(i) Investments	108.00	(2.41)	105.59
(ii) Trade receivables	10,668.73	-	10,668.73
(iii) Cash and cash equivalents	5.05	-	5.05
(iv) Bank balances other than cash	712.47	-	712.47
(c) Other current assets	2,019.69	-	2,019.69
<b>Total Current assets</b>	<b>22,318.48</b>	<b>(2.41)</b>	<b>22,316.07</b>
<b>Total Assets</b>	<b>30,758.78</b>	<b>(1,025.14)</b>	<b>29,733.64</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	3,445.88	-	3,445.88
(b) Other equity	5,891.59	(1,220.86)	4,670.73
<b>Total Equity</b>	<b>9,337.48</b>	<b>(1,220.86)</b>	<b>8,116.61</b>
<b>Liabilities</b>			
<b>(2) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Long Term Borrowings	2,481.11	-	2,481.11
(ii) Other Financial Liabilities	1,135.35	-	1,135.35
(b) Deferred Tax Liability (net)	504.84	195.72	700.57
(D) Provisions	180.96	-	180.96
<b>Total Non - current liabilities</b>	<b>4,302.26</b>	<b>195.72</b>	<b>4,497.98</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Short Term Borrowings	5,501.43	-	5,501.43
(ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	813.49	-	813.49
b) Total outstanding dues of creditors others than micro and small enterprises	8,940.74	-	8,940.74
(b) Provisions	952.81	-	952.81
(c) Other current liabilities	910.58	-	910.58
<b>Total Current liabilities</b>	<b>17,119.05</b>	<b>-</b>	<b>17,119.05</b>
<b>Total Equity and Liabilities</b>	<b>30,758.78</b>	<b>(1,025.14)</b>	<b>29,733.64</b>

**RAJPUTANA STAINLESS LIMITED**

CIN NO : U27109GJ1991PLC015331

213, Madhwas, Halol, Panchmahal - 389330

**Reconciliation of Equity as at 31st March, 2022**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As per Indian GAAP	Adjustments	As per Ind AS
<b>I. ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, Plant and Equipment	5,693.80	(196.63)	5,497.17
(b) Intangible assets	21.52	-	21.52
(c) Capital Work In Progress	66.79	-	66.79
(d) Financial assets			
(i) Others Financial assets	6.68	-	6.68
(e) Deferred tax assets (net)			
(f) Other non - current assets	939.56	(839.30)	100.27
<b>Total Non - current assets</b>	<b>6,728.36</b>	<b>(1,035.92)</b>	<b>5,692.43</b>
<b>(2) Current assets</b>			
(a) Inventories	11,266.69	-	11,266.69
(b) Financial assets			
(i) Investments	378.30	66.94	445.24
(ii) Trade receivables	8,725.62	-	8,725.62
(iii) Cash and cash equivalents	1.58	-	1.58
(iv) Bank balances other than cash and	619.80	-	619.80
(c) Other current assets	1,359.00	-	1,359.00
<b>Total Current assets</b>	<b>22,350.98</b>	<b>66.94</b>	<b>22,417.93</b>
<b>Total Assets</b>	<b>29,079.34</b>	<b>(968.98)</b>	<b>28,110.36</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	3,445.88	-	3,445.88
(b) Other equity	3,624.84	(1,295.00)	2,329.84
<b>Total Equity</b>	<b>7,070.72</b>	<b>(1,295.00)</b>	<b>5,775.72</b>
<b>Liabilities</b>			
<b>(2) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Long Term Borrowings	3,389.43	-	3,389.43
(ii) Other Financial Liabilities	0.74	-	0.74
(b) Deferred Tax Liability (net)	747.18	326.02	1,073.20
(D) Provisions	173.77	-	173.77
<b>Total Non - current liabilities</b>	<b>4,311.12</b>	<b>326.02</b>	<b>4,637.15</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Short Term Borrowings	5,794.89	-	5,794.89
(ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	-	457.59	457.59
b) Total outstanding dues of creditors others than micro and small enterprises	10,673.84	(457.59)	10,216.24
(b) Provisions	521.94	-	521.94
(c) Other current liabilities	706.83	-	706.83
<b>Total Current liabilities</b>	<b>17,697.49</b>	<b>0.00</b>	<b>17,697.49</b>
<b>Total Equity and Liabilities</b>	<b>29,079.34</b>	<b>(968.98)</b>	<b>28,110.36</b>

**RAJPUTANA STAINLESS LIMITED**

CIN NO : U27109GJ1991PLC015331

213, Madhwas, Halol, Panchmahal - 389330

**Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2023**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As per Indian GAAP	Adjustments	As per Ind AS
<b>Incomes</b>			
I. Revenue from operations	95,190.36	(422.92)	94,767.44
II. Other income	296.74	4.88	301.62
<b>III. Total Income ( I+II)</b>	<b>95,487.10</b>	<b>(418.04)</b>	<b>95,069.06</b>
<b>IV. Expenses:</b>			
a Cost of materials consumed	74,854.55	-	74,854.55
b Purchase of Traded Goods	-	-	-
c Changes in inventories of finished goods and work in progress	3,040.95	-	3,040.95
d Employee benefits expense	1,810.02	6.92	1,816.94
e Finance costs	1,137.18	-	1,137.18
f Depreciation and amortization expense	494.63	196.63	691.25
g Other expenses	11,088.47	(418.04)	10,670.42
<b>Total expenses (IV)</b>	<b>92,425.79</b>	<b>(214.50)</b>	<b>92,211.30</b>
<b>V. Profit before Exceptional Items and Tax (III-IV)</b>	<b>3,061.31</b>	<b>(203.55)</b>	<b>2,857.76</b>
VI Exceptional Items	-	-	-
<b>VII Profit / (Loss) Before Tax (V+VI)</b>	<b>3,061.31</b>	<b>(203.55)</b>	<b>2,857.76</b>
<b>VIII Tax expense :</b>			
a Current tax	827.07	-	827.07
b Deferred tax	(242.34)	(131.43)	(373.77)
c Income tax relating to earlier years	209.82	(209.82)	-
	<b>794.56</b>	<b>(341.26)</b>	<b>453.30</b>
<b>IX. Profit for the year</b>	<b>2,266.75</b>	<b>137.71</b>	<b>2,404.46</b>
<b>X. Other comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plans	-	6.92	6.92
Income tax relating to these items	-	(1.74)	(1.74)
<b>(ii) Items that will be reclassified to profit or loss</b>			
Remeasurement of Fair Value Investments	-	(2.41)	(2.41)
Income tax relating to these items	-	0.61	0.61
<b>Total other comprehensive income, net of tax</b>	<b>-</b>	<b>3.37</b>	<b>3.37</b>
<b>XI. Total comprehensive income for the year</b>	<b>2,266.75</b>	<b>141.09</b>	<b>2,407.84</b>

**RAJPUTANA STAINLESS LIMITED**

CIN NO : U27109GJ1991PLC015331

213, Madhwas, Halol, Panchmahal - 389330

**Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2022**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As per Indian GAAP	Adjustments	As per Ind AS
<b>Incomes</b>			
I. Revenue from operations	77,019.40	(377.70)	76,641.70
II. Other income	151.29	-	151.29
<b>III. Total Income ( I+II)</b>	<b>77,170.69</b>	<b>(377.70)</b>	<b>76,792.99</b>
<b>IV. Expenses:</b>			
a Cost of materials consumed	63,623.08	10.09	63,633.17
b Purchase of Traded Goods	-	-	-
c Changes in inventories of finished goods and work in progress	(298.36)	0.00	(298.36)
d Employee benefits expense	1,459.60	27.79	1,487.39
e Finance costs	1,102.95	-	1,102.95
f Depreciation and amortization expense	482.68	196.63	679.31
g Other expenses	9,182.79	(387.79)	8,795.00
<b>Total expenses (IV)</b>	<b>75,552.74</b>	<b>(153.28)</b>	<b>75,399.46</b>
<b>V. Profit before Exceptional Items and Tax (III-IV)</b>	<b>1,617.95</b>	<b>(224.42)</b>	<b>1,393.54</b>
VI Exceptional Items	-	-	-
<b>VII Profit / (Loss) Before Tax (V+VI)</b>	<b>1,617.95</b>	<b>(224.42)</b>	<b>1,393.54</b>
<b>VIII Tax expense :</b>			
a Current tax	543.20	(125.36)	417.84
b MAT Credit	-	125.36	125.36
c Deferred tax	33.20	(52.57)	(19.37)
d Income tax relating to earlier years	209.82	(209.82)	-
	<b>786.22</b>	<b>(262.39)</b>	<b>523.83</b>
<b>IX. Profit for the year</b>	<b>831.73</b>	<b>37.97</b>	<b>869.70</b>
<b>X. Other comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plans	-	27.79	27.79
Income tax relating to these items	-	(9.71)	(9.71)
<b>(ii) Items that will be reclassified to profit or loss</b>			
Remeasurement of Fair Value Investments	-	66.94	66.94
Income tax relating to these items	-	(23.39)	(23.39)
<b>Total other comprehensive income, net of tax</b>	<b>-</b>	<b>61.63</b>	<b>61.63</b>
<b>XI. Total comprehensive income for the year</b>	<b>831.73</b>	<b>99.60</b>	<b>931.33</b>

**RAJPUTANA STAINLESS LIMITED**  
**STATEMENT OF RESTATED ADJUSTMENTS**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<b>Reconciliation of Total Comprehensive Income</b>		
A <b>Net Profit attributable to equity shareholders (as per audited financial statements) (A)</b>	<b>2,266.75</b>	<b>831.73</b>
<b>B IND AS Adjustments:</b>		
Income Tax Relating to Prior Year	209.82	209.82
<b>Total B</b>	<b>209.82</b>	<b>209.82</b>
<b>C Material Restatement Adjustments</b>		
Exceeds / Short Provision for Gratuity Expense	(2.52)	25.81
Exceeds / Short Provision for Leave Encashment	9.44	1.98
Deferred Tax (Due to Change in IT Rate)	131.43	52.57
Depreciation as per companies act, 2023	(196.63)	(196.63)
Actuarial (Gain)/ Loss on Defined Benefit	(6.92)	(27.79)
Remeasurement of Fair Value Gain on Investments	(2.41)	66.94
Income tax relating to Remeasurement	(1.13)	(33.10)
<b>Total C</b>	<b>(68.74)</b>	<b>(110.22)</b>
D <b>Restated Total Comprehensive Income attributable to equity holders of the company as per Restated Statement of Profit and Loss (A+B+C)</b>	<b>2,407.84</b>	<b>931.33</b>
<b>Reconciliation of Total Equity as on March 31, 2023 and March 31, 2022</b>		
<b>Total Equity as per IGAAP</b>	<b>9,337.48</b>	<b>7,070.72</b>
Deferred Tax	(195.72)	(196.63)
Depreciation as per companies act, 2023	(393.25)	(326.02)
Fair Value of Investments	(2.41)	66.94
Deferred Income Tax Expenses	(629.47)	(839.30)
<b>Total Equity as per IND AS</b>	<b>8,116.61</b>	<b>5,775.72</b>

**RAJPUTANA STAINLESS LIMITED**  
**RESTATED STATEMENT OF CHANGES IN EQUITY**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**(a) Equity Share capital**

**For the year ended 30th June, 2024**

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
3,445.88	-	-	-	3,445.88

**For the year ended 31st March, 2024**

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
3,445.88	-	-	-	3,445.88

**For the year ended 31st March, 2023**

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
3,445.88	-	-	-	3,445.88

**For the year ended 31st March, 2022**

Balance at the beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the year
3,445.88	-	-	-	3,445.88

**RAJPUTANA STAINLESS LIMITED**
**RESTATED STATEMENT OF CHANGES IN EQUITY**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**(b) Other Equity**

Particulars	Reserves and Surplus		Items of Other Comprehensive Income		Total
	Securities Premium	Retained Earnings	Remeasurement of the defined benefit plans	Remeasurement of Fair Value Investments	
<b>Balance as at 1st April, 2021</b>	<b>130.45</b>	<b>1,268.06</b>	-	-	<b>1,398.50</b>
Profit for the year (net of taxes)	-	869.70	-	-	869.70
Other Comprehensive Income (net of tax)	-	-	18.08	43.55	61.63
Amount Reclassified to P & L	-	-	-	-	-
<b>Total Comprehensive Income for the year 2021-22</b>	-	869.70	18.08	43.55	931.33
<b>Balance as at 31st March, 2022</b>	<b>130.45</b>	<b>2,137.76</b>	<b>18.08</b>	<b>43.55</b>	<b>2,329.84</b>
<b>Balance as at 1st April, 2022</b>	<b>130.45</b>	<b>2,137.76</b>	<b>18.08</b>	<b>43.55</b>	<b>2,329.84</b>
Profit for the year (net of taxes)	-	2,404.46	-	-	2,404.46
Other Comprehensive Income (net of tax)	-	-	5.18	(1.81)	3.37
Amount Reclassified to P & L	-	-	-	(66.94)	(66.94)
<b>Total Comprehensive Income for the year 2022-23</b>	-	2,404.46	5.18	(68.75)	2,340.89
<b>Balance as at 31st March, 2023</b>	<b>130.45</b>	<b>4,542.22</b>	<b>23.26</b>	<b>(25.20)</b>	<b>4,670.73</b>
<b>Balance as at 1st April, 2023</b>	<b>130.45</b>	<b>4,542.22</b>	<b>23.26</b>	<b>(25.20)</b>	<b>4,670.73</b>
Profit for the year (net of taxes)	-	3,162.89	-	-	3,162.89
Other Comprehensive Income (net of tax)	-	-	(55.14)	0.16	(54.98)
Amount Reclassified to P & L	-	-	-	2.41	2.41
<b>Total Comprehensive Income for the year 2023-24</b>	-	3,162.89	(55.14)	2.57	3,110.32
<b>Balance as at 31st March, 2024</b>	<b>130.45</b>	<b>7,705.12</b>	<b>(31.88)</b>	<b>(22.63)</b>	<b>7,781.05</b>



**RAJPUTANA STAINLESS LIMITED**  
**RESTATED STATEMENT OF CHANGES IN EQUITY**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**(b) Other Equity**

Particulars	Reserves and Surplus		Items of Other Comprehensive Income		Total
	Securities Premium	Retained Earnings	Remeasurement of the defined benefit plans	Remeasurement of Fair Value Investments	
<b>Balance as at 1st April, 2024</b>	<b>130.45</b>	<b>7,705.12</b>	<b>(31.88)</b>	<b>(22.63)</b>	<b>7,781.05</b>
Profit for the year (net of taxes)					-
Other Comprehensive Income (net of tax)					-
Amount Reclassified to P & L					-
<b>Total Comprehensive Income for the Period</b>	-	-	-	-	-
<b>Balance as at 30th June, 2024</b>	<b>130.45</b>	<b>7,705.12</b>	<b>(31.88)</b>	<b>(22.63)</b>	<b>7,781.05</b>

**Nature and purpose of reserves:**

**Securities premium reserve** represents premium received on issue of shares. The reserve is to be utilised in accordance with the provisions of the Companies Act, 2013

**Retained earnings** represents unallocated/un-distributed profits of the Company. All the profits or losses made by the Company are transferred to retained earnings from statement of profit and loss. and also considering the requirements of the Companies Act, 2013.

**Other comprehensive income** consists of remeasurement of defined benefit liability and remeasurement of fair value on Investments measured through other comprehensive income, net of taxes.

## **Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

### **Note: 1 : Material accounting policies and estimates**

#### **1. Company Overview**

**Rajputana Stainless Limited** ('the Company') is a public company, incorporated on April 02, 1991, under the provision of Companies Act 1956 having registered office at 213, Madhwas, Halol Kalol Road Kalol, Panchmahal, Gujarat, India, 389330. The company is engaged in the business of manufacturing of stainless-steel products such as Steel Billets, Angles, Wire Rod etc. The company also engaged in the business of generation of electricity through windmill & Solar.

As on June 30<sup>th</sup>, 2024, Shri Shankarlal D. Mehta & family owns more than 50% of the Ordinary Shares of the Company and has the ability to influence the Company's operations.

The Restated financial statements for the period ended June 30<sup>th</sup>, 2024 were approved by the Board of Directors and authorised for issue on December 11<sup>th</sup>, 2024.

#### **2. Basis of Preparation and Statement of Compliance**

##### **A. Basis of Preparation of Restated Financial Information**

The Restated Financial Information of the Company comprises of the Restated Statement of Assets and Liabilities as at June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity for the year ended June 30, 2024, March 31, 2024, March 31, 2023, March 31, 2022 and the Restated Summary Statement of Significant Accounting Policies, and other explanatory notes (collectively, the "Restated Financial Information").

The Restated Financial statements (FS) of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The Restated Financial Information has been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), and Stock Exchanges in connection with proposed Initial Public Offering ("IPO") of its equity shares (referred to as "Issue").

These Restated Financial Information have been prepared in terms of the requirements of:

- I. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- II. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- III. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

The company has consistently applied the accounting policies used in the preparation of its opening INDAS Balance Sheet at April 1, 2020 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of

## **Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

the transition from Indian GAAP on the equity as at March 31, 2022, March 31, 2023, March 31, 2024 and June 30, 2024 and on the net profit.

The Restated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments as per Statement of Reconciliation of Restatement Adjustments of the information compiled by the management from audited Ind AS financial statements of the Company as at and for the years or period ended June 30<sup>th</sup>, 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023, and 2022.

The accounting policies have been consistently applied by the Company in preparation of the Restated Financial Information. The Restated Financial Information required adjustment for modification and has been explained in the reconciliation as per the Statement of Reconciliation of Restatement Adjustments.

### **B. Statement of compliance**

The restated financial Information of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

### **C. Basis of Measurement**

The Restated Financial Information have been prepared in Indian Rupees (in Million) which is the functional currency of the company. All amounts have been rounded-off to two decimal point of the nearest millions, unless otherwise indicated.

These Restated financial Information have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the material accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions, if any. that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

## **Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### **D. Basis of presentation**

The Restated financial Information have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the restated financial information.

Any asset or liability is classified as current if it satisfies any of the following conditions :

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

### **E. Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

The estimates and underlying assumptions are reviewed on going concern basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future period, the same is recognized accordingly.

## **3. Material Accounting Policies**

### **A. Property, Plant and Equipment:**

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, Property, Plant and Equipment (PPE) are carried at cost, as reduced by accumulated depreciation and impairment losses, if any. The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item. Cost comprises of purchase price / cost

**Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalized to various eligible PPE. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised.

Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in the nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

<b>Assets</b>	<b>Useful Life (in years)</b>
Building	30
Plant & Equipment	10
Windmill	22
Furniture & Fixture	10
Vehicle	8
Office Equipment	5
Computer and Printers	3
Electrical Installations	10
Laboratory Equipment	10
Hydraulic Mobile Crane	15
Weighbridge	15
Solar Power Generating Plant	25

Depreciation on additions/deletion during the year is provided on pro-rata basis. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**B. Intangible Assets**

Intangible assets with finite useful lives which are acquired separately or developed in house are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and

**Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Intangible assets are depreciated over its estimated useful lives, determined as under:

<b>Assets</b>	<b>Useful Life (in years)</b>
Computer software	10
Accounting Software	10
Trademark and Copyright	6
Videography Film	6

**C. Impairment of Property, Plant and Equipment and Intangible assets**

The Company assesses, at each Balance Sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Restated Statement of Profit & Loss. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss is no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

**D. Financial Assets****I. Initial recognition and measurement**

All Financial Assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

**II. Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- (1) The Company's business model for managing the financial asset and
- (2) The contractual cash flow characteristics of the financial asset.

## **Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

### **a) Financial assets measured at amortized cost**

A financial asset is measured at the amortized cost if both the following conditions are met:

- Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of company. Such financial assets are subsequently measured at amortized cost using the effective interest method, except when the effect of applying it is immaterial. The amortized cost of a financial asset is also adjusted for loss allowance, if any.

### **b) Financial assets measured at FVTOCI**

A financial asset is measured at FVTOCI (fair value through other comprehensive income) if both of the following conditions are met:

- The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All investments in equity instruments classified under financial assets are initially measured at Fair Value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL (Fair value through profit or loss). The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

### **c) Financial assets measured at FVTPL**

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries, joint ventures and associate companies, which are recorded at cost and tested for impairment in case of any such indication of impairment. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

## **III. Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

## **Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

### **IV. Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from Company's Balance Sheet) when any of the following occurs:

- a. The contractual rights to cash flows from the financial asset expires;
- b. Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- c. Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- d. Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where the Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that Company has retained. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

### **V. Impairment of financial assets**

The Company assesses, at each balance sheet date, whether a financial asset or a group of financial asset is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. Company recognizes lifetime expected losses for all contract assets and all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition, except when the effect of applying it is immaterial.

### **E. Financial liabilities and equity instruments**

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **I. Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs. Repurchase of Company's own equity



## **Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of Company's own equity instruments.

### **II. Financial Liabilities:**

#### **a. Initial Recognition and Measurement**

Financial liabilities are recognised when Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

#### **b. Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method, except when the effect of applying it is immaterial. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### **c. Foreign exchange gains and losses**

Financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in Statement of Profit and Loss.

#### **d. Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

### **F. Revenue Recognition**

- I. The company derives revenue mainly from Domestic and Export Sales of stainless products such as Steel Billets, Angles, Wire Rod etc. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:-
  1. identify the contract with a customer
  2. identify the performance obligations in the contract,
  3. determine the transaction price,
  4. allocate the transaction price to the performance obligations in the contract, and
  5. recognize revenues when a performance obligation is satisfied.

## **Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

Revenue from sales of products and services are recognised at a time on which the performance obligation is satisfied. i.e. on delivery of goods. In determining whether an entity has right to payment, the entity shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than entity's failure to perform as per the terms of the contract.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

- II. Export Incentives under various schemes are accounted in the year of export.
- III. Interest income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.
- IV. Rental income are recognized on accrual basis in accordance with the terms of agreements.
- V. Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.
- VI. Other Income are recognized on accrual basis.
- VII. Revenue from sale of power is recognised upon transmission of units of generated power at the grid of the purchasing electricity company on rates agreed with the beneficiaries, excluding service charge where separately indicated in the agreement.

### **G. Inventories**

- I. Inventories of raw materials, work-in-progress, stores and spares, finished goods and stock-in-trade are stated at cost or net realisable value, whichever is lower.
- II. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary.
- III. A cost formula used is 'First-in-First-out'.
- IV. Stock of Scraps is valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make sale.

### **H. Leases**

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- I. the contract involves the use of identified asset;
- II. the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;
- III. the Company has the right to direct the use of the asset.

## **Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

### **Short-term leases and leases of low-value assets**

The Company has elected not to recognise ROU (Right of Use) and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

### **I. Foreign currency transactions and translation**

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

### **J. Borrowing Costs:**

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings.

General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

### **K. Employee benefits**

#### **I. Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

## **Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

### **II. Other long-term employee benefit obligations**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

#### **a. Defined contribution plans**

The Company recognizes contribution payable to the provident fund & Superannuation scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### **b. Defined benefit plans**

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation/death.

Retirement benefits in the form of gratuity is defined benefit obligations and is provided for on the basis of an actuarial valuation, using projected unit credit method as at each balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Profit & Loss Account in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

The annual premium cost incurred on Key man Insurance Cover is debited as expense in the profit & Loss account.

### **L. Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **I. Current Tax:**

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### **II. Deferred Tax:**

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the

**Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**M. Provisions, Contingent Liabilities and Contingent Assets****I. Provisions:**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**II. Contingent Liabilities:**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**III. Contingent assets:**

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

**N. Earnings Per Share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**Rajputana Stainless Limited**

(CIN: U27109GJ1991PLC015331)

Notes forming part of the financial statements at and for the years or period ended on June 30<sup>th</sup> 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022.

**O. Statement of Cash Flow**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

**P. Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**Q. Segment reporting**

Operating Segment are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker (CODM). Identification of segments: In accordance with Ind AS 108 "Operating Segment", the operating segment used to present segment information reviewed by CODM to allocate resources to the segments and assess their performance. An operating segment is a component of the company that engages in the business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

**RAJPUTANA STAINLESS LIMITED**
**Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note : 2 : Property, Plant and Equipment & Intangible assets**

Particulars	TANGIBLE ASSETS								Intangible Assets			Grand Total
	Land	Buildings	Plant and Equipment	Wind Mill / Solar	Office Equipment	Furniture and Fixtures	Vehicles	Total	Inangible Assets	Other Inangible Assets	Total	
<b>I. Gross Block</b>												
<b>Balance as at 1st April, 2021</b>	141.09	1,010.32	7,097.99	2,305.65	38.10	29.23	344.16	10,966.53	33.81	-	33.81	11,000.34
Additions	-	32.38	302.17	-	7.10	15.54	91.80	448.99	0.08	-	0.08	449.07
Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Diff on Opening	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2022</b>	141.09	1,042.70	7,400.17	2,305.65	45.20	44.76	435.95	11,415.52	33.89	-	33.89	11,449.41
Additions	23.40	179.15	197.61	-	14.19	3.68	23.98	442.02	2.80	-	2.80	444.82
Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Diff on Opening	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	164.49	1,221.85	7,597.78	2,305.65	59.40	48.44	459.93	11,857.54	36.69	-	36.69	11,894.23
Additions	12.88	180.07	900.51	1,433.59	3.76	1.78	68.45	2,601.06	-	4.35	4.35	2,605.41
Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Diff on Opening	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2024</b>	177.37	1,401.92	8,498.29	3,739.24	63.16	50.22	528.39	14,458.60	36.69	4.35	41.04	14,499.64
Additions	-	-	132.22	-	2.85	-	-	135.06	-	0.65	0.65	135.71
Disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Diff on Opening	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 30th June, 2024</b>	177.37	1,401.92	8,630.51	3,739.24	66.01	50.22	528.39	14,593.66	36.69	5.00	41.69	14,635.35
<b>II. Accumulated depreciation</b>												
<b>Balance as at 1st April, 2021</b>	-	303.82	3,300.72	1,344.40	24.58	8.59	266.88	5,248.98	2.42	-	2.42	5,251.41
On disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	31.23	540.85	73.32	4.98	2.60	16.39	669.37	9.94	-	9.94	679.31
Exchange Diff on Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Diff on Opening	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2022</b>	-	335.05	3,841.57	1,417.72	29.55	11.19	283.27	5,918.35	12.37	-	12.37	5,930.72
On disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	36.89	535.50	73.32	6.01	4.06	24.88	680.67	10.59	-	10.59	691.25
Exchange Diff on Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Diff on Opening	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	-	371.94	4,377.06	1,491.03	35.57	15.26	308.15	6,599.02	22.95	-	22.95	6,621.97
On disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	44.82	559.79	177.79	7.72	4.39	26.05	820.57	10.77	0.30	11.07	831.64
Exchange Diff on Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Diff on Opening	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2024</b>	-	416.76	4,936.86	1,668.82	43.29	19.64	334.21	7,419.59	33.72	0.30	34.02	7,453.61
On disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	11.77	103.52	51.66	2.61	1.10	7.68	178.34	0.27	0.22	0.49	178.83
Exchange Diff on Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Diff on Opening	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 30th June, 2024</b>	-	428.53	5,040.38	1,720.48	45.90	20.75	341.89	7,597.92	33.99	0.52	34.51	7,632.43

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note : 2 : Property, Plant and Equipment & Intangible assets**

Particulars	TANGIBLE ASSETS							Intangible Assets			Grand Total	
	Land	Buildings	Plant and Equipment	Wind Mill / Solar	Office Equipment	Furniture and Fixtures	Vehicles	Total	Inangible Assets	Other Inangible Assets		Total
<b>III. Net Carrying amount</b>												
Balance as at 31st March, 2022	141.09	707.65	3,558.60	887.93	15.65	33.57	152.68	<b>5,497.17</b>	21.52	-	<b>21.52</b>	<b>5,518.70</b>
Balance as at 31st March, 2023	164.49	849.91	3,220.71	814.62	23.83	33.19	151.78	<b>5,258.52</b>	13.74	-	<b>13.74</b>	<b>5,272.26</b>
Balance as at 31st March, 2024	177.37	985.16	3,561.43	2,070.42	19.87	30.58	194.18	<b>7,039.01</b>	2.97	4.05	<b>7.02</b>	<b>7,046.03</b>
Balance as at 30th June , 2024	177.37	973.39	3,590.13	2,018.76	20.11	29.48	186.50	<b>6,995.74</b>	2.70	4.48	<b>7.18</b>	<b>7,002.92</b>

The Company has elected to measure all its property, plant and equipment at the previous GAAP Carrying amount i.e. 1st April, 2021 as its deemed cost (Gross Block Value) as on the date of transition to IND AS i.e. On 1st April, 2021 as per Ind AS 101.



**RAJPUTANA STAINLESS LIMITED**
**Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note : 3 : Capital Work In Progress**
**A Capital WIP**

Particular	As at 30th June, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning	2.82	1,548.23	66.79	14.01
Add : Additions	3.97	595.37	1,663.44	99.17
Less : Capitalised during the year	-	2,140.78	182.01	46.39
<b>Balance at the end</b>	<b>6.78</b>	<b>2.82</b>	<b>1,548.23</b>	<b>66.79</b>

Capital advances for purchase of capital assets are included under other non- current assets and hence, not included under capital work-in-progress.

**B Ageing of Capital work-in-progress**

Particulars	As at 30th June, 2024				Total
	up to 1 year	1-2 year	2-3 year	More than 3 year	
Projects in progress	6.78	-	-	-	<b>6.78</b>
Projects temporarily suspended	-	-	-	-	-
<b>As at 30th June, 2024</b>	<b>6.78</b>	-	-	-	<b>6.78</b>

Particulars	As at 31st March, 2024				Total
	up to 1 year	1-2 year	2-3 year	More than 3 year	
Projects in progress	2.82	-	-	-	<b>2.82</b>
Projects temporarily suspended	-	-	-	-	-
<b>As at 31st March, 2024</b>	<b>2.82</b>	-	-	-	<b>2.82</b>

Particulars	As at 31st March, 2023				Total
	up to 1 year	1-2 year	2-3 year	More than 3 year	
Projects in progress	1,548.23	-	-	-	<b>1,548.23</b>
Projects temporarily suspended	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>1,548.23</b>	-	-	-	<b>1,548.23</b>

Particulars	As at 31st March, 2022				Total
	up to 1 year	1-2 year	2-3 year	More than 3 year	
Projects in progress	52.79	14.01	-	-	<b>66.79</b>
Projects temporarily suspended	-	-	-	-	-
<b>As at 31st March, 2022</b>	<b>52.79</b>	<b>14.01</b>	-	-	<b>66.79</b>

**RAJPUTANA STAINLESS LIMITED**
**Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at 30th June, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>Note : 4 : Others Financial assets</b>				
<b>Unsecured, Considered Good :</b>				
Security Deposit	18.16	19.02	493.73	6.68
<b>Total in (Rs)...</b>	<b>18.16</b>	<b>19.02</b>	<b>493.73</b>	<b>6.68</b>
<b>Note : 5 : Other non - current assets</b>				
<b>Unsecured, Considered Good :</b>				
Capital Advances	102.20	118.59	103.36	100.27
<b>Total in (Rs)...</b>	<b>102.20</b>	<b>118.59</b>	<b>103.36</b>	<b>100.27</b>
<b>Note : 6 : Inventories</b>				
<b>At lower of Cost or Net Realisable Value</b>				
Raw Material	3,326.59	3,216.07	4,046.44	3,315.50
Work in Progress	586.08	455.56	505.13	429.15
Finished Goods	7,210.70	5,995.92	3,685.14	6,737.09
Stock in Transit	0.00	562.92	355.45	495.61
Stores & Spares	190.80	188.83	212.38	289.35
<b>Total in (Rs)...</b>	<b>11,314.17</b>	<b>10,419.30</b>	<b>8,804.54</b>	<b>11,266.69</b>
1. The mode of valuation of inventories has been stated in <b>Note 1.(G)</b>				
2. There is no amount of inventories recognised as an expense during the period.				
3. The carrying amount of inventories carried at fair value less costs to sell.				
4. Entire Inventories are pledged against working capital facilities from banks.				
<b>Note : 7 : Investments</b>				
<b>Investment in Mutual Funds</b>				
(At fair value through OCI)	89.33	18.71	105.59	445.24
<b>Total in Rs....</b>	<b>89.33</b>	<b>18.71</b>	<b>105.59</b>	<b>445.24</b>
<b>Note : 8 : Trade receivables</b>				
(i) Undisputed – considered good	11,024.73	8,945.23	10,664.37	8,721.26
(ii) Undisputed – considered doubtful	4.36	4.36	4.36	4.36
(iii) Disputed - considered good	-	-	-	-
(iv) Disputed Trade - considered doubtful	-	-	-	-
<b>Total in (Rs)...</b>	<b>11,029.09</b>	<b>8,949.59</b>	<b>10,668.73</b>	<b>8,725.62</b>
<b>** see note 8A</b>				
<b>Note : 9 : Cash and cash equivalents</b>				
Cash On Hand	2.50	2.11	4.84	1.36
Balance with banks in Current Account	0.82	1.65	0.21	0.21
<b>Total in (Rs)...</b>	<b>3.32</b>	<b>3.76</b>	<b>5.05</b>	<b>1.58</b>
<b>Note : 10 : Bank balances other than cash and cash equivalents</b>				
In Earmarked Accounts (Held as security deposit for Bank Guarantee & Letter of Credit)	1,168.49	934.47	705.50	619.80
Unspent CSR Account	0.00	0.00	6.97	-
<b>Total in (Rs)...</b>	<b>1,168.49</b>	<b>934.47</b>	<b>712.47</b>	<b>619.80</b>

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note : 8A : Trade receivables**

Particulars	Dues As at 30th June, 2024					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed – considered good	10,740.31	216.55	39.72	12.54	15.62	<b>11,024.73</b>
(ii) Undisputed – considered doubtful	-	-	-	-	4.36	<b>4.36</b>
(iii) Disputed - considered good	-	-	-	-	-	-
(iv) Disputed Trade - considered doubtful	-	-	-	-	-	-

Particulars	Dues As at 31st March, 2024					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed – considered good	8,459.74	148.58	127.68	112.45	96.78	<b>8,945.23</b>
(ii) Undisputed – considered doubtful	-	-	-	-	4.36	<b>4.36</b>
(iii) Disputed - considered good	-	-	-	-	-	-
(iv) Disputed Trade - considered doubtful	-	-	-	-	-	-

Particulars	Dues As at 31st March, 2023					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed – considered good	9,890.03	560.09	120.79	64.31	29.15	<b>10,664.37</b>
(ii) Undisputed – considered doubtful	-	-	-	4.36	-	<b>4.36</b>
(iii) Disputed - considered good	-	-	-	-	-	-
(iv) Disputed Trade - considered doubtful	-	-	-	-	-	-

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note : 12 : Equity Share capital**

Particulars	30th June, 2024		31st March, 2024		31st March, 2023		31st March, 2022	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>(a) Authorised Capital</b>								
3,50,00,000 Equity shares of Rs. 10/- each	3,50,00,000	3,500.00	3,50,00,000	3,500.00	3,50,00,000	3,500.00	3,50,00,000	3,500.00
<b>Total in Rs....</b>	<b>3,50,00,000</b>	<b>3,500.00</b>	<b>3,50,00,000</b>	<b>3,500.00</b>	<b>3,50,00,000</b>	<b>3,500.00</b>	<b>3,50,00,000</b>	<b>3,500.00</b>

**(b) Issued , Subscribed and Paid up Capital**

Equity shares of Rs. 10/- each fully paid up	3,44,58,829	3,445.88	3,44,58,829	3,445.88	3,44,58,829	3,445.88	3,44,58,829	3,445.88
<b>Total in Rs....</b>	<b>3,44,58,829</b>	<b>3,445.88</b>	<b>3,44,58,829</b>	<b>3,445.88</b>	<b>3,44,58,829</b>	<b>3,445.88</b>	<b>3,44,58,829</b>	<b>3,445.88</b>

**(c) Reconciliation of Number of Equity Shares and Amount Outstanding at the Beginning & End of the Reporting Period**

Particulars	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Equity shares:</b>								
At the beginning of the year	3,44,58,829	3,445.88	3,44,58,829	3,445.88	3,44,58,829	3,445.88	3,44,58,829	3,445.88
- During the year Addition/(Subtraction)	-	-	-	-	-	-	-	-
<b>At the End of the year</b>	<b>3,44,58,829</b>	<b>3,445.88</b>	<b>3,44,58,829</b>	<b>3,445.88</b>	<b>3,44,58,829</b>	<b>3,445.88</b>	<b>3,44,58,829</b>	<b>3,445.88</b>

**(d) Terms/Rights attached to Equity Shares**

\* The Company has only one class of equity shares having a par value of Rs. 10.

\* The equity shares have rights, preferences and restrictions which are in accordance with the provisions of the Companies Act, 2013.

**(e) Details of shareholders holding more than 5% of the aggregate Shares in the Company**

Name of Shareholder	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
Shankalal D. Mehta	1,81,57,250	52.69%	1,81,57,250	52.69%	1,81,57,250	52.69%	1,81,57,250	52.69%
Lohagar Developer Pvt. Ltd.	35,21,750	10.22%	35,21,750	10.22%	42,46,750	12.32%	42,46,750	12.32%
Rajputana Advisory Pvt Ltd.	30,47,000	8.84%	30,47,000	8.84%	30,47,000	8.84%	30,47,000	8.84%

**(f) Information regarding issue of shares in the last five years**

(a) The Company has not issued any shares without payment being received in cash.

(b) The Company has not issued any bonus shares.

(c) The Company has not undertaken any buy-back of shares

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**(g) Disclosure of Shareholding of Promoters**

Disclosure of shareholding of promoters as at June 30, 2024 is as follows:

Promoter Name	Shares held by promoters at the end of the year As at 30th June, 2024		As at 31st March, 2024		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
<b>Promoter Director Shareholder</b>					
Shankarlal Deepchand Mehta	1,81,57,250	52.69%	1,81,57,250	52.69%	0.00%
Babulal Deepchand Mehta	16,96,545	4.92%	16,96,545	4.92%	0.00%
Jayesh Natvarlal Pithva	8,04,457	2.33%	7,37,667	2.14%	9.05%
<b>Promoter Group Shareholder</b>					
Bhaguben Babulal Mehta	10,04,068	2.91%	10,04,068	2.91%	0.00%
Girish Babulal Mehta	1,28,565	0.37%	1,28,565	0.37%	0.00%
Kalpesh Babulal Mehta	2,51,847	0.73%	2,51,847	0.73%	0.00%
Pinky Jain	78,357	0.23%	78,357	0.23%	0.00%
Ramesh Deepchand Mehta	7,16,124	2.08%	7,16,124	2.08%	0.00%
Nirmalaben Natvarlal Pithva	10,95,000	3.18%	10,95,000	3.18%	0.00%
Hetal Jayesh Pithva	5,84,000	1.69%	5,84,000	1.69%	0.00%
Mangi Lal B. Sanghvi	17,500	0.05%	17,500	0.05%	0.00%
Jayanti Mangilal Sanghvi	1,96,667	0.57%	1,96,667	0.57%	0.00%
Meena Vikram Mehta	13,333	0.04%	13,333	0.04%	0.00%
Motilal D. Mehta	-	0.00%	4,371	0.01%	-100.00%
Natwarlal Pithwa	-	0.00%	66,790	0.19%	-100.00%
Kamla Motilal Mehta	3,52,313	1.02%	3,47,942	1.01%	1.26%
Vikram Motilal Mehta	3,62,242	1.05%	3,62,242	1.05%	0.00%
Rohiniben Ramesh Mehta	2,29,584	0.67%	2,29,584	0.67%	0.00%
Mehta Babulal D	4,25,600	1.24%	4,25,600	1.24%	0.00%
Rameshkumar D Mehta	3,01,330	0.87%	3,01,330	0.87%	0.00%
Mahendra Motilal Mehta	1,81,292	0.53%	1,81,292	0.53%	0.00%
Motilal Deepchand Mehta Huf	3,43,113	1.00%	3,43,113	1.00%	0.00%
Teena Manish Sanghvi	13,333	0.04%	13,333	0.04%	0.00%

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Promoter Name	Shares held by promoters at the end of the year				% Change during the year
	As at 31st March, 2024		As at 31st March, 2023		
	No of Shares	% of total shares	No of Shares	% of total shares	
<b>Promoter Director Shareholder</b>					
Shankarlal Deepchand Mehta	1,81,57,250	52.69%	1,81,57,250	52.69%	0.00%
Babulal Deepchand Mehta	16,96,545	4.92%	16,96,545	4.92%	0.00%
Jayesh Natvarlal Pithva	7,37,667	2.14%	7,37,667	2.14%	0.00%
<b>Promoter Group Shareholder</b>					
Bhaguben Babulal Mehta	10,04,068	2.91%	10,04,068	2.91%	0.00%
Girish Babulal Mehta	1,28,565	0.37%	1,28,565	0.37%	0.00%
Kalpesh Babulal Mehta	2,51,847	0.73%	2,51,847	0.73%	0.00%
Pinky Jain	78,357	0.23%	78,357	0.23%	0.00%
Ramesh Deepchand Mehta	7,16,124	2.08%	7,16,124	2.08%	0.00%
Nirmalaben Natvarlal Pithva	10,95,000	3.18%	10,95,000	3.18%	0.00%
Hetal Jayesh Pithva	5,84,000	1.69%	5,84,000	1.69%	0.00%
Mangi Lal B. Sanghvi	17,500	0.05%	17,500	0.05%	0.00%
Jayanti Mangilal Sanghvi	1,96,667	0.57%	1,96,667	0.57%	0.00%
Meena Vikram Mehta	13,333	0.04%	13,333	0.04%	0.00%
Motilal D. Mehta	4,371	0.01%	4,371	0.01%	0.00%
Natwarlal Pithwa	66,790	0.19%	66,790	0.19%	0.00%
Kamla Motilal Mehta	3,47,942	1.01%	3,47,942	1.01%	0.00%
Vikram Motilal Mehta	3,62,242	1.05%	3,62,242	1.05%	0.00%
Rohiniben Ramesh Mehta	2,29,584	0.67%	2,29,584	0.67%	0.00%
Mehta Babulal D	4,25,600	1.24%	4,25,600	1.24%	0.00%
Rameshkumar D Mehta	3,01,330	0.87%	3,01,330	0.87%	0.00%
Mahendra Motilal Mehta	1,81,292	0.53%	1,81,292	0.53%	0.00%
Motilal Deepchand Mehta Huf	3,43,113	1.00%	3,43,113	1.00%	0.00%
Teena Manish Sanghvi	13,333	0.04%	13,333	0.04%	0.00%

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter Name	Shares held by promoters at the end of the year As at 31st March, 2023		As at 31st March, 2022		% Change during the year
	No of Shares	% of total shares	No of Shares	% of total shares	
<b>Promoter Director Shareholder</b>					
Shankarlal Deepchand Mehta	1,81,57,250	52.69%	1,81,57,250	52.69%	0.00%
Babulal Deepchand Mehta	16,96,545	4.92%	16,96,545	4.92%	0.00%
Jayesh Natvarlal Pithva	7,37,667	2.14%	7,37,667	2.14%	0.00%
<b>Promoter Group Shareholder</b>					
Bhaguben Babulal Mehta	10,04,068	2.91%	10,04,068	2.91%	0.00%
Girish Babulal Mehta	1,28,565	0.37%	1,28,565	0.37%	0.00%
Kalpesh Babulal Mehta	2,51,847	0.73%	2,51,847	0.73%	0.00%
Pinky Jain	78,357	0.23%	78,357	0.23%	0.00%
Ramesh Deepchand Mehta	7,16,124	2.08%	7,16,124	2.08%	0.00%
Nirmalaben Natvarlal Pithva	10,95,000	3.18%	10,95,000	3.18%	0.00%
Hetal Jayesh Pithva	5,84,000	1.69%	5,84,000	1.69%	0.00%
Mangi Lal B. Sanghvi	17,500	0.05%	17,500	0.05%	0.00%
Jayanti Mangilal Sanghvi	1,96,667	0.57%	1,96,667	0.57%	0.00%
Meena Vikram Mehta	13,333	0.04%	13,333	0.04%	0.00%
Motilal D. Mehta	4,371	0.01%	4,371	0.01%	0.00%
Natwarlal Pithwa	66,790	0.19%	66,790	0.19%	0.00%
Kamla Motilal Mehta	3,47,942	1.01%	3,47,942	1.01%	0.00%
Vikram Motilal Mehta	3,62,242	1.05%	3,62,242	1.05%	0.00%
Rohiniben Ramesh Mehta	2,29,584	0.67%	2,29,584	0.67%	0.00%
Mehta Babulal D	4,25,600	1.24%	4,25,600	1.24%	0.00%
Rameshkumar D Mehta	3,01,330	0.87%	3,01,330	0.87%	0.00%
Mahendra Motilal Mehta	1,81,292	0.53%	1,81,292	0.53%	0.00%
Motilal Deepchand Mehta Huf	3,43,113	1.00%	3,43,113	1.00%	0.00%
Teena Manish Sanghvi	13,333	0.04%	13,333	0.04%	0.00%

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at 30th June, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>Note : 13 : Other Equity</b>				
<b>Securities Premium</b>				
Balance as at the beginning of the year	130.45	130.45	130.45	130.45
Add: Securities Premium received during the year	-	-	-	-
Less: Utilised For issuance of Bonus Shares	-	-	-	-
<b>Balance as at the end of the year</b>	<b>130.45</b>	<b>130.45</b>	<b>130.45</b>	<b>130.45</b>
<b>Other Comprehensive Income (OCI)</b>				
Balance as at the beginning of the year	(54.51)	(1.94)	61.63	-
Add: OCI for the year	3.40	(54.98)	3.37	61.63
Amount Reclassified to P & L	-	(2.41)	66.94	-
Transfer to Retained Earnings	-	-	-	-
<b>Balance as at the end of the year</b>	<b>(51.12)</b>	<b>(54.51)</b>	<b>(1.94)</b>	<b>61.63</b>
<b>Surplus in the Statement of Profit &amp; Loss</b>				
Balance as at the beginning of the year	7,705.12	4,542.22	2,137.76	1,268.06
Add: Addition during the year	1,091.39	3,162.89	2,404.46	869.70
Less : Deduction During the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>8,796.51</b>	<b>7,705.12</b>	<b>4,542.22</b>	<b>2,137.76</b>
<b>Total (in Rs.)...</b>	<b>8,875.84</b>	<b>7,781.05</b>	<b>4,670.73</b>	<b>2,329.84</b>



**RAJPUTANA STAINLESS LIMITED**
**Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at 30th June, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>Note : 11 : Other current assets</b>				
<b>Unsecured, Considered Good</b>				
<b>Advances other than Capital Advances:</b>				
Advance to Suppliers - Raw Material	1,210.44	535.52	397.59	56.34
Advance to Suppliers - Expenses	662.98	180.43	78.09	57.98
Loans & Advances to Corporate	2,902.66	2,708.23	551.56	382.41
Advance to Employees	10.23	8.31	8.57	12.70
<b>Others</b>				
Prepaid Expenses	7.00	42.90	35.99	20.53
Accrued Income	75.36	51.81	-	-
Bank Margin Money	6.88	4.15	2.00	3.24
Balance with Revenue authorities	1,488.94	1,357.78	945.89	825.79
<b>Total in (Rs)...</b>	<b>6,364.48</b>	<b>4,889.12</b>	<b>2,019.69</b>	<b>1,359.00</b>
<b>Note : 14 : Long Term Borrowings</b>				
<b>a) Term Loans</b>				
<b>(A) From Banks / Finance Companies</b>				
<b>(Secured)</b>	2,146.22	2,290.77	2,845.41	2,791.92
Less: Current Maturity of Long Term Debt				
<b>(See note 18)</b>	611.99	598.83	620.58	438.54
(Repayment terms are as per <b>Annexure 1</b> )	<b>1,534.24</b>	<b>1,691.95</b>	<b>2,224.83</b>	<b>2,353.38</b>
<b>(B) Loans and advances from related parties (Unsecured)</b>				
From Corporates	-	-	-	888.26
From Director	305.10	245.80	256.28	147.79
<b>Total in (Rs)...</b>	<b>1,839.34</b>	<b>1,937.75</b>	<b>2,481.11</b>	<b>3,389.43</b>
<b>Note : 15 : Other Financial Liabilities (NCL)</b>				
<b>Others</b>				
Creditors for Capital Goods	13.89	8.34	1,135.35	0.74
<b>Total in (Rs)...</b>	<b>13.89</b>	<b>8.34</b>	<b>1,135.35</b>	<b>0.74</b>
<b>Note : 16 : Deferred Tax Liability (net)</b>				
<b>Deferred Tax Liability on Account of</b>				
Depreciation	723.81	752.58	714.50	1,103.47
Other Comprehensive income	16.89	15.75	34.24	33.10
<b>Deferred Tax Assets on Account of</b>				
Gratuity & Leave Encashment	(73.19)	(72.62)	(48.18)	(63.37)
<b>Total in (Rs)...</b>	<b>667.50</b>	<b>695.70</b>	<b>700.57</b>	<b>1,073.20</b>
<b>Note : 17 : Provisions (NCL)</b>				
<b>Provision for Employee Benefits</b>				
Provision for Gratuity	243.06	233.83	164.97	140.83
Provision for Leave Encashment Benefit	25.20	24.78	15.99	32.94
<b>Total in (Rs)...</b>	<b>268.26</b>	<b>258.61</b>	<b>180.96</b>	<b>173.77</b>

**RAJPUTANA STAINLESS LIMITED**
**Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at 30th June, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>Note : 18 : Short Term Borrowings</b>				
<b>From Banks</b>				
<b>Secured</b>				
IDBI Bank Limited	1,037.24	1,468.10	1,246.72	1,672.88
State Bank of India	4,480.55	3,971.06	-	-
Punjab National Bank	-	-	3,634.13	3,683.47
(Repayment terms are as per <b>Annexure 1(a)</b> )				
<b>Current Maturities of long term debts</b>				
<b>(See note 14)</b>				
From Banks/Finance Companies	611.99	598.83	620.58	438.54
(Repayment terms are as per <b>Annexure 1</b> )				
<b>Total in (Rs)...</b>	<b>6,129.78</b>	<b>6,037.99</b>	<b>5,501.43</b>	<b>5,794.89</b>

The quarterly returns or statements filed by the Company for working capital limits with such banks and financial institutions are in agreement with the books of account of the Company.

**Note : 19 : Trade payables**
**Outstandig due to micro and small enterprise**

Disputed dues	-	-	-	-
undisputed dues	4,283.26	1,612.83	813.49	457.59
<b>Total(A)</b>	<b>4,283.26</b>	<b>1,612.83</b>	<b>813.49</b>	<b>457.59</b>
<b>Outstandig due to other than micro and small enterprise</b>				
Disputed dues	-	-	-	-
undisputed dues	9,423.02	8,722.44	8,940.74	10,216.24
<b>Total(B)</b>	<b>9,423.02</b>	<b>8,722.44</b>	<b>8,940.74</b>	<b>10,216.24</b>
<b>Total (A+B)</b>	<b>13,706.28</b>	<b>10,335.27</b>	<b>9,754.23</b>	<b>10,673.84</b>

**\*\* see note 19A**
**Details dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006)**
**No interest is paid to MSME units on late payment of its dues.**

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period/ year

Principal amount due to micro and small enterprises	4,283.26	1,612.83	813.49	457.59
Interest due on above	-	-	-	-

The amount of interest paid by the buyer in terms of section 16, of the MSMED Act,2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period/ year

	-	-	-	-
--	---	---	---	---

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note : 19A: Trade payables**

Particulars	Dues As at 30th June, 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Outstanding dues of micro and small enterprises</b>					
(i) Disputed dues	-	-	-	-	-
(ii) Undisputed dues	4,283.26	-	-	-	4,283.26
<b>Total</b>	<b>4,283.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,283.26</b>

**Outstanding dues other than micro and small enterprises**

(i) Disputed dues	-	-	-	-	-
(ii) Undisputed dues	9,353.41	3.63	22.90	43.09	9,423.02
<b>Total</b>	<b>9,353.41</b>	<b>3.63</b>	<b>22.90</b>	<b>43.09</b>	<b>9,423.02</b>

Particulars	Dues As at 31st March, 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Outstanding dues of micro and small enterprises</b>					
(i) Disputed dues	-	-	-	-	-
(ii) Undisputed dues	1,587.15	-	25.68	-	1,612.83
<b>Total</b>	<b>1,587.15</b>	<b>-</b>	<b>25.68</b>	<b>-</b>	<b>1,612.83</b>

**Outstanding dues other than micro and small enterprises**

(i) Disputed dues	-	-	-	-	-
(ii) Undisputed dues	8,637.53	3.63	75.06	6.23	8,722.44
<b>Total</b>	<b>8,637.53</b>	<b>3.63</b>	<b>75.06</b>	<b>6.23</b>	<b>8,722.44</b>

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Dues As at 31st March, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Outstanding dues of micro and small enterprises</b>					
(i) Disputed dues	-	-	-	-	-
(ii) Undisputed dues	801.12	12.37	-	-	<b>813.49</b>
<b>Total</b>	<b>801.12</b>	<b>12.37</b>	<b>-</b>	<b>-</b>	<b>813.49</b>

**Outstanding dues other than micro and small enterprises**

(i) Disputed dues	-	-	-	-	-
(ii) Undisputed dues	8,860.52	63.02	7.12	10.08	<b>8,940.74</b>
<b>Total</b>	<b>8,860.52</b>	<b>63.02</b>	<b>7.12</b>	<b>10.08</b>	<b>8,940.74</b>

Particulars	Dues As at 31st March, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Outstanding dues of micro and small enterprises</b>					
(i) Disputed dues	-	-	-	-	-
(ii) Undisputed dues	457.59	-	-	-	<b>457.59</b>
<b>Total</b>	<b>457.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>457.59</b>

**Outstanding dues other than micro and small enterprises**

(i) Disputed dues	-	-	-	-	-
(ii) Undisputed dues	10,142.12	39.79	25.11	9.23	<b>10,216.24</b>
<b>Total</b>	<b>10,142.12</b>	<b>39.79</b>	<b>25.11</b>	<b>9.23</b>	<b>10,216.24</b>

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the Balance Sheet as at 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at 30th June, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period / year		-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-	-

Note : Dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006.

**Note : 20 : Provisions****i) Provision for Employee Benefits**

-for Bonus	151.22	131.06	115.27	96.51
-for Gratuity	27.25	27.76	9.20	5.09
-for Leave Encashment	3.50	2.16	1.27	2.49

**ii) Others;**

Provision for Tax	1,436.28	1,055.73	827.07	417.84
<b>Total in (Rs)...</b>	<b>1,618.24</b>	<b>1,216.71</b>	<b>952.81</b>	<b>521.94</b>

**Note : 21 : Other current liabilities****Statutory Dues**

GST	191.33	238.30	112.01	146.48
Sales Tax	49.44	49.44	49.44	49.44
TDS Payable	22.54	56.66	41.10	41.85
Other Statutory Liability	16.04	13.10	14.20	11.62

**Deposits**

Security Deposit From Suppliers	-	-	365.87	-
---------------------------------	---	---	--------	---

**Other Payables**

Advances from Customers & Others	72.13	79.94	63.37	300.67
Remuneration to Directors	9.38	0.16	68.21	47.87
Salary & Wages Payable	151.96	159.80	115.91	87.85
Auditor Remunerations	-	5.40	5.40	5.40
Interest Payable	8.62	12.28	8.92	14.75
Other Expenses Payable	12.49	69.03	66.14	0.91
<b>Total in (Rs)...</b>	<b>533.92</b>	<b>684.10</b>	<b>910.58</b>	<b>706.83</b>

**RAJPUTANA STAINLESS LIMITED**
**Notes Forming Integral Part of the statement of Profit & Loss for the year or period ended 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Period Ended 30th June, 2024	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<b>Note : 22 : Revenue from operations</b>				
<b>Sale of Products</b>				
Domestic Sales	20,139.04	89,846.13	94,419.79	76,248.00
Export Sales	298.57	486.33	-	-
<b>Sale of Service (Gross)</b>				
Job Work Charges	51.31	465.23	188.96	299.63
<b>Other Operating Revenue</b>				
Duty Drawback Received	2.16	7.45	-	-
Freight Charges Recovered	36.95	155.30	153.62	92.92
Insurance Claimed Received	-	20.36	5.08	1.16
<b>Total in (Rs)...</b>	<b>20,528.03</b>	<b>90,980.80</b>	<b>94,767.44</b>	<b>76,641.70</b>

\* For detailed disclosure relating to Ind AS 115 - Revenue from Contracts with Customers refer **Note 29(11)**

**Note : 23 : Other income**
**Interest Income**

From Bank on Deposits	11.14	37.59	37.38	35.60
From Other	92.02	212.45	124.73	93.93

**Other Income**

Rent Received	-	-	0.60	4.52
Commission Received	-	13.50	-	-
Profit/Loss on Sale of Fixed Assets	-	1.77	-	0.05
Profit/Loss on Sale of Mutual Funds	-	71.11	117.20	-
Foreign Exchange Fluctuation Gain	5.10	233.04	21.71	(9.94)
<b>Total in (Rs)...</b>	<b>108.26</b>	<b>569.45</b>	<b>301.62</b>	<b>151.29</b>

**Note : 24 : Cost of materials consumed**

Opening Stock of Raw Material	3,778.99	4,376.29	3,717.36	3,600.50
Add: Purchases	16,602.04	73,680.99	75,513.48	63,750.03
	<b>20,381.02</b>	<b>78,057.28</b>	<b>79,230.84</b>	<b>67,350.53</b>
Less: Closing Stock of Raw Material	3,326.59	3,778.99	4,376.29	3,717.36
<b>Total in (Rs)...</b>	<b>17,054.43</b>	<b>74,278.29</b>	<b>74,854.55</b>	<b>63,633.17</b>

**Note : 25 : Changes in inventories of finished goods and work in progress**
**Inventory at the beginning of the financial year**

Finished Goods	5,995.92	3,685.14	6,802.07	6,850.34
WIP Stock	455.56	505.13	429.15	82.52
	<b>6,451.49</b>	<b>4,190.27</b>	<b>7,231.22</b>	<b>6,932.86</b>

**Inventory at the end of the financial year**

Finished Goods	7,210.70	5,995.92	3,685.14	6,802.07
WIP Stock	586.08	455.56	505.13	429.15
	<b>7,796.78</b>	<b>6,451.49</b>	<b>4,190.27</b>	<b>7,231.22</b>
<b>Total in (Rs)...</b>	<b>(1,345.29)</b>	<b>(2,261.22)</b>	<b>3,040.95</b>	<b>(298.36)</b>

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the statement of Profit & Loss for the year or period ended 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Period Ended 30th June, 2024	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2022
-------------	------------------------------------	-----------------------------------	-----------------------------------	-----------------------------------

**Note : 26 : Employee benefits expense**

Salary, Wages, Allowances & Sales Incentive	492.00	1,864.56	1,539.71	1,255.77
Gratuity Expenses	11.24	33.22	29.36	27.62
Leave Encashment Expenses	2.06	7.47	7.15	5.96
Contribution to Provident & Other Funds	18.90	76.29	76.94	65.91
Bonus Expenses	20.73	121.13	116.71	100.71
Staff Welfare Expenses	10.49	42.15	47.06	31.41
<b>Total in (Rs)...</b>	<b>555.42</b>	<b>2,144.81</b>	<b>1,816.94</b>	<b>1,487.39</b>

**Employee Benefit Plans****The details of various employee benefits provided to employees are as under:**

Employer's contribution to provident fund and labour welfare fund	16.20	64.01	63.89	54.25
Employer's contribution to employee state insurance	2.65	12.18	12.94	11.59
Gujarat Labour Welfare Fund	0.05	0.10	0.09	0.08
	<b>18.90</b>	<b>76.29</b>	<b>76.92</b>	<b>65.91</b>
Employer's contribution to gratuity fund	11.24	33.22	29.36	27.62

**Defined benefit plans:**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year.

**Note : 27 : Finance costs**

Interest on Borrowings	297.56	1,201.02	967.87	961.79
Other Finance Charges	54.11	245.51	169.31	141.17
<b>Total in (Rs)...</b>	<b>351.67</b>	<b>1,446.52</b>	<b>1,137.18</b>	<b>1,102.95</b>

**Note : 28 : Other expenses****Direct Expenses**

Consumption of Store & Spare Parts	773.75	3,958.34	4,417.10	3,551.75
Job Work Charges	73.72	721.39	407.65	236.51
Clearing & Forwarding Charges	97.50	589.84	436.43	103.44
Loading Unloading Charges	7.29	21.85	10.91	18.91
Frieght Charges	217.49	963.92	980.32	824.49
Power & Fuel Charges *	821.68	3,361.46	3,167.54	3,125.10
Labour Expenses	84.95	350.52	346.98	321.16

\* Income generated by Wind Mill / Solar Power are neted off with the Power & Fuel Charges. Details of the same are as under.

Power & Fuel Charges	950.77	3,782.69	3,449.64	3,364.56
Less: Windmill Income	123.56	430.90	422.92	377.70
Less: Solar Power Income	74.08	169.29	-	-
Add: Windmill Expense	58.11	147.44	140.82	138.24
Add: Solar Power Expense	10.43	31.52	-	-
<b>Power &amp; Fuel Charges (Net)</b>	<b>821.68</b>	<b>3,361.46</b>	<b>3,167.54</b>	<b>3,125.10</b>

**RAJPUTANA STAINLESS LIMITED****Notes Forming Integral Part of the statement of Profit & Loss for the year or period ended 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Period Ended 30th June, 2024	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<b>Repairs &amp; Maintenance</b>				
Machinery & Plant	71.10	155.46	109.74	64.99
Others	5.96	30.13	5.98	1.44
	<b>2,153.44</b>	<b>10,152.90</b>	<b>9,882.64</b>	<b>8,247.79</b>
<b>Administrative, Selling and Other Expenses</b>				
Auditor Remuneration				
- Statutory Audit Fees	-	4.50	4.00	4.00
- Tax Audit Fees	-	1.50	1.50	1.50
- Taxation Matter	-	2.50	1.00	0.50
- Certification Matter	-	0.10	0.26	0.43
Cash Discount	0.20	7.98	22.72	4.82
Commission Expense	4.59	36.27	18.92	22.89
Donation	0.15	13.48	105.64	1.29
Discount & Kasar	-	-	4.88	-
CSR Expense	21.31	44.38	13.80	20.40
Fire & Safety Expenses	-	8.82	9.31	9.63
Insurance Expenses	21.02	63.44	48.37	66.66
Legal & Professional Expenses	16.27	80.72	52.18	66.15
Office Expenses	4.24	10.71	8.40	18.94
Other Expenses	6.50	22.14	45.41	21.02
Rates and Taxes	-	9.09	14.48	3.25
Rent Expenses	7.28	19.55	11.93	12.77
Sales Promotion Expenses	-	32.55	62.58	-
Security Charges	10.13	37.69	29.72	30.19
Travelling & Conveyance Expenses	17.05	65.57	65.03	46.35
Vehical Running expense	67.02	264.05	267.66	216.43
	<b>175.76</b>	<b>725.05</b>	<b>787.78</b>	<b>547.22</b>
<b>Total in (Rs) ...</b>	<b>2,329.20</b>	<b>10,877.95</b>	<b>10,670.42</b>	<b>8,795.00</b>



**Note : 29 : Notes on the financial statement**

**1 First time adoption of Ind AS**

For the preparation and presentation of the financial Statement for the financial year 2023-24 the company has adopted Ind As i.e. FY 2023-24 which is the first year for which the company has prepared financial statement in accordance with Ind As and accordingly the accounting policies adopted for the financial statement for the financial year 2023-24 as set out in Note-1 have been applied in preparing the comparative information presented in these financial year for the year ended 31/03/2023 and preparation of opening Ind As balance sheet as at April 1st, 2021.

In preparing opening Ind AS balance sheet and in presenting the comparative information for the year ended March 31, 2023 & March 31, 2022, the Company has adjusted the amounts reported previously in the financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2021 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). For the purpose of transition from the Indian GAAP to Ind AS, the Company has applied Ind AS 101 - First Time Adoption of Indian Accounting Standards.

**Exemptions and exceptions availed on first time adoption of Ind AS 101**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**Ind AS optional exemptions**

**Deemed Cost**

Ind AS 101 permits, a first time adopter to elect to continue with the carrying values for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

**Ind AS mandatory exceptions**

**Estimates**

The Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2022 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**Classification and measurement of financial assets**

Ind AS 101 requires the company to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Accordingly, the Company has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition.

**2 Details of Income / Expenditures in foreign currency during the financial year are as under.**

SN.	Particular	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
<b>1</b>	<b>Import on CIF Basis</b>				
	Raw Material	3,646.64	26,226.49	19,822.29	4,608.01
	Components and Spare Parts	38.53	Nil	Nil	Nil
	Capital Goods	Nil	Nil	Nil	Nil
<b>2</b>	<b>Expenditure</b>				
	Royalty	Nil	Nil	Nil	Nil
	Know-how	Nil	Nil	Nil	Nil
	Professional Fees	Nil	Nil	Nil	Nil
	Interest	Nil	Nil	Nil	Nil
	Other	Nil	7.13	6.37	Nil

<b>3 Material Consumption</b>				
Imported goods Consumed *	3,377.51	26,039.69	19,538.38	4,634.32
Indigenous goods Consumed *	13,676.92	52,894.79	55,279.89	58,988.76
<b>Total</b>	<b>17,054.43</b>	<b>78,934.48</b>	<b>74,818.27</b>	<b>63,623.08</b>
<b>The percentage to total consumption</b>				
Imported	19.80%	32.99%	26.11%	7.28%
Indigenous	80.20%	67.01%	73.89%	92.72%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\* in want of specific identification regarding Raw Material, consumed during the year, it is assumed that All Imported Raw Material is consumed and there are no Closing Stock of Imported Raw Material and accordingly opening and closing stock of Raw Material is considered out of Indigenous Purchases.

<b>4 During the year, the company has not declared or paid any dividend. The details of non-Resident share holders as as under.</b>				
- Total No. of non-Resident share holders	Nil	Nil	Nil	Nil
- Total No. of share held	Nil	Nil	Nil	Nil
- Dividend Remitted in foreign currency	Nil	Nil	Nil	Nil

<b>5 Income</b>				
Export on FOB basis	293.49	481.49	Nil	Nil
Royalty	Nil	Nil	Nil	Nil
Know-how	Nil	Nil	Nil	Nil
Professional Fees	Nil	Nil	Nil	Nil
Interest	Nil	Nil	Nil	Nil
Dividend	Nil	Nil	Nil	Nil
Other Income	Nil	Nil	Nil	Nil

- 3** In the opinion of the board of director all the current assets, investments loans and advances recoverable in cash or kind are stated at values realisable in the ordinary course of business of the company and all the known liabilities have been provided for and there are no liabilities contingent or otherwise except those which are stated in the account.
- 4** The company has taken into account the impact of any significant event that occurs after balance sheet date and the date on which the financial statements are approved by the Board of Directors.
- 5** No assets have been identified which have been impaired in respect of each cash generating unit. Hence, no impairment loss has been provided in the books.
- 6** The disclosures of transactions with the related parties are given below:

**1 Key Management personnel & Director:**

<b>Name of KMP/Director</b>	<b>Designation</b>
Shankarlal Deepchand Mehta	Managing Director (MD)
Babulal Deepchand Mehta	Whole-time director (WTD)
Jayesh Natvarlal Pithva	Chief Financial Officer (up to 01st August 2024)
Richa Sanjeev Prashar	Company Secretary
Yashkumar Shankarlal Mehta	Additional Director- (from 01st January 2024 Up to 12th June, 2024)
Prashant Bharatkumar Patel	Independent Director (w.e.f. 12th June, 2024)
Kushal Kamlesh Brahmkshatriya	Independent Director (w.e.f. 12th June, 2024)
Nikita Ronak Mehta	Independent Director (w.e.f. 12th June, 2024)
Jigar Maheshbhai Pithva	Independent Director (up to 12th June, 2024)
Meenakshi Rajendra Kumar Khatri	Independent Director (from 01st Sept. 2023 Up to 12th June, 2024)
Mahima Shankarlal Mehta	Director (up to 01st Sept. 2023)
Jayesh Natvarlal Pithva	Director

**RAJPUTANA STAINLESS LIMITED****Notes Forming Part of the Financial Statements at and for the year ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**2 Relative of Key Managerial Personnel & Director:**

Name of Relative of KMP/Director	Relationship With KMP/Director
Surekha Shankarlal Mehta	Wife of Managing Director
Yashkumar Shankarlal Mehta	Son of Managing Director
Mahima Shankarlal Mehta	Daughter of Managing Director
Nihali Mehta	Daughter of Managing Director
Mohit Jayesh Pithwa	Son of Director
Hetal Jayesh Pithva	Wife of Director

**3 Enterprise in which Key Managerial Personnel or their relative can exercise significant influence**

Name of Enterprise	Relationship With KMP/Director
Surya Steel Center	Managing Director's & Whole-time Director's Brother is a Proprietor
Steel Wire India	Whole-time director's Son is a Partner
Steel Trade India	Whole-time director's Son is a Partner
Steel Icon Stainless Private Limited	Whole-time director's Son is a Director
Steel World India	CFO & Director's Son is the Proprietor
Steel Inox Pvt Ltd	CFO & Director's Mother is a Director
Rutvij Stainless Pvt. Ltd	Additional Director is a Director
Ventana Speciality Private Limited	Additional Director is a Director
Rajputana Bright Bars Private Limited (Formerly known as Rajputana Advisory Services Private Limited)	Managing Director's & Whole-time Director's are Director
Bhansali Bright Bars Pvt. Ltd	Additional Director is a Director
Kanungo Ferromet Private Limited	Father of Spouse of Additional Director is Interested
Neo Ferromet Private Limited	Father of Spouse of Additional Director is Interested
Kanungo Recycling LLP	Father of Spouse of Additional Director is Interested
Cetus Engineering Private Limited	Brother of Spouse of Additional Director is Interested
Metal Sales	Brother in law of Managing Director is Interested
Steel Forge India	Brother in law of Whole-time director is Interested

**4 Transaction with Related Parties:**

SN.	Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
1	<b>Sale</b>				
	Surya Steel Center	7.57	9.09	3.14	34.25
	Steel Wire India	15.16	778.10	493.82	378.40
	Steel Trade India	-	-	-	67.12
	Steel Icon Stainless Private Limited	1.25	192.61	243.08	-
	Steel World India	213.86	550.16	502.96	430.01
	Rutvij Stainless Pvt. Ltd.	(0.43)	261.90	-	-
	Ventana Speciality Private Limited	249.09	82.81	10.88	-
	Bhansali Bright Bars Pvt. Ltd.	244.07	68.02	88.60	366.50
	Kanungo Ferromet Private Limited	247.94	741.49	1,605.33	1,045.03
	Neo Ferromet Private Limited	16.60	176.78	120.93	-
	Steel Forge India	115.34	503.63	385.03	475.33
	Metal Sales	-	-	7.81	-
	Cetus Engineering Private Limited	-	-	10.01	3.20
2	<b>Purchase</b>				
	Steel Wire India	-	466.05	183.80	493.92
	Steel Icon Stainless Private Limited	4.86	324.10	72.07	15.57
	Steel World India	-	41.86	114.44	171.64
	Ventana Speciality Private Limited	66.32	647.05	74.14	-
	Bhansali Bright Bars Pvt. Ltd.	264.18	131.86	15.23	55.04
	Kanungo Ferromet Private Limited	844.54	3,718.28	3,395.25	3,238.06
	Neo Ferromet Private Limited	34.24	104.12	77.44	34.90
	Kanungo Recycling LLP	-	-	34.00	32.03
	Metal Sales	-	-	13.30	26.42
	Cetus Engineering Private Limited	-	-	4.14	-

**RAJPUTANA STAINLESS LIMITED****Notes Forming Part of the Financial Statements at and for the year ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>3 Expenses</b>				
<b>Remuneration to KMP &amp; Directors</b>				
Shankarlal Deepchand Mehta	75.00	300.00	204.00	90.00
Babulal Deepchand Mehta	4.50	18.00	18.00	18.00
Jayesh Natvarlal Pithva	4.50	18.00	18.00	18.00
Mahima Shankarlal Mehta	-	7.50	9.00	9.00
Richa Sanjeev Prashar	1.58	3.31	2.78	2.72
Yashkumar Shankarlal Mehta	7.68	7.68	-	-
<b>Interest Expenses</b>				
Shankarlal D Mehta	-	32.67	20.59	19.54
<b>Salary</b>				
Surekha S. Mehta	-	6.90	6.86	6.00
Mahima Mehta	3.00	10.50	-	-
Yash Mehta	-	28.37	30.89	9.27
Mohit Jayesh Pithwa	3.75	15.00	3.60	-
<b>Rent Paid</b>				
Hetal Jayesh Pithva	-	7.80	7.80	7.80
<b>Conversion Charges Paid</b>				
Bhansali Bright Bars Pvt. Ltd	58.95	198.28	32.57	86.48
<b>4 Income</b>				
<b>Rent Income</b>				
Rutvij Stainless Pvt Ltd	-	-	0.60	0.60
<b>Interest Income</b>				
Steel Icon Stainless Private Limited	2.15	19.40	39.69	18.39
Steel World India	-	-	16.14	-
Steel Inox Pvt Ltd	2.43	6.78	-	-
Rutvij Stainless Pvt. Ltd	12.35	39.06	-	-
Ventana Speciality Private Limited	39.19	7.72	-	-
<b>Freight Charges Received</b>				
Kanungo Ferromet Private Limited	0.50	0.37	-	-
Steel World India	-	-	1.16	-
Steel Icon Stainless Private Limited	-	3.13	-	-
<b>Discount Received</b>				
Kanungo Ferromet Private Limited	2.75	-	-	-
<b>Conversion Charges Received</b>				
Steel Icon Stainless Private Limited	1.25	20.12	-	-
Steel Wire India	-	0.78	-	-
Steel World India	1.38	-	2.38	-
Kanungo Ferromet Private Limited	-	62.26	32.75	21.98
Steel Forge India	-	-	-	16.42
<b>5 Unsecured Loan Accepted</b>				
Shankarlal D Mehta	244.00	1,367.50	216.90	284.84
<b>6 Unsecured Loan Repaid</b>				
Shankarlal D Mehta	195.23	1,407.38	129.00	487.82

**RAJPUTANA STAINLESS LIMITED**
**Notes Forming Part of the Financial Statements at and for the year ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>7</b>	<b>Loan Given to Enterprise in which KMP or their relative can exercise significant influence.</b>				
	Steel Icon Stainless Private Limited	100.00	-	118.45	400.00
	Rajputana Bright Bars Private Limited (Formerly known as Rajputana Advisory Services Private Limited)	-	-	-	0.22
	Steel Inox Pvt Ltd	-	75.00	-	-
	Rutvij Stainless Pvt. Ltd	-	415.00	-	-
	Ventana Speciality Private Limited	-	1,490.00	-	-
<b>5</b>	<b>Balance Outstanding</b>				
<b>SN.</b>	<b>Particular</b>	<b>30th June, 2024</b>	<b>31st March, 2024</b>	<b>31st March, 2023</b>	<b>31st March, 2022</b>
<b>1</b>	<b>Unsecured Loan Payable</b>				
	Shankarlal D Mehta	305.10	245.80	256.28	147.79
<b>2</b>	<b>Unsecured Loan Receivable</b>				
	Steel Icon Stainless Private Limited	122.32	22.12	535.72	-
	Steel Inox Pvt Ltd	83.53	81.10	-	-
	Rutvij Stainless Pvt. Ltd	462.50	450.15	-	-
	Rajputana Bright Bars Private Limited (Formerly known as Rajputana Advisory Services Private Limited)	-	-	0.91	0.87
	Ventana Speciality Private Limited	1,536.13	1,496.94	-	-
<b>3</b>	<b>Remuneration Payable</b>				
	Babulal D Mehta	3.74	-	24.89	20.20
	Jayesh Pithwa	3.74	-	50.39	28.56
	Yashkumar Shankarlal Mehta	1.89	0.16	-	-
	Shankarlal D Mehta	-	-	3.21	-
<b>4</b>	<b>Salary Payable</b>				
	Mahima S Mehta	3.24	0.69	-	-
	Nihali Mehta	2.54	10.48	-	-
	Mohit Jayesh Pithva	3.07	15.54	3.00	-
<b>5</b>	<b>Trade Receivable</b>				
	Surya Steel Center	16.93	-	18.51	32.28
	Steel Wire India	159.55	141.67	178.26	41.89
	Rutvij Stainless Pvt Ltd	9.27	9.78	(0.29)	16.00
	Bhansali Bright Bars Pvt. Ltd.	182.69	212.22	295.61	306.51
	Neo Ferromet Private Limited	10.09	-	-	-
	Ventana Speciality Private Limited	183.68	57.83	(18.64)	-
	Steel Forge India	(0.05)	(0.05)	-	41.85
<b>6</b>	<b>Trade Payable</b>				
	Neo Ferromet Private Limited	40.81	-	-	-
	Kanungo Ferromet Private Limited	539.32	615.75	520.70	321.14
<b>7</b>	<b>Rent Payable</b>				
	Hetal Jayesh Pithva	10.42	10.42	6.63	4.01
<b>8</b>	<b>Advance to Suppliers</b>				
	Bhansali Bright Bars Pvt. Ltd.	602.37	162.56	-	-
	Steel Wire India	70.62	70.62	-	-
	Ventana Speciality Private Limited	883.18	95.00	-	-

**7 Contingent Liabilities**

Claims against the company/disputed liabilities not acknowledged as Debts

SN	Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
1	Central Sales Tax	1,445.43	1,445.43	1,445.43	1,445.43
2	Gujarat Value Added Tax	875.68	875.68	875.68	875.68
3	Goods and Service Tax	776.38	294.37	25.00	25.00
4	Central Excise Act	2,074.42	2,074.42	2,074.42	2,074.42
5	Income Tax	188.04	181.69	181.69	-
6	Industrial Dispute Act	2.50	2.50	2.50	2.50

- 8 Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted, at the reporting date.

As a result, Deferred tax Assets for the period of amounting to **Rs. 28.20 Lacs** is created, the details of which are as under:

Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
Opening Balance of DTL	695.70	700.57	1,073.20	1,059.47
Add : Created During the Year		-	-	-
On Assets	(28.77)	38.07	(388.97)	(18.03)
On Other Comprehensive Income	1.14	(18.49)	1.13	33.10
On Other	(0.57)	(24.44)	15.20	(1.34)
<b>Closing Balance</b>	<b>667.50</b>	<b>695.70</b>	<b>700.57</b>	<b>1,073.20</b>

- 9 Details of Non-Cancellable Operating Lease, as per the IndAS -116 leases are as under;

Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
<b>The future minimum rent payments to be made for the</b>				
Not Later than one Year	Nil	Nil	Nil	Nil
Less than one Year But Not Later than five years	Nil	Nil	Nil	Nil
Later than five years	Nil	Nil	Nil	Nil
Rent Payments recognised in Profit and Loss Account	7.28	19.55	11.93	12.77

- 10 The company makes contributions, determined as specific percentage of employee salaries, towards Provident Fund, Employee State Insurance Scheme(ESI) and Superannuation Fund Scheme which are collectively defined as defined contribution plan. The contributions are charged to the Statement of Profit and Loss as they accrue.

The company provides for gratuity payable to eligible employees i.e. who has completed five years of services of the Company on the estimation basis of number of years completed by eligible employees and last salary drawn by them. The company has neither created any gratuity fund trust nor taken any policy from Insurance Company in this respect.

**RAJPUTANA STAINLESS LIMITED**
**Notes Forming Part of the Financial Statements at and for the year ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The amount recognized as an expense towards contribution are as under;

SN	Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
1	Provident Fund including Admin Charges, EDLI & EPF	16.20	64.01	63.89	54.25
2	Employee State Insurance Scheme	2.65	12.18	12.94	11.59
3	Gujarat Labour Welfare Fund	0.05	0.10	0.09	0.08
4	<b>Defined benefit plan</b>				
	<b>(I) Amount Recognised in Balance Sheet</b>				
	Present value of unfunded Obligations	299.00	288.53	191.42	181.35
	Present value of funded Obligations	-	-	-	-
	Fair Value of plan assets	-	-	-	-
	<b>Net Liability (asset)</b>	<b>299.00</b>	<b>288.53</b>	<b>191.42</b>	<b>181.35</b>
	<b>(II) Amounts to be recognised in Profit and Loss</b>				
	Current Service Cost	8.37	26.72	23.64	21.41
	Net Interest Cost	4.92	13.96	12.87	12.17
	<b>Total Charged to profit and loss</b>	<b>13.30</b>	<b>40.69</b>	<b>36.52</b>	<b>33.58</b>
	<b>(III) Amounts to be recognised in OCI</b>				
	Net actuarial loss/(gain)	0.09	73.69	(6.92)	(27.42)
	<b>Total Charged to OCI</b>	<b>0.09</b>	<b>73.69</b>	<b>(6.92)</b>	<b>(27.42)</b>
	<b>(IV) Reconciliation of Defined Benefit Obligation</b>				
	<b>Opening Defined Benefit Obligation</b>	<b>288.53</b>	<b>191.42</b>	<b>181.35</b>	<b>185.46</b>
	Current service cost	8.37	26.72	23.64	21.41
	Interest cost	4.92	13.96	12.87	12.17
	Benefits paid by company	(2.92)	(17.26)	(19.53)	(10.26)
	<b>Actuarial loss/(gain) due to</b>	-			
	Experience adjustments on plan liabilities	(0.73)	57.99	(1.38)	(15.45)
	Change in financial assumptions	1.25	7.32	(5.54)	(12.16)
	Change in demographic assumption	(0.43)	8.38	-	0.19
	<b>Closing Defined Benefit Obligation</b>	<b>299.00</b>	<b>288.53</b>	<b>191.42</b>	<b>181.35</b>
	<b>(V) Assumptions</b>				
	Discount Rate (per annum)	7.50% p.a.	7.50% p.a.	7.50% p.a.	7.25% p.a.
	Rate of Increase in Salary	6.00% p.a.	6.00% p.a.	6.00% p.a.	6.00% p.a.
	Withdrawal Rate		Age 25 & Below : 5 % p.a. 25 to 35 : 4 % p.a. 35 to 45 : 3 % p.a. 45 to 55 : 2 % p.a. 55 & above : 1 % p.a.		

**11 Ind AS 115 - Revenue from Contracts with Customers**

- a. The Company is in the business of Manufacturing of stainless products such as Steel Billets, Angles, Wire Rod etc. All sales are made at a point in time and Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues.
- b. **Performance obligation**  
Revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.



Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
<b>Revenue by time</b>				
Revenue recognised at point in time	20,528.03	90,980.80	94,767.44	76,641.70
Revenue recognised over time	-	-	-	-
<b>Total in (Rs)...</b>	<b>20,528.03</b>	<b>90,980.80</b>	<b>94,767.44</b>	<b>76,641.70</b>

**c. Contract Liability (advance from customers)**

Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
Advance from Customers	72.13	79.94	63.37	300.67

**d. Reconciliation of revenue recognised with the contracted price is as follows:**

Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
<b>Sale of Products</b>				
Domestic Sales	20,139.04	89,846.13	94,419.79	76,248.00
Export Sales	298.57	486.33	-	-
<b>Sale of Service (Gross)</b>				
Job Work Charges	51.31	465.23	188.96	299.63
<b>Other Operating Revenue</b>				
Duty Drawback Received	2.16	7.45	-	-
Freight Charges Recovered	36.95	155.30	153.62	92.92
Insurance Claimed Received	-	20.36	5.08	1.16
<b>Total in (Rs)...</b>	<b>20,528.03</b>	<b>90,980.80</b>	<b>94,767.44</b>	<b>76,641.70</b>

The Company derives its revenue from contracts with customers for the sale of goods and services at a point in time and over the period in the following major product lines. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

**e. External revenue by Product Line**

Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
<b>Income from Manufacturing</b>				
SS Billet	3,377.31	13,150.97	16,331.97	9,315.14
SS Flat & Patti	853.33	2,951.11	4,588.18	7,047.45
SS Ingot	645.20	1,881.39	3,077.67	3,324.04
SS Black Bar	12,158.67	50,362.25	50,703.11	45,182.91
SS Bright Bar	2,599.18	10,938.23	8,999.65	6,990.24
SS Wirerod	373.44	9,107.38	7,174.14	2,730.69
Other Products	27.90	289.53	734.35	972.22
	<b>20,035.02</b>	<b>88,680.85</b>	<b>91,609.07</b>	<b>75,562.68</b>
<b>Income from Trading</b>				
Ferro Alloys	107.21	638.73	946.23	17.56
Scrap	268.26	1,001.87	1,861.73	657.19
Other Products	27.12	11.01	2.76	10.57
	<b>402.59</b>	<b>1,651.61</b>	<b>2,810.72</b>	<b>685.32</b>
<b>Jobwork income and Other Income</b>				
Job Work Charges Income	51.31	465.23	188.96	299.63
Freight Charges Income	36.95	155.30	153.62	92.92
Insurance Claim Received	-	20.36	5.08	1.16
Duty Drawback Received	2.16	7.45	-	-
	<b>90.42</b>	<b>648.34</b>	<b>347.66</b>	<b>393.70</b>
<b>Total in (Rs)...</b>	<b>20,528.03</b>	<b>90,980.80</b>	<b>94,767.44</b>	<b>76,641.70</b>
	-	(0.00)	0.00	(0.00)



**f. Revenue by Geographies / Regions:**

Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
<b>Income from Domestic Sales</b>				
Andhra Pradesh	37.59	150.00	119.58	128.10
Chhattisgarh	-	-	6.17	-
Dadra & Nagar Haveli and Daman & Diu	24.46	848.77	880.04	1,079.56
Delhi	73.02	467.31	1,199.96	778.74
Gujarat	7,748.31	26,659.37	23,732.80	15,772.13
Haryana	123.26	3,296.36	1,353.92	6.02
Karnataka	659.59	1,983.79	1,102.98	1,368.92
Madhya Pradesh	23.59	1,378.61	781.61	147.51
Maharashtra	8,177.25	39,962.48	46,047.33	39,842.91
Punjab	65.76	557.80	468.67	144.29
Rajasthan	370.61	1,224.94	1,686.42	5,243.05
Tamil Nadu	30.44	494.51	728.65	419.90
Telangana	-	-	23.84	28.69
Uttar Pradesh	2,581.27	12,623.73	16,635.92	11,522.61
West Bengal	314.30	846.80	(0.44)	159.27
				-
<b>Income from Export Sales</b>				
Korea	-	0.01	-	-
Kuwait	-	94.43	-	-
Poland	49.14	41.10	-	-
Thailand	-	0.00	-	-
Turkey	-	53.23	-	-
UAE	213.55	297.55	-	-
USA	35.88	0.00	-	-
<b>Grand Total</b>	<b>20,528.03</b>	<b>90,980.80</b>	<b>94,767.44</b>	<b>76,641.70</b>

**12 Relation with Struck off Companies**

The Company do not have any transactions with companies struck off.

SN	Name	Nature of Transactions with struck off Company	Balance Outstanding	Relationship with the Struck off company if any
		Investment in securities	Nil	None
		Receivables	Nil	None
1	None	Payables	Nil	None
		Share held by struck off	Nil	None
		Other Outstanding	Nil	None

**13** Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Managing Director of the Company has been identified as being the chief operating decision maker to assess the financial performance and position of the Company and make strategic decisions. The Company is engaged primarily Manufacturing of stainless products such as Steel Billets, Angles, Wire Rod etc. Accordingly, in the context of Indian Accounting Standard 108 – Operating Segments, it is considered to constitute single reportable segment.

**14 Auditors Remuneration**

Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
Statutory Audit Fees	-	4.50	4.00	4.00
Income Tax Audit Fees	-	1.50	1.50	1.50
Income Tax Matter	-	2.50	1.00	0.50
Certification Matter	-	0.10	0.26	0.43
<b>Total..</b>	<b>-</b>	<b>8.60</b>	<b>6.76</b>	<b>6.43</b>

The above figures are excluding Goods and Service Tax (GST) amount.

**15 Corporate Social Responsibility**

Particulars	31st March, 2024	31st March, 2023	31st March, 2022
The average net profits made during the 3 immediately preceding financial years	1,756.04	1,038.04	841.93
Amount required to be spent by the company during the year	35.12	20.76	16.84
Amount of Expenditure incurred	44.38	13.80	20.40
<b>(Shortfall)/Excess amount spent at the end of the year</b>	<b>9.26</b>	<b>-6.97</b>	<b>3.56</b>
less : Amount set off from preceeding Financial Years	-	3.56	-
Net Shortfall at the end of the year	9.26	-3.40	3.56
Total Amount transferred to Unspent CSR	-	6.97	-
Reason for shortfall	None	Note : 2	None
Nature of CSR Activities	Note : 4	Note : 3	Note : 1
Details of Related Party transactions e.g. contribution to a trust controlled by the company	None	None	None

**Note related to Corporate Social Responsibility**

- 1 Oxygen and Other Medical Equipments, Preventive Material Supply in Covid 19 Pandemic.
- 2 Amount Transferred to unspent CSR account.
- 3 Donation for School Building and utensils given to Village and Donation to Jain International Trade Organisation.  
Donation for Promoting education, including special education, Promoting health care including preventive health and sanitation & Protection of national heritage, art and culture, promotion and development of traditional arts.
- 4

**16 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
Profit/Loss on transaction involving crypto or virtual currency	Nil	Nil	Nil	Nil
Amount of currency held at the reporting date	Nil	Nil	Nil	Nil
Deposit or advances from any person for the purpose of trading or investing in crypto currency or virtual currency	Nil	Nil	Nil	Nil

**17 Ratios as required by Schedule III to the Companies Act, 2013:**

Ratio	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022	% of Variance	
	*	(A)	(B)	(C)	(A-B)/B	(B-C)/C
<b>Debt Equity ratio - [no. of times]</b>	<b>0.65</b>	<b>0.71</b>	<b>0.98</b>	<b>1.59</b>	<b>-27.77%</b>	<b>-38.15%</b>
Total debt	7969.12	7975.74	7982.54	9184.32	Notes : 2.	Notes : 1.
Shareholder's Equity	12321.72	11226.94	8116.61	5775.72		
<b>Debt service coverage ratio ('DSCR') - [no. of times]</b>	<b>2.16</b>	<b>3.26</b>	<b>3.12</b>	<b>2.20</b>	<b>4.61%</b>	<b>41.81%</b>
EBITDA	1934.27	5940.97	4384.58	3024.50		Notes : 3.
Interest + Principal Repayments	896.39	1821.59	1406.41	1375.77		

**RAJPUTANA STAINLESS LIMITED**
**Notes Forming Part of the Financial Statements at and for the year ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>Current ratio - [no. of times]</b>	<b>2.59</b>	<b>2.37</b>	<b>2.07</b>	<b>1.96</b>	<b>14.91%</b>	<b>5.45%</b>
Total current assets	29968.88	25214.96	22316.07	22417.93		
Total current liabilities - Short term borrowings	11575.18	10623.25	10804.14	11445.01		
<b>Trade Receivables turnover - [no. of times]</b>	<b>2.05</b>	<b>9.28</b>	<b>9.77</b>	<b>10.91</b>	<b>-5.09%</b>	<b>-10.40%</b>
Revenue from operations	20528.03	90980.80	94767.44	76641.70		
Average trade receivables	9989.34	9809.16	9697.18	7026.55		
<b>Net profit/(loss) margin [%]</b>	<b>5.32%</b>	<b>3.48%</b>	<b>2.54%</b>	<b>1.13%</b>	<b>37.02%</b>	<b>123.59%</b>
Profit/(Loss) after tax	1091.39	3162.89	2404.46	869.70	<b>Notes : 5.</b>	<b>Notes : 4.</b>
Revenue from operations	20528.03	90980.80	94767.44	76641.70		
<b>Return on Equity Ratio [%]</b>	<b>9.27%</b>	<b>32.70%</b>	<b>34.62%</b>	<b>16.55%</b>	<b>-5.53%</b>	<b>109.16%</b>
Profit/(Loss) after tax	1091.39	3162.89	2404.46	869.70		<b>Notes : 6.</b>
Average Shareholder's Equity	11774.33	9671.77	6946.17	5254.94		
<b>Net Capital turnover Ratio [no. of times]</b>	<b>1.12</b>	<b>6.24</b>	<b>8.23</b>	<b>6.98</b>	<b>-24.26%</b>	<b>17.86%</b>
Revenue from operations	20528.03	90980.80	94767.44	76641.70		
(Total current asset)- (Total current liability- Short term borrowings)	18393.70	14591.71	11511.93	10972.92		
<b>Return on Capital Employed Ratio [%]</b>	<b>9.44%</b>	<b>32.17%</b>	<b>25.72%</b>	<b>18.51%</b>	<b>25.07%</b>	<b>39.00%</b>
Earnings before Interest & Taxes	1863.70	5678.78	3994.94	2496.49	<b>Notes : 7.</b>	<b>Notes : 7.</b>
Average Capital Employed	19746.76	17650.92	15529.60	13489.19		
<b>Return on Investment [%]</b>						
<b>Unquoted</b>	NA	NA	NA	NA		
Income from investments						
Average investments						
<b>Quoted</b>	<b>0.00%</b>	<b>114.42%</b>	<b>42.55%</b>	<b>NA</b>	<b>168.88%</b>	
Income from investments	0.00	71.11	117.20	0.00	<b>Notes : 8.</b>	
Average investments	54	62	275	332		
<b>Trade payables turnover [no. of times]</b>	<b>1.83</b>	<b>8.34</b>	<b>7.88</b>	<b>6.40</b>	<b>5.83%</b>	<b>23.21%</b>
Net Credit Purchase	16602.04	73680.99	75513.48	63750.03		
Average trade Payables	9072.73	8831.59	9578.49	9962.82		
<b>Inventory turnover ratio [no. of times]</b>	<b>1.89</b>	<b>9.47</b>	<b>9.44</b>	<b>6.89</b>	<b>0.24%</b>	<b>37.13%</b>
Revenue from operations	20528.03	90980.80	94767.44	76641.70		<b>Notes : 9.</b>
Average Inventory	10866.74	9611.92	10035.61	11129.41		

\* Variances has not been given due to Quarterly financial figures not comparable with annual Figures.

**Reasons for variation more than 25%**

- 1 The company's financial performance has improved in FY 2022-23, with a decrease in total debts and increase in net profit in same Year.
- 2 The company's financial performance has improved, with net profit rising compared to FY 2022-23, and total debts remaining steady with no significant changes.
- 3 The company has achieved a substantial increase in EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) compared to the rise in interest expenses and principal repayments.
- 4 The net profit has seen a substantial increase over last year's figures i.e. FY 2021-22, resulting in a higher Net Profit ratio, indicating enhanced profitability.
- 5 The company has experienced a decline in Revenue from operations in FY 2023-24, but has achieved a substantial improvement in net profit for the FY 2023-24.
- 6 Profit/(Loss) after tax has increased disproportionately to Average Shareholder's Equity.
- 7 Earnings before Interest & Taxes has increased disproportionately to Average Capital Employed.
- 8 The lower average investment has resulted in a higher Return on Investment (ROI).
- 9 Due to increase in Revenue from operations and Decrease in Average Inventory.

**RAJPUTANA STAINLESS LIMITED**

**Notes Forming Part of the Financial Statements at and for the year ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

- 18** The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 19** The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 20** The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 21** The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or.
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**RAJPUTANA STAINLESS LIMITED****Notes Forming Part of the Financial Statements at and for the year or period ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**22 Financial instruments****A. Fair value Measurement hierarchy**

Particulars	Carrying amount			
	As at 30th June, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>At Amortised Cost</b>				
<b>Non-Current</b>				
Others Financial assets	18.16	19.02	493.73	6.68
<b>Current</b>				
Trade receivables	11,029.09	8,949.59	10,668.73	8,725.62
Cash and cash equivalents	3.32	3.76	5.05	1.58
Bank balances other than cash and cash equivalents	1,168.49	934.47	712.47	619.80
<b>At FVTOCI</b>				
Investments	89.33	18.71	105.59	445.24
<b>Total</b>	<b>12,308.39</b>	<b>9,925.55</b>	<b>11,985.56</b>	<b>9,798.92</b>
<b>Financial liabilities</b>				
<b>At Amortised Cost</b>				
<b>Non Current Liabilities</b>				
Long Term Borrowings	1,839.34	1,937.75	2,481.11	3,389.43
Other Financial Liabilities	13.89	8.34	1,135.35	0.74
<b>Current liabilities</b>				
Short Term Borrowings	6,129.78	6,037.99	5,501.43	5,794.89
Trade payables	13,706.28	10,335.27	9,754.23	10,673.84
<b>Total</b>	<b>21,689.30</b>	<b>18,319.35</b>	<b>18,872.12</b>	<b>19,858.89</b>

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2:** Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

**Level 3:** Inputs based on unobservable market data.

**Valuation Methodology**

All financial instruments are initially recognised and subsequently re-measured at fair value as described below:

- The fair value of the quoted equity instruments is determined using market price listed on stock exchange.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis and the discount rates used were adjusted for counterparty or own credit risk.

**RAJPUTANA STAINLESS LIMITED****Notes Forming Part of the Financial Statements at and for the year or period ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**23 Financial Risk Management**

The company's activities expose it to variety of Risks, i.e. financial risks: market risk, credit risk, interest rate risk and liquidity risk.

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

**1 Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

**a) Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

as at each balance sheet date									
Particulars	Currency	As at 30th June, 2024		As at 31st March, 2024		As at 31st March, 2023		As at 31st March, 2022	
Capital Payables	USD	-	-	-	-	-	-	-	-
	INR	13.89	-	8.34	-	1,135.35	-	0.74	-
Trade Payables	USD	2,802.64	-	2,611.22	-	2,386.69	-	620.72	-
	INR	10,903.64	-	7,724.05	-	7,367.54	-	10,053.12	-
Advance from Customers	USD	-	-	-	-	-	-	-	-
	INR	72.13	-	79.94	-	63.37	-	300.67	-
(Capital Advances)	USD	-	-	-	-	-	-	-	-
	INR	-	102.20	-	118.59	-	103.36	-	100.27
(Trade Advances)	USD	-	240.02	-	66.40	-	26.92	-	14.96
	INR	-	1,633.40	-	649.55	-	448.76	-	99.37
(Trade Receivables)	USD	-	185.37	-	33.28	-	-	-	-
	INR	-	10,843.72	-	8,916.30	-	10,668.73	-	8,725.62
<b>Total Exposure</b>	<b>USD</b>	<b>2,802.64</b>	<b>425.39</b>	<b>2,611.22</b>	<b>99.68</b>	<b>2,386.69</b>	<b>26.92</b>	<b>620.72</b>	<b>14.96</b>
	<b>INR</b>	<b>10,989.66</b>	<b>12,579.31</b>	<b>7,812.33</b>	<b>9,684.44</b>	<b>8,566.26</b>	<b>11,220.85</b>	<b>10,354.53</b>	<b>8,925.25</b>

**RAJPUTANA STAINLESS LIMITED**
**Notes Forming Part of the Financial Statements at and for the year or period ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Foreign Currency Risk Sensitivity:**

The sensitivity of profit or loss due to changes in the exchange rates arises mainly from non-derivative foreign currency denominated financial instruments (mainly financial instruments denominated in USD currency). The same is summarized as below:

Particulars	Impact on Profit before tax							
	As at 30th June, 2024		As at 31st March, 2024		As at 31st March, 2023		As at 31st March, 2022	
	5% Increase	5% Decrease	5% Increase	5% Decrease	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	(140.13)	140.13	(130.56)	130.56	(119.33)	119.33	(31.04)	31.04
<b>Total .....</b>	<b>(140.13)</b>	<b>140.13</b>	<b>(130.56)</b>	<b>130.56</b>	<b>(119.33)</b>	<b>119.33</b>	<b>(31.04)</b>	<b>31.04</b>

The following are the particulars of the foreign currency transactions during the respective years:

Particulars	As at 30th June, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
<b>Foreign Exchange Earned (Actual Inflow)</b>				
Sale of Finished Goods	293.49	481.49	-	-
<b>Foreign Exchange Used (Actual Outflow)</b>				
Purchase of Raw Materials	3,646.64	26,226.49	19,822.29	4,608.01
Purchase of Components and Spare Parts	38.53	-	-	-

**b) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company have exposure to the risk of changes in market interest rates as Company's debt obligations is at floating interest rates. Interest Rate Sensitivity on Interest Amounts is as follows.

Change in Floating Rates	Interest Amount	Effect on Profit Before Tax/(Loss)			
		1%	2%	3%	4%
30th June, 2024	297.56	29.76	59.51	89.27	119.03
31st March, 2024	1201.02	120.10	240.20	360.31	480.41
31st March, 2023	967.87	96.79	193.57	290.36	387.15
31st March, 2022	961.79	96.18	192.36	288.54	384.71

## **RAJPUTANA STAINLESS LIMITED**

### **Notes Forming Part of the Financial Statements at and for the year or period ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### **c) Other Price Risk**

The Company is not an active investor in equity markets, it holds certain investments in Mutual Fund which are recognised to be liquidated in short term and are accordingly measured at fair value through Other Comprehensive Income.

## **2 Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks and mutual fund investments. The Company has no significant concentration of credit risk with any counterparty.

The carrying amount of following financial assets represents the maximum credit exposure:

#### **a) Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company has a credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Managing Director.

#### **b) Cash and Cash equivalents, bank balances and other financial assets**

The Company maintains exposure in cash and cash equivalents and deposits with banks. Cash and cash equivalents and bank deposits are held with high rated banks/financial institutions and short term in nature, therefore credit risk is perceived to be low.

## **3 Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The majority of the Company's trade receivables are due for maturity within 60 days from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 35 days. The difference between the above mentioned credit period provides surplus working credit requirements.



**RAJPUTANA STAINLESS LIMITED****Notes Forming Part of the Financial Statements at and for the year or period ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The details of contractual maturities of significant financial liabilities are as follows:-

**Contractual cash flows****As at June 30, 2024**

Particulars	On demand or within a year	Over 1 year	Total	Carrying amount
Trade and other payables	13,636.67	69.62	13,706.28	13,706.28
Other financial liabilities	-	13.89	13.89	13.89
Borrowings	6,129.78	1,839.34	7,969.12	7,969.12
<b>Total</b>	<b>19,766.45</b>	<b>1,922.85</b>	<b>21,689.30</b>	<b>23,612.14</b>

**As at March 31, 2024**

Particulars	On demand or within a year	Over 1 year	Total	Carrying amount
Trade and other payables	10,224.68	110.60	10,335.27	10,335.27
Other financial liabilities	-	8.34	8.34	8.34
Borrowings	6,037.99	1,937.75	7,975.74	7,975.74
<b>Total</b>	<b>16,262.67</b>	<b>2,056.68</b>	<b>18,319.35</b>	<b>20,376.04</b>

**As at March 31, 2023**

Particulars	On demand or within a year	Over 1 year	Total	Carrying amount
Trade and other payables	9,661.64	92.59	9,754.23	9,754.23
Other financial liabilities	-	1,135.35	1,135.35	1,135.35
Borrowings	5,501.43	2,481.11	7,982.54	7,982.54
<b>Total</b>	<b>15,163.07</b>	<b>3,709.05</b>	<b>18,872.12</b>	<b>22,581.16</b>

**RAJPUTANA STAINLESS LIMITED****Notes Forming Part of the Financial Statements at and for the year or period ended on 30th June, 2024**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**As at March 31, 2022**

<b>Particulars</b>	<b>On demand or within a year</b>	<b>Over 1 year</b>	<b>Total</b>	<b>Carrying amount</b>
Trade and other payables	10,599.71	74.12	10,673.84	10,673.84
Other financial liabilities	-	0.74	0.74	0.74
Borrowings	5,794.89	3,389.43	9,184.32	9,184.32
<b>Total</b>	<b>16,394.60</b>	<b>3,464.29</b>	<b>19,858.89</b>	<b>23,323.19</b>

The details of Undrawn facilities are as follows as on 30th June, 2024 is Rs. 982.21 Lakhs.

<b>Particulars</b>	<b>Sanction limit</b>	<b>Utilized amount</b>	<b>Unutilized amount</b>
IDBI Bank Limited	1,750.00	1,037.24	712.76
State Bank Of India	4,750.00	4,480.55	269.45
<b>Total</b>	<b>6,500.00</b>	<b>5,517.79</b>	<b>982.21</b>

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**24 Capital management**

The Company manages its capital structure with a view that it will be able to continue as going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of Company consists of net debt (borrowings as detailed in Note 14 & 18 offset by cash and bank balance detailed in Note 9 & 10 and Investment in Mutual Funds as detailed in Note 7 and total equity of the Company.

The Net Debt to equity Ratio at the end of the reporting period was as follows:

<b>Particulars</b>	<b>As at 30th June, 2024</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Total Debt	7,969.12	7,975.74	7,982.54	9,184.32
Cash & Cash Equivalents	1,171.81	938.23	717.52	621.38
Investment in Mutual Funds	89.33	18.71	105.59	445.24
<b>Net debt</b>	<b>6,707.98</b>	<b>7,018.80</b>	<b>7,159.43</b>	<b>8,117.70</b>
Total Equity	12,321.72	11,226.94	8,116.61	5,775.72
<b>Net Debt to equity Ratio</b>	<b>54.44%</b>	<b>62.52%</b>	<b>88.21%</b>	<b>140.55%</b>

Debt is defined as all Long Term Borrowings & Short Term Borrowings.

Equity is defined as Equity Share Capital + Other Equity.

Net debt is defined as Total Debt - Cash & Cash Equivalents - Investment in Mutual Funds

**25 Earnings Per share (EPS) & Diluted EPS:**

Earnings Per share is calculated by dividing the profit/(loss) attributable to Equity share holders by weighted average number of equity share of outstanding during the year as under:

Particulars	30th June, 2024	31st March, 2024	31st March, 2023	Year Ended 31st March, 2022
Net profit/(loss) attributable to shareholders (A)	1,091.39	3,162.89	2,404.46	869.70
Total no. of Equity Shares having face value of Rs. 10/- each (B)	6,89,17,658	6,89,17,658	6,89,17,658	6,89,17,658
[Note : In the current year weighted average no. of equity shares are considered for EPS calculation]				
Basic EPS (A)/(B)	1.58	4.59	3.49	1.26
Diluted EPS(A)/(B)	1.58	4.59	3.49	1.26

**26** The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**27** The title deeds/legal ownership of immovable properties as disclosed in the financial statements are held in the name of the Company.

**28** The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**For and on behalf of the Board of Directors**

**Shankarlal D Mehta**  
Managing Director  
DIN : 02656381

**Amrish Bedade**  
CFO  
PAN : AFBPB7577B

As per our Report of even date attached  
**For Ruparel & Bavadiya**  
**Chartered Accountants**  
Firm Reg. No. 126260W

**Jayesh N. Pithva**  
Director  
DIN : 01531196

**Richa S. Prashar**  
Company Secretary  
M. No. : A16780

**CA P N Bavadiya**  
Partner  
**Membership No. 113300**  
UDIN : 24113300BKFEUW9086  
Place : Vadodara  
Date : 11/12/2024

Place : Vadodara  
Date : 11/12/2024

**RAJPUTANA STAINLESS LIMITED**
**Restated Tax Shelter**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Period Ended 30th June, 2024	Year Ended 31st March, 2024	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<b>a. Amount recognized in the statement of profit and loss</b>				
Current Tax	380.55	1,055.73	829.62	417.84
Deferred tax attributable to temporary differences	(29.34)	13.63	(373.77)	(19.37)
<b>Tax Expense for the year</b>	<b>351.21</b>	<b>1,069.36</b>	<b>455.85</b>	<b>398.48</b>
<b>b. Amount recognized in other comprehensive income</b>				
Remeasurement of the defined benefit plans	(0.09)	(73.69)	6.92	27.79
Remeasurement of Fair Value Investments	4.62	0.21	(2.41)	66.94
Income tax relating to these items	(1.14)	18.49	(1.13)	(33.10)
<b>c. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30th June 2024, 31 March 2024, 31 March 2023, 31 March 2022.</b>				
<b>Reconciliation of Effective tax rate</b>				
<b>Accounting profit before income tax</b>	<b>1,512.03</b>	<b>4,232.26</b>	<b>2,857.76</b>	<b>1,393.54</b>
Deductible expenses for tax purposes:	-	1,170.23	591.39	495.07
Non-deductible expenses for tax purposes:	-	1,090.22	973.17	840.06
<b>Total- PGBP</b>	<b>1,512.03</b>	<b>4,152.25</b>	<b>3,239.54</b>	<b>1,738.53</b>
Capital Gain	-	70.11	113.36	-
<b>Gross Total Income</b>	<b>1,512.03</b>	<b>4,082.14</b>	<b>3,126.18</b>	<b>1,738.53</b>
Less: Deductions Under Chapter-VIA	-	-	-	196.78
<b>Total Income</b>	<b>1,512.03</b>	<b>4,152.25</b>	<b>3,239.54</b>	<b>1,541.75</b>
<b>Tax Payable</b>	380.55	1,055.73	829.62	538.75
MAT Credit	-	-	-	120.90
<b>Net Tax Payable</b>	<b>380.55</b>	<b>1,055.73</b>	<b>829.62</b>	<b>417.84</b>
<b>Effective income tax rate</b>	<b>25.17%</b>	<b>24.94%</b>	<b>29.03%</b>	<b>29.98%</b>
<b>d. Deferred tax relates to the following</b>				
WDV differences of assets as per books and tax laws	723.81	752.58	714.50	1,103.47
Gratuity & Leave Encashment	(73.19)	(72.62)	(48.18)	(63.37)
Other comprehensive income	16.89	15.75	34.24	33.10
<b>Net Deferred Tax Liability</b>	<b>667.50</b>	<b>695.70</b>	<b>700.57</b>	<b>1,073.20</b>

**RAJPUTANA STAINLESS LIMITED**  
**Annexure: 1 - Repayment Terms**  
**Long Term Borrowing**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Banks / Finance Companies	Repayment Terms	Security Details	Sanctioned limit	Rate of Interest	Outstanding Balance	
					As at 30th June, 2024	As at 31st March, 2024
Bank of India	Repayable in 48 monthly installments commencing from the March 2022.	Hypothecation of vehicle	25.00	6.48%	10.18	11.78
HDFC Bank Ltd	Repayable in 48 monthly installments commencing from the July 2021.	Hypothecation of vehicle	40.00	7.20%	11.10	13.76
HDFC Bank Ltd	Repayable in 48 monthly installments commencing from the September 2021.	Hypothecation of vehicle	36.00	7.00%	11.56	13.91
HDFC Bank Ltd	Repayable in 48 monthly installments commencing from the July 2021.	Hypothecation of vehicle	13.80	7.20%	3.83	4.75
HDFC Bank Ltd	Repayable in 48 monthly installments commencing from the September 2021.	Hypothecation of vehicle	14.60	7.00%	5.01	5.96
HDFC Bank Ltd	Repayable in 48 monthly installments commencing from the July 2021.	Hypothecation of vehicle	28.75	7.20%	7.98	9.89
IDBI Bank GECL Covid Loan	Repayable in 48 monthly installments commencing from the March 2022.	Note: 01	292.00	8.80%	115.58	133.83
IDBI Bank GECL Covid Loan	Repayable in 48 monthly installments commencing from the February 2024.	N.A.	146.00	8.60%	130.79	139.92
Axis Finance Ltd	Repayable in 60 monthly installments commencing from the June 2021.	Note: 02	2,600.00	9.25%	1,809.35	1,910.83
Axis Bank	Repayable in 25 monthly installments commencing from the March 2024.	Hypothecation of vehicle	48.00	9.50%	40.84	46.15

**RAJPUTANA STAINLESS LIMITED**  
**Annexure: 1 - Repayment Terms**  
**Long Term Borrowing**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Banks / Finance Companies	Repayment Terms	Security Details	Sanctioned limit	Rate of Interest	Outstanding Balance	
					As at 30th June, 2024	As at 31st March, 2024

**Note:**

- 1 Second charge by way of hypothecation on entire assets present and future of the company with other consortium bank. Second charge by way of mortgage and hypothecation on fixed asset of the company(both movable and immovable asset of the company) except vehicles finance by the Bank/FI/NBFC.
- 2 The Charge shall be extant by way of Mortgage on property of office no. T-06-Indiabulls Mega Mall, Vadodara and Revenue survey no. 537 of Magnad, Jambusar, Bharuch of Rs. 13,00,00,000/- in fervor of AXIS FINANCE LIMITED.

**RAJPUTANA STAINLESS LIMITED**  
**Annexure: 1(a) - Repayment Terms**

**Short Term Borrowing**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Security Details	Outstanding			
	Sanctioned limit	Rate of Interest	As at 30th June, 2024	As at 31st March, 2024
<b>IDBI Bank Limited CC</b>				
1st pari-passu charge by way of hypothecation on entire current asset of the company with other consortium bank. 1st pari passu charge in favour of WC consortium by way of mortgage and hypothecation on fixed asset of the company.	1,750.00	10.30%	1,037.24	1,468.10
<b>State Bank Of India CC</b>				
1st pari passu charge along with other lenders by way of Hypothecation of Stock of raw material, stock in process, finished goods, consumable store and spares & book debts and other current assets of the company.	4,750.00	9.75%	4,480.55	3,971.06



**RAJPUTANA STAINLESS LIMITED**  
**OTHER FINANCIAL INFORMATION**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

1	Particulars	As at 30th June, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
	Net Worth <b>(A)</b>	12,321.72	11,226.94	8,116.61	5,775.72
	Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	1,934.27	5,940.97	4,384.58	3,024.50
	Restated Profit after tax	1,091.39	3,162.89	2,404.46	869.70
	Add: Prior Period Item	-	-	-	-
	Adjusted Profit after Tax <b>(B)</b>	<b>1,091.39</b>	<b>3,162.89</b>	<b>2,404.46</b>	<b>869.70</b>
	Number of Equity Share outstanding as on the End of Year/Period <b>(C)</b>	3,44,58,829	3,44,58,829	3,44,58,829	3,44,58,829
	Weighted average no of Equity shares as on the end of the period year <b>(D)</b>				
	- Pre Bonus (D(i))*	3,44,58,829	3,44,58,829	3,44,58,829	3,44,58,829
	- Post Bonus (D(ii))*	6,89,17,658	6,89,17,658	6,89,17,658	6,89,17,658
	Face Value per Share	10.00	10.00	10.00	10.00
	Restated Basic & Diluted Earnings Per Share (Rs.) <b>(B/D)</b>				
	- Pre Bonus (B/D(i))*	3.17	9.18	6.98	2.52
	- Post Bonus (B/D(ii))*	1.58	4.59	3.49	1.26
	Return on Net worth (%) <b>(B/A)</b>	8.86%	28.17%	29.62%	15.06%
	Net asset value per share <b>(A/D(i)) (Pre Bonus)</b>	35.76	32.58	23.55	16.76
	Net asset value per share <b>(A/D(ii)) (Post Bonus)</b>	17.88	16.29	11.78	8.38

\* Bonus shares have been Issued in the month of November.

**Notes:-**

**(i) Basic Earnings per Share**

Restated Profit after Tax available to equity shareholders  


---

Weighted average number of equity shares outstanding at the end of the year

**(ii) Net Asset Value (NAV) per Equity Share**

Restated Net Worth of Equity Share Holders  


---

Number of equity shares outstanding at the end of the year / period

**(iii) Return on Net worth (%)**

Restated Profit after Tax available to equity shareholders  


---

Restated Net Worth of Equity Share Holders

- 2 EBITDA represents Earnings (or Profit/ (Loss)) before Finance Costs, Income Taxes, and Depreciation and Amortization Expenses. Extraordinary and Exceptional Items have been considered in the calculation of EBITDA as they were expense items.
- 3 Net Profit as restated, as appearing in the Statement of Profit and Losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Restated Financial Information of the Company.
- 4 Earnings per share calculations are done in accordance with Indian Accounting Standard (Ind AS) 33 Earnings per Share, issued by the Institute of Chartered Accountants of India.
- 5 Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

**RAJPUTANA STAINLESS LIMITED**  
**STATEMENT OF CAPITALISATION**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	Pre-Offer	Post-Offer
<b>Debt</b>		
- Short Term Debt	5,517.79	5,517.79
- Long Term Debt	2,451.33	2,451.33
<b>Total Debt</b>	<b>7,969.12</b>	<b>7,969.12</b>
<b>Shareholders' Fund (Equity)</b>		
- Share Capital	3,445.88	-
- Reserves & Surplus	8,875.84	-
- Less: Miscellaneous Expenses not W/off	-	-
<b>Total Shareholders' Fund (Equity)</b>	<b>12,321.72</b>	<b>-</b>
<b>Long Term Debt / Equity (In Ratio)</b>	19.89%	
<b>Total Debt / Equity (In Ratio)</b>	64.68%	

**Notes:-**

- 1 Short Term Debts represent which are expected to be paid/payable within 12 months and exclude installments of Term Loans repayable within 12 months.
- 2 Long Term Debts represent debts other than Short Term Debts as defined above but include installments of Term Loans repayable within 12 months grouped under other current liabilities.
- 3 The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30th June, 2024.
- 4 The post issue capitalization will be determined only after the completion of the allotment of Equity Shares.

## OTHER FINANCIAL INFORMATION

The audited financial statements of our Company for stub period ended June 30, 2024 and for the financial year 2023-24, 2022-23 and 2021-22 together with all the annexures, schedules and notes thereto ("Restated Financial Statements") are available at [www.rajputanastainless.com](http://www.rajputanastainless.com). Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations.

The following table sets forth the Company's Accounting Ratios. This table should be read in conjunction with our "*Restated Financial Statements*" on page 287 .

(₹ in lakhs except per share data or unless otherwise stated)				
Particulars	For the year ended June 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Restated Profit after Tax as per Profit & Loss Statement (A)	1,091.39	3,162.89	2,404.46	869.70
Tax Expense (B)	420.64	1,069.36	453.30	523.83
Depreciation and amortization expense (C)	178.83	831.64	691.25	679.31
Finance Cost (D)	351.67	1,446.52	1,137.18	1,102.95
Other Income (E)	108.26	569.45	301.62	151.29
<b>Earnings before Interest, Tax and Depreciation and Amortization (EBITDA)</b>	<b>1,934.27</b>	<b>5,940.97</b>	<b>4,384.58</b>	<b>3,024.50</b>
Number of Equity Shares outstanding at the end of the Year (F)	3,44,58,829	3,44,58,829	3,44,58,829	3,44,58,829
Weighted Average Number of Equity Shares at the end of the Year (Post Bonus after restated period with retrospective effect) (G)	6,89,17,658	6,89,17,658	6,89,17,658	6,89,17,658
Face Value per Equity share (₹) (H)	10	10	10	10
Restated Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (I)	12,321.72	11,226.94	8,116.61	5,775.72
<b>Earnings Per Share - Basic &amp; Diluted<sup>1</sup> (A/F)</b>	<b>3.17</b>	<b>9.18</b>	<b>6.98</b>	<b>2.52</b>
<b>Basic &amp; Diluted Earnings per Equity Share as Restated after considering Bonus Impact with retrospective effect (A/G)</b>	<b>1.58</b>	<b>4.59</b>	<b>3.49</b>	<b>1.26</b>
<b>Return on Net Worth (%) (A/I)</b>	<b>8.86</b>	<b>28.17</b>	<b>29.62</b>	<b>15.06</b>
<b>Net Asset Value Per Share (I/F)</b>	<b>35.76</b>	<b>32.58</b>	<b>23.55</b>	<b>16.76</b>
<b>Net Asset Value per Equity share as Restated after considering Bonus &amp; Split Impact with retrospective effect (I/G)</b>	<b>17.88</b>	<b>16.29</b>	<b>11.78</b>	<b>8.38</b>

\*The ratios have been computed in the following manner :

a) Basic and Diluted earnings per share (₹)

Restated Profit after tax attributable to equity shareholders

---

Weighted average number of equity shares outstanding during the period/year

b) Return on net worth (%)

Restated Profit after tax

---

Restated Net worth as at period/ year end

c) Net asset value per share (₹)

Restated Net Worth as at period/ year end

---

---

*Total number of equity shares as at period/ year end*

1. *The figures disclosed above are based on the Restated Financial Statements of the Company.*
2. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted for the number of equity shares issued during the period/year multiplied by the time weightage factor. The time weightage factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.*
3. *Net worth for the ratios represents sum of share capital and reserves and surplus (share premium and surplus in the Restated Summary Statement of Profit and Loss).*
4. *The above statement should be read with the Statement of Notes to the Restated Financial Statements of the Company.*
5. *Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) = Profit before Tax + Finance Cost + Depreciation - Other Income*

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as of June 30, 2024, derived from Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled “*Risk Factors*”, “*Restated Financial Statements*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” on pages 39, 287 and 366 respectively.

Particulars	pre-Offer as of June 30, 2024	Post-Offer* (₹ in Lakhs)
<b>Borrowings</b>		
Short-term	5,517.79	[●]
Long-term (including current maturities) (A)	2,451.33	[●]
<b>Total Borrowings (B)</b>	<b>7,969.12</b>	<b>[●]</b>
<b>Shareholders' funds</b>		
Share Capital	3,445.88	[●]
Reserves and surplus	8,875.84	[●]
<b>Total Shareholders' funds (C)</b>	<b>12,321.72</b>	<b>[●]</b>
<b>Long-term borrowings/equity* {(A)/(C)}</b>	<b>0.20</b>	<b>[●]</b>
<b>Total borrowings/equity* {(B)/(C)}</b>	<b>0.65</b>	<b>[●]</b>

\*The figures disclosed above are based on Restated Financial Statements of our Company. The post-IPO capitalization data for the amounts listed in the table is currently indeterminable, as it depends on the completion of the Book Building process. Consequently, this information has not been included in the statement.

**Notes:**

Short Term Debts represent which are expected to be paid/payable within 12 months and exclude installments of Term Loans repayable within 12 months.

Long Term Debts represent debts other than Short Term Debts as defined above but include installments of Term Loans repayable within 12 months grouped under other current liabilities.

The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30th June, 2024.

## FINANCIAL INDEBTEDNESS

Our Company has availed loans and other financing arrangements in the ordinary course of business primarily for meeting our working capital requirements, machinery and equipment, normal capex requirements and business requirements.

For details regarding the borrowing powers of our Board, please see “*Our Management – Borrowing Powers*” on page 267.

Set forth below is a brief summary of our aggregate borrowings amounting to ₹13,576.53 lakh as on October 31, 2024 on a consolidated basis.

Category of Borrowings	Sanctioned amount*	Outstanding amount as at October 31, 2024 *
<i>(₹ in Lakhs)</i>		
<b>Secured Loans</b>		
<u>Term Loans</u>	3,788.00	2,635.05
<u>Working Capital Limits</u>		
-Fund Based	6,500.00	5,057.55
-Non-Fund Based	6,500.00	5,172.48
<u>Vehicle Loans</u>	206.15	68.58
<b>Sub-Total (A)</b>	<b>16,994.15</b>	<b>12,933.65</b>
<b>Unsecured Loans</b>		
From Banks and Financial Institutions	1,500.00	528.00
Loan From Director	-	114.88
<b>Sub-Total (B)</b>	<b>1,500.00</b>	<b>642.88</b>
<b>Total Borrowings (C=A+B)</b>	<b>18,494.15</b>	<b>13,576.53</b>

\* As certified by the Statutory Auditor of our Company pursuant to their certificate dated December 27, 2024

There have been no defaults in repayment of borrowings with any financial institutions/ banks as on the date of this Draft Red Herring Prospectus. We have received all the necessary approvals from the concerned lenders for the proposed Offer.

### **Principal terms of the borrowings availed by us:**

A summary of the principal terms of our borrowings are as set out below. The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us:

1. **Tenor and repayment:** The tenor of working capital facilities availed by us are Repayable on demand subject to review/renewal every 12 months, whereas the term loan facilities availed by our company typically has a tenor ranging from 25 to 60 months.
2. **Interest:** In terms of the facilities availed by our Company, the interest rate typically comprises a base rate plus applicable margin of the specified lender. The spread varies between different facilities, ranging from 6.48% per annum to 10.80% per annum.
3. **Security:** In terms of our borrowings where security needs to be created, we are typically required to:
  - a. create a paripassu charge by way of hypothecation on entire current assets, present and future, of our company.
  - b. charge on movable property on stock, book debts & receivables and movable fixed assets.
  - c. personal guarantee by our Promoter namely Shri Shankarlal Mehta, Shri Babulal Mehta and Shri Jayesh Pithva.

The above is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. **Pre-payment:** Certain loans availed by the Company have pre-payment provisions which allow for pre-

- payment of the outstanding loan by serving notice to the lender and subject to payment of such pre-payment penalties as may be prescribed. The lenders may charge a penal interest on the outstanding amount or a penal interest at their discretion
5. **Events of default:** *The terms of our borrowings contain certain standard events of default which may attract penal charges, including:*
    - a. Fails to promptly pay any amount now or hereafter owing to the Bank as and when the same shall become due and payable
    - b. Penal interest to be levied in case of default in vehicle loan from the date of default till payment of realization.
    - c. The Bank can sell or dispose of the assets to settle obligations, without being liable for losses or obligated to exercise these powers.
    - d. In the event of default, if there's surplus available out of the net proceeds, after settling all obligations, the Bank can use it to reduce the working capital limit.
    - e. Any floating charge on the current asset shall be automatically and without any prior notice by the Bank's to the borrower, be converted into a fixed charge upon the occurrence of any event of default.
    - f. Upon the occurrence and during the continuation of event of default, the company has undertaken to transfer to banks all related bills, contracts, securities and documents.
  6. **Consequences of event of default:** Upon the occurrence of an event of default the lender may levy penal/ interest charges over and above the normal interest applicable in the account.
  7. **Restrictive Covenants:** *The borrowing arrangements entered into by us restrict us from carrying out certain actions, including:*
    - a. The Bank shall have the right to securitize the assets charged and in the event of such securitization, the Bank will suitably inform the borrower(s) and guarantor(s).
    - b. Without prior consent of the Bank, the Borrower shall not during the continuance of the credit facility granted:
      - i. Formulate any scheme of amalgamation or reconstruction.
      - ii. undertake any new project/scheme without obtaining the Banks prior consent.
      - iii. Invest by way of share capital in or loan or advance funds to or place deposits with any other concern (including group companies).
      - iv. Enter into borrowing arrangement either secured or unsecured with any other bank financial institution, company or otherwise or accept deposits.
      - v. Undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies).
      - vi. declare dividend for any year except out of profits relating to that year and after payment of outstanding dues to the lenders.
      - vii. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any other financial institution, bank, company, firm or persons.
      - viii. Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the Bank.
      - ix. Enter into any contractual obligation of a long-term nature or which, in the reasonable assessment of the Bank, is detrimental to lender's interest.
      - x. Change the practice with regard to remuneration of Directors by means of ordinary, remuneration or commission, scale of sitting fees etc. except where mandated by any legal or regulatory provisions.
      - xi. Undertake any trading activity other than the sale of products arising out of its own manufacturing operations.
      - xii. Permit any transfer of the controlling interest or make any drastic change in the management set-up including resignation of promoter directors.
      - xiii. Pay any commission to the guarantor/s for guaranteeing the credit facilities sanctioned by the Bank to the borrowers.
      - xiv. Approach capital market for mobilizing additional resources either in the form of debt or equity.
    - c. If the Bank turns down the borrower's request for terms under (i) to (xiv) mentioned above but the later still goes ahead, the Bank shall have the right to call up the facilities sanctioned.

The details provided above are indicative and there may be additional terms, conditions, and

requirements under the various outstanding borrowing arrangements of our Company.

For the purpose of the Offer, our company has obtained necessary consents from our lenders, as required under the relevant financing documentation for undertaking the activities in relation to the Offer, including, effecting change in our capital structure, change in our shareholding pattern, change in our constitutional documents and change in the composition of our Board.

For further details on risk factors related to our indebtedness, see “***Risk Factor - We are subject to restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets. Any defaults could lead to acceleration of our repayment obligations, cross defaults under other financing agreements, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our cash flows, business, results of operations and financial condition***” on page 70.



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

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with, our Restated Financial Statements as of and for the three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

Our financial year ends on March 31 of each year, and references to a particular Fiscal or Financial Year or Fiscal Year are to the 12-month period ended March 31 that year, unless the context indicates otherwise. In this Draft Red Herring Prospectus, unless specified otherwise, any reference to "*the Company*" or "*our Company*", "*we*", "*us*" or "*our*" refers to Rajputana Stainless Limited, on a standalone basis.

Unless otherwise indicated or context otherwise requires, the financial information for the three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 and June 30, 2023, included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "***Restated Financial Information***" and "***Summary Financial Information***" on pages 287 and 89.

We have also included various financial and operational performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Financial Statements. The manner of calculation and presentation of some of the financial and operational performance indicators, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Also see, "***Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***" on page 81. Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. We have not attempted to quantify the impact of the IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Also see "***Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition***" on page 82.

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. You should read "***Forward-Looking Statements***" and "***Risk Factors***" on pages 23 and 39, respectively, for a discussion of the risks and uncertainties related to those statements that may affect our business, financial condition or results of operations.

*Unless otherwise indicated, industry and market data used in this section has been derived from the D&B Report. Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Report on Indian Stainless Steel" dated December 24, 2024 prepared and issued by Dun & Bradstreet Information Services India Private Limited ("***D&B India***") (the "***D&B Report***"), which has been exclusively commissioned and paid for by our Company in connection with the Offer pursuant to an engagement letter dated May 23, 2024. D&B India is an independent agency which has no relationship with our Company, our Promoters and any of our Directors or KMPs or SMPs. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further information, see "***Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the D&B Report which has been commissioned and paid for by us exclusively in connection with the Offer and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.***" on page 74. Also see "***Certain Conventions, Presentation of Financial, Industry and Market Data***" on page 19. A copy of the D&B Report will be available on the website of our Company at [www.rajputanastainless.com](http://www.rajputanastainless.com) from the date of*

this Draft Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

## Overview

We are engaged in the business of manufacturing of long and flat stainless-steel products comprising of billets, forging ingots, rolled black bar, rolled bright bar, flat & patti and other ancillary products. We offer our products in more than eighty (80) diverse grades of stainless steel. Stainless Steel is a value-added product with high corrosion resistant properties. For steel to have properties generally referred to as “stainless”, it must have over 10.5% Chromium content. Other notable elements that are included in stainless-steel include nickel, molybdenum, and titanium. Higher levels of Chromium and additions of other alloy elements (Nickel, Molybdenum, etc.) enhance the corrosion resistance (*Source: D&B Report*). Compared to traditional steel, stainless-steel has higher resistance to corrosion, superior aesthetic finish and higher life span. These features have helped in increasing the popularity of stainless-steel across the world. High recyclability, resistance to corrosion and low maintenance properties has made stainless steel a preferred metal for application in diverse sectors (*Source: D&B Report*).

Majority of our products are primarily sold domestically through direct sales and traders’ network. In addition to catering domestic market, presently our products are being exported to (5) Five countries, including international market of UAE, USA, Turkey, Kuwait and Poland. Moreover, we have supplied samples of our products to International market of Korea and Thailand. The following table sets forth a breakdown of our revenues from operations in India and our revenue from operations outside India, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

(₹ in lakhs except for percentages)

Particulars	For the period ended June 30, 2024	% to the total revenue	Fiscal 2024	% to the total revenue	Fiscal 2023	% to the total revenue	Fiscal 2022	% to the total revenue
Domestic Revenue	20,229.46	98.55%	90,494.47	99.47%	94,767.44	100%	76,641.70	100%
Export Revenue	298.57	1.45%	486.33	0.53%	-	-	-	-
<b>Total Revenue from Operations</b>	<b>20,528.03</b>	<b>100%</b>	<b>90,980.80</b>	<b>100%</b>	<b>94,767.44</b>	<b>100%</b>	<b>76,641.70</b>	<b>100%</b>

Over the years, we have leveraged our expertise, processes and infrastructure to cater to diverse industries. Our products caters as the raw material for various industries such as seamless pipes, engineering, aerospace, forging, oil and gas, pump and shaft, defense automotive, aviation, precision engineering, etc.

We believe that we have proved our capability by manufacturing and delivering over 500,000 MT of stainless-steel products between Fiscal 2006 to Fiscal 2024 at an overall level. With over 20 years of experience in manufacturing of long and flat stainless-steel products, we believe that we are one of the trusted vendors for our customers. During the three-month period ending June 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, we catered to over 209 customers, 385 customers, 363 customers and 315 customers respectively, out of which around 150 customers have been associated with us for over a period of 3 years, and such customers contributed ₹60,757.67 lakhs to our revenue from operations which amounted 66.78% of total revenue from operations of Fiscal 2024. We derive the majority of our revenues from the manufacture and supply of our products domestically through direct sales to Manufacturers and through our traders’ network. As of June 30, 2024 and Fiscal 2024, our Manufacturers network comprises of 155 and 253 Manufacturers customers and 54 and 132 Traders, respectively across the country. We currently sell our products in thirteen (13) states and two (2) union territories through direct sales and our traders’ network. We generate significant revenue from operations from the state of Maharashtra, Gujarat and Uttar Pradesh which amounts to 18,506.83 lakhs, 79,245.58 lakhs, 86,416.05 lakhs and 67,137.65 lakhs constituting 90.15 % and 87.10 %, 91.19 % and 87.60 % of total revenue from operations during the three-month period ended June 30, 2024 and for Fiscal 2024, Fiscal 2023 and Fiscal

2022, respectively.

We primarily operate through our manufacturing facility admeasuring approximately 35,196.98 Sq.m (*including the open area*), located at Halol Kalol Road, Kalol, Panchmahal, Gujarat (“**Manufacturing Facility**”). Our Manufacturing Facility is strategically located with the availability of transportation ensuring convenient transportation of our products. Our Manufacturing Facility is equipped with an induction furnace, Argon Oxygen Decarborizer (“**AOD**”), Continuous Casting Machine (“**CCM**”), heat treatment facilities, Oxygen and Nitrogen Plant, rolling mill and bright bar shop. We use a combination of mechanized and human skills to achieve the desired standards of manufacturing. As on June 30, 2024, we had an installed melting capacity of 48,000 MTPA, rolling capacity of 36,000 MTPA and bright bar capacity of 6,000 MTPA, heat treatment facility of 25 tonnes/batch size and Oxygen and Nitrogen plants having installed capacity of 350 cum/hour and 200 cum/hour respectively. For details, see “*History and Certain Corporate Matters*” and “*Our Business – Capacity Utilization*” on page 257 and 236. Our Manufacturing Facility is also supported by infrastructure for storage of raw materials, finished goods, and quality control measures. In addition to production at our Manufacturing Facility, we also engage third party manufacturing units on job work basis to cater the increased demand of our products as per our requirement. During June 30, 2024 and Fiscal 2024, 2023 and 2022, we derived 841.52 MT, 6,800.27 MT, 3,455.49 MT and 2,593.34 MT of stainless-steel products through third party manufacturing units on job work basis. We utilise third party manufacturing unit on job work basis for conversion of black bar into bright bars, billets into wire rods, annealing, straightening, etc. as per our requirement.

During the year 1999, our Company was declared a Non-BIFR Sick Industrial Unit vide Government of Gujarat, Industries and Mines Department Resolution No. SIU-1098-668-CH under Scheme for Rehabilitation of Small Scale and Non-BIFR Sick Viable Industries. Subsequently, during the year 1999-2000, Our Promoters i.e. Shankarlal Deepchand Mehta and Babulal D Mehta were appointed as Directors on the Board of the Company and later on, in the year 2007, Jayesh Natvarlal Pithva joined with them on the Board. During this period 1999-2006, the management took various steps for the revival of the Company such as shifting the main focus of the Company from producing mild steel products and steel casting to producing stainless-steel products, setting up of bright bar shop, payment of outstandings, etc. which resulted in improvement in financial health of our Company and consequently our Company was removed from list of Non-BIFR Sick Unit and became viable as per the then norms of Government of Gujarat. For further details, see “*History and Certain Corporate Matters*” on page 257.

We market and sell our products under the name ‘RSL’ which we believe has gained a reputation in the market, as a trusted name. Our Company undertakes initiatives to promote our products, which have not only helped us to maintain sales momentum but have also resulted in customer retention. To effectively market our products, we focus on a comprehensive approach that combines direct engagement with Manufacturers, large traders, constituting potential and existing customers and brand building exercise through sponsorships. Our direct engagement efforts include personalized visits to Manufacturers, informal group meetings with manufacturers and periodic meets with select traders, which enable us to showcase our latest products, gather feedback and insights and build relationships. We also participate in industry exhibitions, which allow us to connect with existing and potential customers/traders and gather market intelligence.

We also consider our quality control procedures to be the cornerstone of our business operations. We have a dedicated quality control department in our Company which is responsible for ensuring the quality of our raw materials and also our finished products along with its focus on continuous improvements to our manufacturing and quality processes. As on the date of this Draft Red Herring Prospectus, we are accredited with ISO 9001:2015 for manufacturing and supply of long stainless-steel and allied products, AD 2000-Merkblatt W0 certification as material manufacturer from TUV NORD Systems GmbH & Co. KG. We have also received product certifications from the Bureau of Indian Standards, such as the IS 6603:2001 for Stainless Steel bars and flat products. For further details, see “*History and Certain Corporate Matters*” and “*Government and Other Approval*” on page 257 and 395 respectively.

We are led by our Promoters, particularly Shankarlal Deepchand Mehta, Babulal D Mehta, Jayesh Natvarlal Pithva and Yashkumar Shankarlal Mehta who possesses collective experience of over five decades in the steel industry and has been intimately involved in our business. Our Promoters continue to remain actively involved in our operations and continues to bring their vision, business acumen and leadership to our Company, which has been instrumental in sustaining our business operations and growth. We are also supported by qualified and experienced Key Managerial Personnel and Senior Management who have demonstrated their ability to

anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. For further details, see “*Our Promoters*” and “*Our Management*” on page 276 and 262, respectively. As of June 30, 2024, we are also supported by our work force which consist of 429 employees and contract worker. For further details, see “*Our Business*” on page 214.

Our key performance indicators for the last three Fiscals are as follows:

(All amounts in ₹ lakh)

Particulars	As at June 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Revenue from Operations (Rs. Lakh)	20,528.03	90,980.80	94,767.44	76,641.70
Total Income (Rs. lakh)	20,636.29	91,550.25	95,069.06	76,792.99
EBITDA (Rs. lakh) <sup>(1)</sup>	1,934.27	5,940.97	4,384.58	3,024.50
EBITDA Margin (%) <sup>(2)</sup>	9.42	6.53	4.63	3.95
Restated Profit Before Tax (Rs. lakh)	1512.03	4232.26	2857.76	1393.54
Restated Profit for the year (Rs. lakh)	1091.39	3162.89	2404.46	869.70
PAT Margin (%) <sup>(3)</sup>	5.32	3.48	2.54	1.13
Return on Equity (%) <sup>(4)</sup>	9.27	32.70	34.62	16.55
Return on Capital Employed (%) <sup>(5)</sup>	9.44	32.17	25.72	18.51
Fixed Assets Turnover Ratio (in times) <sup>(6)</sup>	2.93	12.93	18.02	13.94
Total Borrowings <sup>(7)</sup>	7,969.12	7,975.74	7,982.54	9,184.32
Net worth <sup>(8)</sup>	12,321.72	11,226.94	8,116.61	5,775.72
Debt - Equity Ratio <sup>(9)</sup>	0.65	0.71	0.98	1.59
Operating cash flow <sup>(10)</sup>	445.18	3,148.96	2,510.35	(193.91)

\* EPS, ROCE, ROE and Fixed Asset Turnover Ratio for the three months ended June 30, 2024 have not been annualized.

Notes:

1. EBITDA is calculated as restated profit for the year plus finance costs, depreciation and amortisation expense, total tax expense and less other income.
2. EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
3. PAT Margin is calculated as restated profit for the year divided by total income.
4. Return on Equity is calculated as restated profit for the year divided by average total equity.
5. Return on Capital Employed is calculated as EBIT divided by average capital employed. Capital employed is calculated as total equity plus lease liabilities (current and non-current) plus total borrowings while EBIT is calculated as restated profit for the year plus total tax expense plus finance costs.
6. Fixed Assets Turnover Ratio is calculated as revenue from operations divided by Net Block as at the end of the year.
7. Total Borrowings are calculated as total of current and non-current borrowings;
8. “Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.
9. Debt Equity Ratio: This is defined as total debt divided by total equity. Total debt is the sum of total current & non-current borrowings; total equity means sum of equity share capital and other equity.
10. Operating Cash flow is Cash inflow from operating activities

## SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Except as otherwise stated in this Draft Red Herring Prospectus and the Risk Factors given in Draft Red Herring Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

*We derive the majority of sale from the domestic market and a significant portion of our domestic sales are derived from the states of Maharashtra, Gujarat & Uttar Pradesh. Any adverse developments in this market*

could adversely affect our business.

We derive the majority of sale from the domestic market. The following table sets forth a breakdown of our revenues from operations in India and our revenue from operations outside India, in absolute terms and as a percentage of total revenue from operations, for the periods indicated:

(in ₹ lakhs)

Particulars	For the period ended June 30, 2024	% to the total revenue	Fiscal 2024	% to the total revenue	Fiscal 2023	% to the total revenue	Fiscal 2022	% to the total revenue
Domestic Revenue	20,229.46	98.55	90,494.47	99.47	94,767.44	100	76,641.70	100
Export Revenue	298.57	1.45	486.33	0.53	-	-	-	-
<b>Total</b>	<b>20,528.03</b>	<b>100</b>	<b>90,980.80</b>	<b>100</b>	<b>94,767.44</b>	<b>100</b>	<b>76,641.70</b>	<b>100</b>

In India, we currently sell our products in thirteen (13) states and two (2) union territories through direct sales and our traders' network. We generate significant revenue from operations from the state of Maharashtra, Gujarat, Uttar Pradesh which amounts to 18,506.83 lakhs, 79,245.58 lakhs, 86,416.05 lakhs and 67,137.65 lakhs constituting 90.15 %, 87.10 %, 91.19 % and 87.60 % of total revenue from operations during the three-month ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. The table below sets forth our revenue from the identified Indian States for the years indicated:

Name of the States/Union Territories	For the three months period ended June 30,		For the Fiscals					
	Amount (₹ in lakhs)	% of total revenue from operations	2024		2023		2022	
	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations
Andhra Pradesh	37.59	0.18%	150.00	0.16%	119.58	0.13%	128.10	0.17%
Chhattisgarh	-	0.00%	-	0.00%	6.17	0.01%	-	0.00%
Dadra & Nagar Haveli and Daman & Diu	24.46	0.12%	848.77	0.93%	880.04	0.93%	1,079.56	1.41%
Delhi	73.02	0.36%	467.31	0.51%	1,199.96	1.27%	778.74	1.02%
Gujarat	7,748.31	37.75%	26,659.37	29.30%	23,732.80	25.04%	15,772.13	20.58%
Haryana	123.26	0.60%	3,296.36	3.62%	1,353.92	1.43%	6.02	0.01%
Karnataka	659.59	3.21%	1,983.79	2.18%	1,102.98	1.16%	1,368.92	1.79%
Madhya Pradesh	23.59	0.11%	1,378.61	1.52%	781.61	0.82%	147.51	0.19%
Maharashtra	8,177.25	39.83%	39,962.48	43.92%	46,047.33	48.59%	39,842.91	51.99%
Punjab	65.76	0.32%	557.80	0.61%	468.67	0.49%	144.29	0.19%
Rajasthan	370.61	1.81%	1,224.9	1.35%	1,686.4	1.78%	5,243.05	6.84%
Tamil Nadu	30.44	0.15%	494.51	0.54%	728.65	0.77%	419.90	0.55%

Name of the States/Union Territories	For the three months period ended June 30,		For the Fiscals					
			2024		2023		2022	
	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations	Amount (₹ in lakhs)	% of total revenue from operations
Telangana	-	0.00%	-	0.00%	23.84	0.03%	28.69	0.04%
Uttar Pradesh	2,581.27	12.57%	12,623.73	13.88%	16,635.92	17.55%	11,522.61	15.03%
West Bengal	314.30	1.53%	846.80	0.93%	(0.44)	0.00%	159.27	0.21%

Due to the geographic concentration of the sale of our products in the above stated states / regions specially in Maharashtra, Gujarat, Uttar Pradesh, our operations are susceptible to local and regional factors, such as economic and weather conditions, adverse social and political events, natural disasters, demographic changes, and other unforeseen events and circumstances. Consequently, any significant social, political or economic disruption, natural calamities or civil disruptions in these regions, changes in policies of the State or local governments or the Government of India or adverse developments related to competition in these regions, may adversely affect our business, results of operations, financial condition and cash flows. While we have not experienced any such instances which adversely impacted our business and results of operations during the three-month period ended June 30, 2024 and in the last three Fiscals, we cannot assure you that such instances will not arise in the future.

As part of our strategy, intend to further expand our geographical presence. For details, see “*Our Business - Our Strategies*” on page 226. Accordingly, we may face additional risks with establishing and conducting operations in new geographic locations. Competing successfully in international markets may require additional resources due to the unique aspects of each geographic market. Some of our competitors in such markets may have greater resources which may make their products more competitive than ours. We cannot assure you that we will be able to grow our business in such new geographic markets. The risk involved in entering new markets and expanding operations may be higher than expected, and we may face significant competition in such markets. We have limited or no experience in such new markets. Our inability to grow our business in such additional geographic areas could have a material adverse effect on our business, results of operations, profitability and margins, cash flows and financial condition.

***Disruption in our relationships with our Customers, changes in their business practices, their failure to meet payment schedules could adversely affect our business, operating cash flows and financial condition.***

We derive majority of our revenues from the manufacture and supply of our products domestically through direct sales to Manufacturers and also derive a portion of revenue from third-party traders. Our top 10 customers whom we supply our products comprises of Manufacturers. As of June 30, 2024 and Fiscal 2024, our Manufacturers network comprises of 155 and 253 customers respectively rest of which are traders which comprise of 54 and 132 Traders respectively across the country. We typically do not enter into annual contracts or long-term contracts with such third-party traders for the sale of our products and therefore cannot assure that we would maintain historic level of relation with them. At times, we provide certain incentives to such traders by giving an upfront discount in case of bulk orders, extended credit period, etc. We believe that such traders serve as a source of market information for our products which aids us in knowing our competitors and market trends.

The table set forth below the details of the revenue contribution by direct sales to Manufacturers and traders network during the three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022;



(₹ in lakhs except for percentages)

Particulars	For the period ended June 30, 2024	% to the total revenue	Fiscal 2024	% to the total revenue	Fiscal 2023	% to the total revenue	Fiscal 2022	% to the total revenue
Revenue from sales to Manufacturers	16,997.94	82.81	76,472.21	84.05	75,231.88	79.38	61,330.57	80.03
Revenue from sales to Traders	3,530.051	17.19	14,508.58	15.95	19,535.55	20.62	15,311.13	19.97
<b>Total</b>	<b>20,528.03</b>	<b>100</b>	<b>90,980.80</b>	<b>100</b>	<b>94,767.44</b>	<b>100</b>	<b>76,641.70</b>	<b>100</b>

As we rely on our traders' network for sale of our finished products, any one of the following events could adversely impact or result in a decrease in our sale of products and consequently impact our business, results of operations, profitability and margins, cash flows and financial condition:

- failure to maintain relationships with our existing traders;
- disputes with our traders, including disputes regarding pricing, performance, quality or supply chain
- failure to establish relationships with new traders, on favourable terms or at all; and
- reduction, delay or cancellation of orders from our traders;

Further, our traders are susceptible to changing their business practices, such as the inventory levels they maintain, or may fail to meet payment schedules, causing us to revise or revoke the credit period extended to them. Further, our traders are not exclusive to us and we have not entered into any arrangements with them. Such traders also stock and sell products of multiple manufacturers, who could be our competitors. If the terms offered to such traders by our competitors are more favourable than those offered by us, our traders may choose to purchase products from them instead of us.

We cannot assure you that we will not lose any of our traders to our competitors, which may result in a material adverse effect on our business in regions where such traders conduct their business. Alternatively, if such traders are not able to maintain a strong network of retailers and fabricators or other end customers, our products may not attain as much reach as our competitors in the market. While we have not lost any of our critical trader during the three-month period ended June 30, 2024 and in the last three Fiscals, we cannot assure you that such loss will not occur in the future.

***We are exposed to credit risk from our customers and the recoverability of our trade receivables is subject to uncertainties.***

We generally extend a credit period to our customers, which exposes us to credit risk. The table below outlines specific details regarding our trade receivables and trade receivable turnover days for the indicated year/period:

Particulars	For three month period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Avg. Trade Receivables (₹ lakhs)	9,989.34	9,809.16	9,697.18	7,026.55
Trade Receivable Turnover (in times)	2.05	9.28	9.77	10.91

A customer's ability to make timely payments depends on various factors, including general economic conditions

and their cash flow situation, which are beyond our control. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. There is no guarantee that our customers will pay us promptly or at all, which may affect the recoverability of our trade receivables. Additionally, we may struggle to manage any bad debt resulting from delayed payments.

Our financial records reflect a strong and reliable credit history, with no past instances of bad debts. This highlights our commitment to maintaining financial discipline and honouring obligations promptly. Our consistent track record demonstrates trustworthiness and a sound approach to managing financial responsibilities, fostering confidence among stakeholders and partners.

Taking legal action against our customers to enforce their contractual obligations can be challenging, and there is no guarantee that we will receive a favourable judgment or that it will be issued in a timely manner. If any of our customers fail to fulfill their contractual commitments, or if they face insolvency or liquidation, it could negatively impact our financial condition and results of operations.

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

The break-up of our inventories for three months period ended on June 30, 2024 and last 3 (three) Fiscals are as follows:

**Our inventory turnover for the last 3 Fiscals is also disclosed below:**

Particulars	For the three month period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Inventories	11,314.17	10,419.30	8,804.54	11,266.69
Inventory turnover (in times)	1.89	9.47	9.44	6.89

*\*Based on Average Inventories*

Our results of operations are dependent on our ability to effectively manage our inventory. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply situation and manufacture/ purchase additional inventory accordingly. If our management fails to anticipate expected customer demand it could adversely impact the results of operations by causing either a shortage of inventory leading to loss of revenue and profits or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or purchase, we may be required to recycle our inventory, which would lead to loss of material, additional manufacturing costs and subsequently, an adverse impact on our revenue, profit and cash flows.

***In addition to our Manufacturing Facilities, we enter into arrangement with third-party manufacturers on job work basis and therefore, we are subject to risks associated with the third-party manufacturing processes.***

We enter into arrangements with third-party manufacturers who manufacture certain products such as bright bars and wire rods on white label basis as per our requirements. We also enter into formal agreements with such third-party manufacturers. We select and evaluate these third-party manufacturers based on certain criteria including the quality of products produced, reputation and delivery standards. If there are any delays or disruptions in the manufacturing facility of third-party manufacturers, our ability to deliver certain products may be affected. Any of our third-party manufacturers' failure to adhere to agreed timelines, technical specifications, quality, whether due to their inability to comply with, or obtain, regulatory approvals, or otherwise, may result in delays and disruptions to our supplies, increased costs, delayed payments for our products and damage to our reputation



leading to an adverse effect on our results of operations.

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

Additionally, the use of third-party manufacturers is subject to certain risks, such as our inability to continuously monitor the quality, safety and manufacturing processes at such third-party manufacturing facility. While we have stipulated quality assurance and quality control standards for our third-party manufacturers, we cannot assure you that we will be able to maintain stipulated quality standards in respect of the products that such third-party

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, “*Financial Information*” beginning on page 287.

### Overview of Revenue and Expenditure

The following descriptions set forth information with respect to key components of our income statement.

#### Revenue

Revenue from operations comprises income from domestic sales, export sales, Jobwork charges and Other operating revenues.

#### Product-wise revenue from operations

Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
<b>Income from Manufacturing</b>				
SS Billet	3,377.31	13,150.97	16,331.97	9,315.14
SS Flat & Patti	853.33	2,951.11	4,588.18	7,047.45
SS Ingot	645.20	1,881.39	3,077.67	3,324.04
SS Black Bar	12,158.67	50,362.25	50,703.11	45,182.91
SS Bright Bar	2,599.18	10,938.23	8,999.65	6,990.24
SS Wirerod	373.44	9,107.38	7,174.14	2,730.69
Other Products	27.90	289.53	734.35	972.22
	<b>20,035.02</b>	<b>88,680.85</b>	<b>91,609.07</b>	<b>75,562.68</b>
<b>Income from Trading</b>				
Ferro Alloys	107.21	638.73	946.23	17.56
Scrap	268.26	1,001.87	1,861.73	657.19
Other Products	27.12	11.01	2.76	10.57

Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
	402.59	1,651.61	2,810.72	685.32
<b>Jobwork income and Other Income</b>				
Job Work Charges Income	51.31	465.23	188.96	299.63
Freight Charges Income	36.95	155.30	153.62	92.92
Insurance Claim Received	-	20.36	5.08	1.16
Duty Drawback Received	2.16	7.45	-	-
	90.42	648.34	347.66	393.70
<b>Total (in ₹)</b>	<b>20,528.03</b>	<b>90,980.80</b>	<b>94,767.44</b>	<b>76,641.70</b>

#### Other income

Other income primarily comprises of interest income on FDR, interest received from customers, interest received on security deposit, Profit on Sale of Fixed Assets, Profit/Loss on Sale of Mutual Funds, Rent income, Commission Received and Foreign Exchange Gain.

#### Expenses

Our expenses comprise of cost of raw materials consumed, purchase of stock in trade, changes in inventories of finished goods and work in progress, employee benefit expense, finance costs, depreciation and amortization expense and other expenses.

#### Cost of raw materials consumed

Cost of raw material consumed primarily consists of purchases adjusted with changes in inventory at the beginning and end of the reporting period.

#### Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods, work in progress and goods-in-transit between opening and closing balance of finished goods, work in progress and goods-in-transit as at the beginning and end of the year.

#### Employee benefit expenses

Employee benefit expenses primarily comprises of salaries, wages and bonus, contribution to provident and other funds, gratuity expenses, staff welfare expenses and other employee related expenses.

#### Finance costs

Finance costs primarily comprises of interest expenses on borrowings from banks and financial institutions and other borrowing costs.

#### Depreciation and amortisation expenses

Depreciation and amortisation expenses comprises depreciation of our property, plant and equipment, and amortisation of intangible assets.

#### Other expenses

Other expenses comprise primarily of Consumption of Store & Spare Parts, Job Work Charges, Clearing & Forwarding Charges, Loading Unloading Charges, Freight Charges, Power & Fuel Charges, Labour Expenses, Repairs & maintenance, Auditor Remuneration, Cash Discount, Commission Expense, Donation, Discount &

Kasar, CSR Expense, Fire & Safety Expenses, Insurance Expenses, Legal & Professional Expenses, Office Expenses, Other Expenses, Rates and Taxes, Rent Expenses, Sales Promotion Expenses, Security Charges, Travelling & Conveyance Expenses, Vehicle Running expense and other expenses.

### **Operating Segment and Business Models**

The group is mainly engaged in the business of Manufacturing of stainless products such as Steel Billets, Angles, Wire Rod etc. On that basis, the Company has only one reportable business segment – Manufacturing of stainless products, the results of which are embodied in the financial statements.

### **Results of Operations**

The following table sets forth our income statement data, the components of which are expressed as a percentage of total income for the periods indicated below.

Particulars	As At 30- June-2024	% of	As At 31- March- 2024	% of	As At 31- March- 2023	% of	As At 31- March- 2022	% of
	(₹) in Lakhs	Total Income	(₹) in Lakhs	Total Income	(₹) in Lakhs	Total Income	(₹) in Lakhs	Total Income
(I) Revenue from operations	20,528.03	99.48%	90,980.80	99.38%	94,767.44	99.68%	76,641.70	99.80%
(II) Other income	108.26	0.52%	569.45	0.62%	301.62	0.32%	151.29	0.20%
<b>Total Income (I+II)</b>	20,636.29	100.0%	91,550.25	100.0%	95,069.06	100.0%	76,792.99	100.00%
(III) Expenses								
Cost of materials consumed	17,054.43	82.64%	74,278.29	81.13%	74,854.55	78.74%	63,633.17	82.86%
Purchases of stock in trade	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Changes in inventories of finished goods ,work in progress & stock-in-trade	-1,345.29	-6.52%	-2,261.22	-2.47%	3,040.95	3.20%	-298.36	-0.39%
Employee benefits expenses	555.42	2.69%	2,144.81	2.34%	1,816.94	1.91%	1,487.39	1.94%
Finance costs	351.67	1.70%	1,446.52	1.58%	1,137.18	1.20%	1,102.95	1.44%
Depreciation and amortization expenses	178.83	0.87%	831.64	0.91%	691.25	0.73%	679.31	0.88%
Other expenses	2,329.20	11.29%	10,877.95	11.88%	10,670.42	11.22%	8,795.00	11.45%
<b>Total expenses (III)</b>	19,124.26	92.67%	87,318.00	95.38%	92,211.30	96.99%	75,399.46	98.19%
<b>(VI) Profit/ (loss) before tax(IV-V)</b>	1,512.03	7.33%	4,232.26	4.62%	2,857.76	3.01%	1,393.54	1.81%
(VII) Tax expense:								
a) Current tax	449.99	2.18%	1,055.73	1.15%	827.07	0.87%	543.20	0.71%
b) Deferred tax/(Income)	-29.34	-0.14%	13.63	0.01%	-373.77	-0.39%	-19.37	-0.03%
<b>(VIII) Profit (Loss) for the period</b>	1,091.39	5.29%	3,162.89	3.45%	2,404.46	2.53%	869.70	1.13%
(XIII) Other Comprehensive Income								
i) Items that will not be reclassified to Profit or Loss	(0.09)	0.00%	(73.69)	-0.08%	6.92	0.01%	27.79	0.04%
ii) Income Tax relating to items that will not be reclassified to Profit or Loss	0.02	0.00%	18.55	0.02%	(1.74)	0.00%	(9.71)	-0.01%
i)Items that will be reclassified to Profit or Loss	4.62	0.02%	0.21	0.00%	(2.41)	0.00%	66.94	0.09%
ii) Income Tax relating to items that will be reclassified to Profit or Loss	(1.16)	-0.01%	(0.05)	0.00%	0.61	0.00%	(23.39)	-0.03%
<b>(XIV) Total Comprehensive Income</b>	1,094.78	5.31%	3,107.91	3.39%	2,407.84	2.53%	931.33	1.21%

## **FOR THE THREE MONTHS PERIOD ENDED JUNE 30, 2024**

### **Revenue from operations**

Our revenue from operations for the three months period ended June 30, 2024 was ₹ 20,528.03 lakh which was 99.48% of our total income for the same period. Sale of manufactured goods was ₹20,035.02 lakh constituting 97.09% and traded goods was ₹402.59 lakh constituting 1.95% of revenue from operations during the three months period ended June 30, 2024. Sale of manufactured goods constituted sale of products of SS Billet, SS Flat & Patti, SS Ingot, SS Black Bar, SS Bright Bar, SS Wire rods among others.

### **Other Income**

Our other income for the three months period ended June 30, 2024 was ₹ 108.26 lakh which was 0.52% of our total income for the same period. The key component of our other income was Interest income from Intercorporate Deposits, Bank Deposits and other.

### **Cost of materials consumed**

Our cost of materials consumed for the three months period ended June 30, 2024 was ₹17,054.43 lakh which was 82.64% of our total income for the same period.

### **Change in inventories of finished goods and work-in-progress**

Our Change in inventories of finished goods and work-in-progress was ₹1,345.29 lakh as at June 30, 2024 which was -6.52% of Total income for the same period.

### **Employee benefits expense**

Our employee benefit expenses for the three months period ended June 30, 2024 was ₹ 555.42 lakh which was 2.69% of our total income for the same period.

### **Finance costs**

Our finance costs for the for the three months period ended June 30, 2024 was ₹351.67 lakh which was 1.70% of our total income for the same period.

### **Depreciation and amortisation expense**

Our depreciation and amortization for the three months period ended June 30, 2024 was ₹178.83 lakh which was 0.87 % of our total income for the same period.

### **Other expenses**

Our other expenses for the three months period ended June 30, 2024 was ₹2,329.20 lakh which was 11.29% of our total income for the same period.

### **Tax expenses**

Our current tax expenses for the three months period ended June 30, 2024 was ₹420.64 lakh which was 2.04% of our total income for the same period.

### **Profit for the year**

Our profit for the three months ended June 30, 2024 was ₹1,091.39 lakh which was 5.29% of our total income for the same period.

## **Fiscal 2024 compared with Fiscal 2023**

### **Revenue from operations**

Our revenue from operations decreased by 4.00% from ₹ 94,767.44 lakh in Fiscal 2023 to ₹ 90,980.80 lakh in Fiscal 2024, which was primarily due to the reasons set forth below:

#### Revenue from Sale of products

Revenue from Sale of products decreased 4.84% from ₹ 94,419.79 lakh in Fiscal 2023 to ₹ 89,846.13 lakh in Fiscal 2024. This decrease in revenue from sale of products was primarily on account of decrease in revenue from Manufacturing of Billets, Flat bars and ingots. Revenue from trading of goods also reduced from ₹ 2,810.72 lakh to ₹ 1,651.61 lakh.

#### Revenue from Sale of services

Revenue from Sale of services increased by 146.21% from ₹ 188.96 lakh in Fiscal 2023 to ₹ 465.23 lakh in Fiscal 2024 on account of increase in Job work charges income with increase in Quantity manufactured on job work basis from 585.03 MT to 1841.27 MT in Fiscal 2024.

#### Other Operating Revenue

Other operating income primarily comprises of revenues from Duty Drawback Received, Freight Charges Recovered, Insurance Claimed Received and Other Operating income.

### **Other Income**

Our other income increased by 88.80% from ₹ 301.62 lakh in Fiscal 2023 to ₹ 569.45 lakh in Fiscal 2024. Such increase was primarily on account of Foreign exchange gain.

### **Cost of materials consumed**

Our cost of materials consumed decreased by 0.77% from ₹ 74,854.55 lakh in Fiscal 2023 to ₹ 74,278.29 lakh in Fiscal 2024, primarily as a result of decrease in revenues from sale of products. Such decrease was primarily due to decrease in Stainless steel prices from Fiscal 2023 to Fiscal 2024.

### **Change in inventories of finished goods and work-in-progress**

Our Change in inventories of finished goods and work-in-progress was ₹3040.95 lakh as at March 31, 2023, while it was ₹ (2261.22) lakh as at March 31, 2024. This was predominantly due to an increase in inventory of finished goods, work in progress and stock in trade at the end of the year.

### **Employee benefits expense**

Our employee benefits expense increased by 18.05% from ₹1816.94 lakh in Fiscal 2023 to ₹ 2144.81 lakh in Fiscal 2024, primarily on account of normal salary increases across various functions. This was predominantly due to an increase in salary and wages, gratuity expenses and bonus expenses. This was consequent to an increase in our number of employees and growth in annual salaries.

### **Finance costs**

Our finance costs increased by 27.20% from ₹1137.18 lakh in Fiscal 2023 to ₹ 1446.52 lakh in Fiscal 2024, primarily due to increase in total debt from ₹ 7982.54 lakh in Fiscal 2023 to ₹ 7986.27 lakh in Fiscal 2024.

### **Depreciation and amortisation expense**

Our depreciation and amortization expense increased by 20.31% from ₹ 691.25 lakh in Fiscal 2023 to ₹ 831.64 lakh in Fiscal 2024, on account of net increase in gross block of property, plant and equipment by ₹ 1780.49 lakh

during Fiscal 2024.

#### **Other expenses**

Our other expenses increased by 1.94% from ₹ 10,670.42 lakh in Fiscal 2023 to ₹ 10,877.95 lakh in Fiscal 2024. The increase was mainly driven by increase in (a) Power and Fuel expenses, (b) Repairs Maintenance Charges for Plant & Machinery, (c) Warehousing Expenses, (d) Other Manufacturing Costs, and (e) Foreign Exchange Loss (f) General Expenses (g) GST, Sales Tax & Services Tax Expenses (h) Legal & Professional Charges (i) Office & General Maintenance (j) Travelling & Conveyance Expenses (k) Vehicle Running Expenses (l) Advertisement Expenses (m) Brokerage (n) Business & Marketing Expenses (o) Custom Duty (Exports) (p) Freight Outward and other expenses.

#### **Profit before tax**

As a result of the foregoing, we recorded an increased by 48.10% from ₹ 2857.76 lakh in Fiscal 2023 to ₹ 4232.26 lakh in Fiscal 2024.

#### **Tax expenses**

Our tax expenses increased by 135.91% from ₹ 453.30 lakh in Fiscal 2023 to ₹ 1069.36 lakh in Fiscal 2024 and was largely in-line with the increase in profit before tax.

#### **Profit for the year**

As a result of the foregoing, we recorded an increase in our profit for the year by 31.54% from ₹ 2404.46 lakh in Fiscal 2023 to ₹ 3162.89 lakh in Fiscal 2024.

### **FISCAL 2023 COMPARED WITH FISCAL 2022**

#### **Revenue from operations**

Our revenue from operations increased by 23.65% from ₹ 76,641.70 lakh in Fiscal 2022 to ₹ 94767.44 lakh in Fiscal 2023. which was primarily due to the reasons set forth below:

Other operating income primarily comprises of revenues from Freight Charges Recovered, Insurance Claimed Received and Other Operating incomes.

#### **Revenue from Sale of products**

This increase is primarily attributed to increase in revenues from sale of products by 23.83% from ₹ 76,248.00 lakh in Fiscal 2022 to ₹ 94,419.79 lakh in Fiscal 2023. This increase in revenue from sale of products was primarily on account of increase in revenue from Manufacturing of Billets, black and bright bars. Revenue from trading of goods also increased from ₹ 685.32 lakh to ₹ 2,810.72 lakh.

#### **Revenue from Sale of services**

Revenue from Sale of services decreased by 36.93% from ₹ 299.63 lakh in Fiscal 2022 to ₹ 188.96 lakh in Fiscal 2023 on account of decrease in Job work charges income with decrease in Quantity manufactured on job work basis from 1025.20 MT to 585.03 MT in Fiscal 2023.

#### **Other Operating Revenue**

Other operating income primarily comprises of revenues from Duty Drawback Received, Freight Charges Recovered, Insurance Claimed Received and Other Operating income.

### **Other Income**

Our other income increased by 99.36% from ₹ 151.29 lakh in Fiscal 2022 to ₹ 301.62 lakh in Fiscal 2023. Such increase was primarily on account of Profit on Sale of Mutual funds.

### **Cost of materials consumed**

Our cost of materials consumed increased by 17.63% from ₹ 63,633.17 lakh in Fiscal 2022 to ₹ 74,854.55 lakh in Fiscal 2023, primarily as a result of increase in revenues from sale of products.

### **Change in inventories of finished goods and work-in-progress**

Our Change in inventories of finished goods and work-in-progress was ₹ (298.36) lakh as at March 31, 2022, while it was ₹ 3040.95 lakh as at March 31, 2023.

### **Employee benefits expense**

Our employee benefits expense increased by 22.16% from ₹ 1487.39 lakh in Fiscal 2022 to ₹ 1816.94 lakh in Fiscal 2023, primarily on account of increase in Salary, Wages, Allowances & Sales Incentive.

### **Finance costs**

Our finance costs increased by 3.10% from ₹ 1102.95 lakh in Fiscal 2022 to ₹ 1137.18 lakh in Fiscal 2023, primarily due to increase in other finance charges.

### **Depreciation and amortisation expense**

Our depreciation and amortization expense increased by 1.76% from ₹ 679.31 lakh in Fiscal 2022 to ₹ 691.25 lakh in Fiscal 2023.

### **Other expenses**

Our other expenses increased by 21.32% from ₹ 8795.00 lakh in Fiscal 2022 to ₹ 10,670.86 lakh in Fiscal 2023. The increase was mainly driven by increase in (a) Power and Fuel expenses, (b) Other Manufacturing Costs, (c) Fees & Taxes (d) Foreign Exchange Loss (e) Legal & professional Expenses (f) Travelling & Conveyance Expenses (g) Business & marketing Expenses (h) Custom Duty (exports) (i) Freight Outward (j) Inspection Fee & Charges and other expenses.

### **Profit before tax**

As a result of the foregoing, we recorded an increased by 105.07 % from ₹ 1393.54 lakh in Fiscal 2022 to ₹ 2857.76 lakh in Fiscal 2023.

### **Tax expenses**

Our tax expenses decreased by 13.46% from ₹ 523.83 lakh in Fiscal 2022 to ₹ 453.30 lakh in Fiscal 2023 due to reversal of Deferred tax liabilities on account of change in Taxation rate opted.

### **Profit for the year**

As a result of the foregoing, we recorded an increase in our profit for the year by 158.54% from ₹869.70 lakh in Fiscal 2022 to ₹2404.46 lakh in Fiscal 2023.

### **CASH FLOWS**

The following table sets forth certain information relating to our cash flows under Ind AS for the period ended June 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:



(All amounts in ₹ lakh)

Particulars	As at June 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Net cash (used in)/ generated from operating activities	445.18	3,148.96	2,510.35	(193.91)
Net cash (used in)/ generated from investing activities	(102.52)	(647.58)	(1,309.70)	(598.77)
Net cash (used in)/ generated from financing activities	(343.10)	(2,502.67)	(1,197.17)	788.43
Net increase/ (decrease) in cash and cash equivalents	(0.44)	(1.30)	3.48	(4.25)
Cash and Cash Equivalents at the beginning of the period	3.76	5.05	1.58	5.83
Cash and Cash Equivalents at the end of the period	3.32	3.76	5.05	1.58

*Net cash generated from/ used in Operating Activities*

• **Three months period ended June 30, 2024**

Net cash utilised in from operating activities was ₹ 445.18 Lakhs. This comprised of the profit before tax of 1,512.03 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 178.83 Lakhs, finance cost of ₹ 351.67 Lakhs. The resultant operating profit before working capital changes was ₹ 1939.37 Lakhs, which was again adjusted for changes in working capital requirements.

• **In Financial Year 2023-24**

Net cash utilised in from operating activities was ₹ 3,148.96 Lakhs. This comprised of the profit before tax of 4,232.26 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 831.64 Lakhs, finance cost of ₹ 1446.52 Lakhs. The resultant operating profit before working capital changes was ₹ 6187.51 Lakhs, which was again adjusted for changes in working capital requirements.

• **In Financial Year 2022-23**

Net cash generated from operating activities was ₹2,510.35 Lakhs. This comprised of the profit before tax of ₹2,857.76 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹691.25 Lakhs. The resultant operating profit before working capital changes was ₹4,339.95 Lakhs, which was primarily adjusted for changes in working capital requirements.

• **In Financial Year 2021-22**

Net cash generated from operating activities was ₹ (193.51) Lakhs. This comprised of the profit before tax of ₹ 1,393.54 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 679.31 Lakhs. The resultant operating profit before working capital changes was ₹ 3046.21 Lakhs, which was primarily adjusted for changes in working capital requirements.

*Net cash generated from/ used in Investing Activities.*

• **Three months period ended June 30, 2024**

Net cash used in investing activities was ₹ (102.52) Lakhs, which primarily comprised of cash used for the fixed assets of ₹ (139.68) Lakhs.

• **In Financial Year 2023-24**

Net cash used in investing activities was ₹(647.58) Lakhs, which primarily comprised of cash used for the fixed assets of ₹ (1059.99) Lakhs.

- **In Financial Year 2022-23**

Net cash used in investing activities was ₹(1309.70) Lakhs, which primarily comprised of cash used for the fixed assets of ₹ (1926.25) Lakhs.

- **In Financial Year 2021-22**

Net cash used in investing activities was ₹(598.77) Lakhs, which primarily comprised of cash used for the fixed assets of ₹ (501.86) Lakhs.

*Net cash generated from/ used in Financing Activities*

- **Three months period ended June 30, 2024**

Net cash inflow from financing activities was ₹ (343.10) Lakhs which predominantly was on account of payment of financial cost of ₹ (351.67) Lakhs and other financial liabilities cost of ₹ 5.55 Lakhs

- **In Financial Year 2023-24**

Net cash inflow from financing activities was ₹ (2502.67) Lakhs which predominantly was on account of payment of financial cost of ₹ (1446.52) Lakhs and other financial liabilities cost of ₹ (1127.01) Lakhs

- **In Financial Year 2022-23**

Net cash utilized in financing activities was ₹ (1197.17) Lakhs, which predominantly was on account of payment of financial cost of ₹ (1137.18) Lakhs

- **In Financial Year 2021-22**

Net cash inflow from financing activities was ₹ 788.43 Lakhs, which predominantly was on account of repayment of Finance cost and ₹ (1102.95).

## LIQUIDITY AND CAPITAL RESOURCES

We fund our operations primarily with cash flow from operating activities and borrowings / credit facilities from banks. Our primary use of funds has been to pay for our working capital requirements and capital expenditure and for the expansion of our manufacturing facilities. We evaluate our funding requirements regularly considering the cash flow from our operating activities and market conditions. In case our cash flows from operating activities do not generate sufficient cash flows, we may rely on other debt or equity financing activities, subject to market conditions.

The following table sets forth certain information relating to our outstanding indebtedness as of October 31, 2024:  
(₹ in Lakhs)

Category of Borrowings	Sanctioned amount*	Outstanding amount as at October 31, 2024 *
<b><u>Secured Loans</u></b>		
<u>Term Loan</u>	3,788.00	2,635.05
<u>Working Capital Limits</u>		
-Fund Based	6,500.00	5,057.55
-Non-Fund Based	6,500.00	5,172.48
<u>Vehicle Loans</u>	206.15	68.58
<b>Sub-Total (A)</b>	<b>16,994.15</b>	<b>12,933.65</b>
<b><u>Unsecured Loans</u></b>		

Category of Borrowings	Sanctioned amount*	Outstanding amount as at October 31, 2024 *
<u>From Banks and Financial Institutions</u>	1,500.00	528.00
<u>Loan From Director</u>	-	114.88
<b>Sub-Total (B)</b>	<b>1,500.00</b>	<b>642.88</b>
<b>Total Borrowings (C=A+B)</b>	<b>18,494.15</b>	<b>13,576.53</b>

For further and detailed information on our indebtedness, see “*Risk Factor - We are subject to restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets. Any defaults could lead to acceleration of our repayment obligations, cross defaults under other financing agreements, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our cash flows, business, results of operations and financial condition*” on pages 70 and “*Financial Indebtedness*” on page 363.

### CONTINGENT LIABILITIES

As of June 30, 2024, the estimated amount of contingent liabilities are as follows:

*(All amounts in ₹ lakh)*

SN	Particulars	30th June, 2024	31st March, 2024	31st March, 2023	31st March, 2022
1	Central Sales Tax	1,445.43	1,445.43	1,445.43	1,445.43
2	Gujarat Value Added Tax	875.68	875.68	875.68	875.68
3	Goods and Service Tax	776.38	294.37	25.00	25.00
4	Central Excise Act	2,074.42	2,074.42	2,074.42	2,074.42
5	Income Tax	188.04	181.69	181.69	-
6	Industrial Dispute Act	2.50	2.50	2.50	2.50

For further information on our contingent liabilities and commitments, see “*Restated Financial Statements - Note 7 – Contingent Liabilities*” on page 339.

### OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

### RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. For further information, relating to our related party transactions, see “*Restated Financial Statements – Transactions with Related Parties*” on page 336.

### *Reservations, Qualifications and Adverse Remarks by the statutory auditors*

There are no reservations, qualifications and adverse remarks by our Statutory Auditors in the last three Fiscals and the three month period ended June 30, 2024.

*Details of Default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution*

There have been no defaults in payment of statutory dues or interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company For period ended on June 30, 2024 and for the Fiscal 2024, Fiscal 2023 and Fiscal 2022.

#### ***Material Frauds***

There are no material frauds, as reported by our statutory auditor, committed against our Company, since incorporation.

### **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed primarily to market risk (fluctuation in foreign currency exchange rates & interest rate), credit, liquidity which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment & seeks to mitigate potential adverse effects on the financial performance of the Group.

#### ***Credit Risk :***

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consists of trade receivables, investments, derivative financial instruments and other financial assets. None of the financial instruments of the Group results in material concentration of credit risk.

#### ***Liquidity Risk :***

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### ***Market Risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

#### **a) *Foreign Currency Exchange Rate Risk :***

We operate internationally and the major portion of our foreign business is transacted in USD. Our sales and purchase is in foreign currency. Consequently, we are exposed to foreign exchange risk. Although our exposure to exchange rate fluctuations is partly hedged through the exports of products and the import of the necessary raw materials, we are still affected by fluctuations in exchange rates for certain currencies, particularly the U.S. Dollar .

## Foreign Currency Exposures

(All amounts in ₹ lakh)

as at each balance sheet date					
Particulars	Currency	As at 30th June, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2022
Capital Payables	USD	-	-	-	-
Trade Payables	USD	2,802.64	2,611.22	2,386.69	620.72
Advance from Customers	USD	-	-	-	-
(Capital Advances)	USD	-	-	-	-
(Trade Advances)	USD	240.02	66.40	26.92	14.96
(Trade Receivables)	USD	185.37	33.28	-	-
<b>Total Exposure</b>	<b>USD</b>	<b>3,228.03</b>	<b>2,710.90</b>	<b>2,413.61</b>	<b>635.68</b>

### Foreign Currency Sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Currency	Change in rate	Effect on profit before tax
<b>June 30, 2024</b>			
Based on YOY change	USD	5%	140.13
<b>March 31, 2024</b>			
Based on YOY change	USD	5%	130.56
<b>March 31, 2023</b>			
Based on YOY change	USD	5%	428.31
<b>April 01, 2022</b>			
Based on YOY change	USD	5%	517.73

### b) **Interest Rate Risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company have exposure to the risk of changes in market interest rates as Company's debt obligations is at floating interest rates. Interest Rate Sensitivity on Interest Amounts is as follows.

### **Interest Rate Sensitivity:**

The sensitivity analyses below have been determined based on exposure to interest rate. For variable rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Group's profit before tax is affected through the impact on variable rate borrowings, as follows:

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax(Loss)
As at June 30, 2024	100	29.76

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax(Loss)
As at March 31, 2024	100	120.10
As at March 31, 2023	100	96.79
As at March 31, 2022	100	96.18

***An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:***

1. ***Unusual or infrequent events or transactions***

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

2. ***Significant economic changes that materially affected or are likely to affect income from continuing operations.***

Apart from the risks as disclosed under Section “***Risk Factors***” beginning on page 39, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section “***Risk Factors***” beginning on page 39, 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***

Other than as described “***Risk Factors***”, “***Our Business***”, “***Management’s Discussion and Analysis of Financial Position and Result of Operations***” on Pages 39, 214 and 366 respectively, to our knowledge, there are no known factors that might affect the future relationship between expenditure and income which may have a material adverse impact on our operations and finances.

5. ***Increases in net sales or revenue and Introduction of new products or services or increased sales prices***

Changes in revenue in the last three Financial Years are as described in “Results of Key Operations – Comparison of FY 2023-24 with FY 2022-23 and Comparison of FY 2022-2023 with FY 2021 -2022” and mentioned above. Increases in revenues are by and large linked to increases in prices of our products mentioned above.

6. ***Status of any publicly announced New Products or Business Segment***

Except as disclosed elsewhere in the Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

7. ***Total Turnover of Each Major Industry Segment in Which the Issuer Operates***

Our business is primarily in manufacturing of long and flat stainless-steel products. Details of the industry turnover and other relevant information is disclosed in the section “***Industry Overview***” beginning on page 176

8. ***Seasonality of business***

Our Company’s business is not seasonal in nature.

9. ***Any Major Dependence on a single or few suppliers or customers***

The % of contribution of our Company’s suppliers vis-à-vis the total revenue from operations respectively as of for three-month period ended June 30, 2024 and for the Fiscal 2024, 2023 and 2022 is as follows:

Particulars	Top Suppliers as a percentage (%) of total purchases			
	As at June 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Top 5 suppliers</b>	19.85	18.23	17.93	14.80
<b>Top 10 suppliers</b>	31.88	28.13	29.82	23.83

The % of contribution of our Company’s customers vis-à-vis the total revenue from operations respectively as of for half year ended on June 30, 2024 and for the Fiscal 2024, 2023 and 2022 is as follows:

Particulars	Top Customers as a percentage (%) of total sales			
	As at June 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Top 5</b>	33.17	30.23	31.79	29.58
<b>Top 10</b>	44.27	41.95	44.29	47.30

10. ***Competitive conditions:***

Competitive conditions are as described under the chapters “*Industry Overview*”, “*Our Business*” and “*Risk Factors*” beginning on pages 176, 214 and 39 respectively.

**SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO JUNE 30, 2024**

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months. A few of the below listed developments have taken place since date of the last financial statements disclosed in this Draft Red Herring Prospectus:

1. Loan from HSBC Ltd has been taken for Discounting receivables.

For detail, see “*Financial Indebtedness*” on page 363.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; (d) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Company, the Directors, the Promoters, and the Group Companies, including outstanding action; or (e) Material Litigation (as defined below); involving our Company, its Directors, the Promoters, and the Group Company ("**Relevant Parties**").*

*For the purpose of determining material litigation in (e) above, our Board in its meeting held on June 12, 2024 has considered and adopted the following policy on materiality for identification of material outstanding litigation involving the Relevant Parties ("**Materiality Policy**"). In accordance with the Materiality Policy, all outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, claims relating to direct and indirect taxes or disciplinary actions including penalties imposed by SEBI or stock exchanges against the Company, the Directors, the Promoters, and the Group Companies, including outstanding action; will be considered material if: (i) the monetary amount of claim, to the extent quantifiable, in any such outstanding litigation is equivalent to or exceeds the lower of (a) 2% of turnover, as per the Restated Financial Statements; (b) 2% of net worth, as per the Restated Financial Statements; (c) 5% of the average of absolute value of profit or loss after tax, as per the Restated Financial Statements; (ii) where the monetary impact is not quantifiable or the amount involved may not exceed the Materiality threshold, the outcome in any such litigation/ arbitration proceeding(s) would materially and adversely affect our Company's business, operations, cash flows, financial position or reputation. For the purpose of (i) above, any transaction exceeding the lower of a, b or c above or Rs. 1 Crores shall be considered as the materiality threshold.*

*It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.*

*Except as stated in this Section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated June 12, 2024. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company exceeding a threshold of 5% of total trade payables as per the latest Restated Financial Statements of our Company disclosed in this Draft Red Herring Prospectus, would be considered as material creditors. The trade payables of our Company as on June 30, 2024. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved, shall be uploaded and disclosed on the website of the Company as required under the SEBI ICDR Regulations.*

*For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.*

*All terms defined in a particular litigation disclosure pertains to that litigation only.*

#### **I. Litigation involving our Company**

##### **A. Litigation filed against our Company**

##### **1. Criminal proceedings**

Nil



## 2. Outstanding actions by regulatory and statutory authorities

### i. *Commissioner Central GST & Excise, Vadodara – II vs Rajputana Stainless Limited, and Shankar Deepchand Mehta and Ors. – Tax Appeal no. 246 of 2023 and Tax Appeal 245 of 2023*

Commissioner Central GST & Excise, Vadodara – II (“**Appellant**”) has filed a Tax Appeal, bearing no 246 of 2023, before the High Court of Gujarat at Ahmedabad, under section 35G of the Central Excise Act, 1944, against Rajputana Stainless Limited (“**Respondent**”), Shankar Deepchand Mehta (“**Respondent 2**”). The Respondent had filed an appeal bearing no. E/10693/2017 against Order – In – Original No. Order-V-CH-72-15-01-RSL-DGCEI-ADJ-COMMR-2013-14, dated January 05, 2017, for wrongly availing Cenvat Credit amounting to ₹ 12,59,61,481, on inputs like stainless steel scrap and used shipbreaking plates based on invoices, without actual receipt or consumption of these inputs, and further without cross examining the persons involved in this matter and solely relying on their statements and imposed penalty ₹ 1,25,00,000 on Respondent 2. Further, the Appellate Authority passed an order bearing no. A/10256-10266/2022, dated November 30, 2021, in favour of the Respondent, stating that the impugned order denying the cenvat credit and ordering its recovery along with the interest and imposing penalties are not sustainable and therefore must be set aside. Aggrieved by this order, the Appellant has filed the current Appeal before the Hon’ble Court and thereby prays to allow this appeal and to quash the order bearing no. A/10256-10266/2022, dated November 30, 2021, and pass any such order in favor of the Respondent as the Hon’ble Court deems fit. The matter is currently pending, and the next date of hearing is January 22, 2025.

### ii. *Commissioner Central GST & Central Excise, Vadodara – II vs Rajputana Stainless Limited, Shankar Deepchand Mehta, Suraj Limited – Tax Appeal no. 821 of 2023*

Commissioner Central GST & Central Excise (“**Appellant**”), Vadodara – II, has filed a Tax appeal bearing no. 821 of 2023, before the Hon’ble High Court at Gujarat Ahmedabad, under section 35G of the Central Excise Act, 1944, against Rajputana Stainless Limited (“**Respondent 1**”), Shankar Deepchand Mehta (“**Respondent 2**”), Suraj Limited (“**Respondent 3**”). A show cause notice was issued against Respondent 1 for disallowing the Cenvat Credit wrongly availed amounting to ₹ 8,14,80,722 on the invoices without actual receipt of the subject goods and for imposing related penalties. Further, notice was also issued to Respondent 2 and 3 for imposition of penalty under Rule 26 of CER, 2002, for contravention of the Rule 3, 4 & 9 of the CCR, 2004 with an intention to evade payment of Central Excise Duty. The petitioner vide order – in – Original No: OIO-VAD-EXCUS-002-COM-009-19-20 dated July 12, 2019, passed an order stating that Respondent 1 in collusion with Respondent 3 has wrongly availed and utilized the Cenvat Credit without receiving the corresponding inputs and hence the cenvat credit cannot be allowed to them. Aggrieved by this, the Respondent filed an appeal before the CESTAT Ahmedabad wherein CESTAT vide order dated March 17, 2022, bearing no. A/10267-10269/2022 found that the Order in Original (“**OIO**”) denying Cenvat Credit and ordering its recovery along with interest and imposition of penalties cannot be sustained thereby setting aside the OIO. Hence, the Petitioner had filed the present appeal and prays before the Hon’ble Court to quash and set aside the impugned judgement and order no. A/102697-10269/2022 dated March 17, 2022 passed by the Customs, Central Excise and Service Tax Appellate Tribunal Western Zonal Bench, Ahmedabad and to pass any such order in favor of the Petitioner. The matter is currently pending, and the next date of hearing is February 5, 2025

## 3. Material civil proceedings

Nil

### B. *Litigation filed by our Company*

#### 1. **Criminal proceedings**

Nil

#### 2. **Material civil proceedings**

i. **Rajputana Stainless Limited vs Union of India, The Goods and Service Tax Council (GST Council) & Ors. – Special Civil Application No. 10476 of 2023.**

Rajputana Stainless Limited (“**Petitioner**”) has filed a writ petition bearing Special Civil Application no 10476 of 2023, before the Hon’ble High Court of Gujarat at Ahmedabad, under Article 226 of the Constitution of India, against Union of India (“**Respondent 1**”), The Goods and Service Tax Council (GST Council) (“**Respondent 2**”) and others (collectively referred to as “**Respondents**”) challenging the constitutional validity of section 16 (2) (c) of the Gujarat Goods and Services Tax Act, 2017. Respondent 2 had issued summons against the Petitioner dated January 05, 2022, under section 70(1) of the Central Goods and Services Tax Act, 2017 and Gujarat Goods and Services tax Act, 2017, directing the petitioner to be present before Respondent 2 authorities. Despite being present before the respondent authorities and furnishing all requisite documents, the Respondents pressurized the Petitioner to pay an amount of ₹ 25, 00,000 through form no. GST DRC-03 on February 23, 2022. Thereafter, the business premises of the Petitioner was once again searched by the officials of the Director General of GST Intelligence (DGGI) on February 25, 2022, and yet again the Petitioner was served with another summons wherein the Petitioner was directed to be present before the Respondent authorities. Though the Respondent authorities were unable to find any dubious transactions, the Petitioner was once again pressurized to make payment of ₹ 25,00,000 through form no. GST DRC-03 on May 12, 2022, for invalid reasons. Hence aggrieved by this the present petition was filed, and the Petitioner prays before the Hon’ble Court to issue a writ of mandamus or any order or direction holding and declaring section 16(2) (c) of the Central Goods and Services Tax Act, 2017 and Section 16 (2) (c) of the Central Goods and Services Act, 2017 to be unconstitutional and against the scheme of the act, if the same has been upheld, to hold/declare that ITC can be denied only if buyer of goods and services has colluded with the supplier of good and services to defraud the revenue and where purchases are in the nature of sham transactions. Further to pass any such order/relief in favor of the petitioner. The matter is currently pending, and the next date of hearing is January 30, 2025.

C. **Tax proceedings**

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ lakhs)
Direct Tax*	8	188.23
Indirect Tax#	14	3,072.50
<b>Total</b>	<b>22</b>	<b>3,260.73</b>

\*Direct Tax includes the following –

- A final interest, amounting to ₹ 5,384, pursuant to the penalty imposed by the Income Tax Department under Section 270A of the Income Tax Act, 1961, for the Assessment Year 2017, against the Company.
- A final interest, amounting to ₹ 60 pursuant to the penalty imposed by the Income Tax Department under Section 154 of the Income Tax Act, 1961, for the Assessment Year 2020, against the Company.
- Outstanding demand under section 143(1)(a) of the Income Tax Act, 1961 for the Financial Year 2019-20 amounting to Rs. 1,81,64,923 (inclusive of interest).
- Income Tax Department has issued an order under section 201(10/201(A) of the IT Act, 1961 amounting to ₹ 6,35,724.
- TDS Outstanding Demand, amounting to ₹ 16,690 for Financial Years 2008-09, 2009-10 and 2012-13, 2024-25

#Indirect Tax includes the following –

- The Commercial Tax Officer, Godhra levied penalty against the Company under Section 34(2) of the Gujarat Value Added Tax Act, 2003, for the period from April 1, 2006 to March 31, 2007, amounting to ₹ 3,97,92,374.
- The Commercial Tax Officer, Godhra levied penalty against the Company under Section 34(2) of the Gujarat Value Added Tax Act, 2003, for the period from April 1, 2008 to March 31, 2009, amounting to ₹ 9,38,34,053. The Company had filed an appeal against the order in front of the Learned Deputy Deputy Commissioner of State Tax, Division-4, Baroda passed on 19/09/2011 under section 73 of GVAT Act read with the section 9(2) of CST Act for the assessment period 2006-07, whereby the First Appeal was partly allowed after granting certain relief. The said First Appeal was filed against the order of learned Assistant Commissioner of Commercial Tax, Godhara (hereinafter referred as to, ‘**the Assessing Authority**’) passed on May 14, 2011, for the assessment period 2006-07 raising the total dues of ₹9,38,34,054/- including tax, interest and penalty. Thereafter a second appeal bearing no. 962 of 2011 was filed which which referred the matter back to the first appellat authority.
- The Commercial Tax Officer, Godhra levied penalty against the Company under Section 34(2) of the Gujarat Value Added Tax Act, 2003, for the period from April 1, 2012 to March 31, 2013, amounting to ₹ 3,99,40,990
- The Commercial Tax Officer, Godhra levied penalty against the Company under Section 34(2) of the Gujarat Value Added Tax Act, 2003, for the period from April 4, 2012 to March 31, 2009, amounting to ₹ 48,35,381
- The Commercial Tax Officer, Godhra levied penalty against the Company under Section 34(2) of the Gujarat Value Added Tax Act, 2003, for the period from April 1, 2013 to March 31, 2014, amounting to ₹ 4,27,91,971
- The Commercial Tax Officer, Godhra levied penalty against the Company under Section 34(2) of the Gujarat Value Added Tax Act, 2003, for Assement year 2013-14, amounting to Rs. 1,09,16,893

- show cause notice bearing number ZD240824015792D under section 74 of the Gujarat Goods and Services Act/ Central Goods and Services Act, 2017, dated August 4, 2024 amounting to ₹ 80,60,722
- order bearing number ZD241223120187V under section 74 of the Gujarat Goods and Services Act/ Central Goods and Services Act, 2017, dated December 31, 2023 amounting to ₹ 97,95,456. Our Company has filed an appeal dated March 30, 2024.
- show cause notice bearing number ZD240824009646A under section 74(7), 122(1)(vii) and 122(1)(x) of the Gujarat Goods and Services Act/ Central Goods and Services Act, 2017, dated August 3, 2024 amounting to ₹ 33,30,812
- show cause notice bearing number ZD240824009646A under section 74(7), 122(1)(vii) and 122(1)(x) of the Gujarat Goods and Services Act/ Central Goods and Services Act, 2017, dated November 25, 2024 amounting to ₹ 1,41,75,488
- show cause notice bearing number ZD2412230597388 under section 74 read with rule 142(1)(a) of the Gujarat Goods and Services Act, 2017, dated December 21, 2023 amounting to ₹ 1,71,41,074
- show cause notice bearing number ZD24052402226P under section 74 r of the Gujarat Goods and Services Act, 2017, dated May 15, 2024 amounting to ₹ 59,11,524
- show cause notice bearing number ZD240524042426L under section 74 of the Gujarat Goods and Services Act, 2017, dated May 15, 2024 amounting to ₹ 1,56,88,748
- show cause notice under section 74 of the Gujarat Goods and Services Act/ Central Goods and Services Act 2017, bearing reference no. No: DC/ENF-5/ACST(3)/RAJPUTANA/DRC-01/2024-25/O.W-286, dated May 15, 2024, for tax period 2020 to 2021, amounting to ₹10,34,094

## II. Litigation involving our Directors (other than Promoters)

### A. Litigation filed against our Directors (other than Promoters)

#### 1. Criminal proceedings

Nil

#### 2. Outstanding actions by regulatory and statutory authorities

Nil

#### 3. Material civil proceedings

Nil

### B. Litigation filed by our Directors (other than Promoters)

#### 1. Criminal proceedings

Nil

#### 2. Material civil proceedings

Nil

### C. Tax proceedings

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in ₹ lakhs)
Direct Tax	1	0.0022
Indirect Tax	Nil	Nil
<b>Total</b>	<b>1</b>	<b>0.0022</b>

\*Includes Outstanding Demand against Nikita Ronok Mehta for A.Y. 2022 amounting to ₹ 220

## III. Litigation involving our Promoters

### A. Litigation filed against our Promoters

#### 1. Criminal proceedings

Nil

## 2. Outstanding actions by regulatory and statutory authorities

### i. *Commissioner Central GST & Excise, Vadodara – II vs Rajputana Stainless Limited, and Shankar Deepchand Mehta and Ors. – Tax Appeal no. 246 of 2023 and Tax Appeal 245 of 2023*

For details, see “*Outstanding Litigation and Material Developments – Litigations involving our Company – Litigation filed against our Company - Outstanding actions by regulatory and statutory authorities - Commissioner Central GST & Excise, Vadodara – II vs Rajputana Stainless Limited, and Shankar Deepchand Mehta and Ors. – Tax Appeal no. 246 of 2023 and Tax Appeal 245 of 2023*” on page 390.

### ii. *Commissioner Central GST & Central Excise, Vadodara – II vs Rajputana Stainless Limited, Shankar Deepchand Mehta, Suraj Limited – Tax Appeal no. 821 of 2023*

For details, see “*Outstanding Litigation and Material Developments – Litigations involving our Company – Litigation filed against our Company - Outstanding actions by regulatory and statutory authorities - Commissioner Central GST & Central Excise, Vadodara – II vs Rajputana Stainless Limited, Shankar Deepchand Mehta, Suraj Limited – Tax Appeal no. 821 of 2023*” on page 390.

## 3. Material civil proceedings

Nil

### B. *Litigation filed by our Promoters*

#### 1. Criminal proceedings

Nil

#### 2. Material civil proceedings

Nil

### C. *Tax proceedings*

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in Rs. lakhs)
Direct Tax	2	6.95
Indirect Tax	Nil	Nil
<b>Total</b>	<b>2</b>	<b>6.95</b>

\*Includes the following –

(i) outstanding demand against Shankarlal Deepchand Mehta under Section 271(1)(c) of the Income Tax Act, 1961 for the assessment year 2015 amounting to Rs. 4,68,206 (inclusive of interest);

(ii) outstanding demand against Shankarlal Deepchand Mehta under Section 153A of the Income Tax Act, 1961 for the assessment year 2015 amounting to Rs. 2,26,642 (consisting of accrued interest).

## Outstanding dues to creditors

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 June 30, 2024, by our Company, are set out below:

Type of creditors	Number of creditors	Amount involved (in Rs. lakhs)
Material creditors	2	2,410.73
Micro, Small and Medium Enterprises	164	4,283.26

Other creditors	120	7,012.29
<b>Total</b>	<b>286</b>	<b>13,706.28</b>

The details pertaining to outstanding dues towards our material creditors are available on the website of our Company, along with their names and the amount involved for each such creditor at [www.rajputanastainless.com/](http://www.rajputanastainless.com/).

#### **Material Developments**

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments Subsequent to June 30, 2024*" on beginning on page 388, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking their respective business activities. Other than as stated below, no further material approvals from any regulatory authority are required for carrying on the present business activities of our Company.

In addition, certain of our material approvals may have expired or may expire in the ordinary course of business, from time to time and our Company has either already made an application to the appropriate authorities for renewal of such material approvals or is in the process of making such renewal applications. In relation to the business activities and operations of our Company we have also disclosed below the material approvals applied for but not received. For details in connection with the applicable regulatory and legal framework within which we operate, see “**Key Regulations and Policies**” page 247.

### I. Material approvals obtained in relation to the Offer

- a. The Board of Directors has, pursuant to a resolution passed at its meeting held on December 2, 2024, authorized the Offer, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
- b. The shareholders of the Company have, pursuant to a special resolution passed in the shareholders meeting held on December 5, 2024, authorized the Offer under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
- c. The Company has obtained the in-principle listing approval from the BSE and NSE, dated [●].

### II. Material approvals obtained in relation to our business and operations

Our Company has obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

#### A. Incorporation details of our Company

- a. Certificate of incorporation dated April 2, 1991 issued to our Company by the RoC in the name of in the name of ‘Rajputana Steels Castings Private Limited’.
- b. Fresh Certificate of Incorporation dated June 18, 2007 issued to our Company by RoC pursuant to conversion of the Company from private company to public company and change of name of our Company from ‘Rajputana Steels Castings Private Limited’ to ‘Rajputana Steels Castings Limited’.
- c. Fresh Certificate of Incorporation dated July 12, 2007 issued to our Company by RoC pursuant change in name of the Company from ‘Rajputana Steels Castings Limited’ to ‘Rajputana Stainless Limited’.

#### B. Tax related approvals obtained by our Company

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue / Renewal/ Effective date	Date of Expiry
1.	Permanent Account Number (PAN)	AAACR9333G	Income Tax Department	April 2, 1991	Valid till cancelled
2.	Tax Deduction Account Number (TAN)	BRDR00908F	Income Tax Department	April 27, 2004	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue / Renewal/ Effective date	Date of Expiry
3.	GST Registration Certificate	24AAACR9333G1ZH	Goods and Services Tax Department	July 21, 2023	Valid till cancelled
4.	Certificate of registration - Professional Tax*	-	-	-	Valid till cancelled
5.	Certificate of enrolment - Professional Tax - Vadodara	PEC0206632209	Vadodara Municipal Corporation	November 28, 2024	Valid till cancelled
6.	Certificate of enrolment - Professional Tax - Mumbai	99184973694P	Maharashtra State Tax Department	November 13, 2024	Valid till cancelled

\*Our Company is unable to trace a copy of the professional tax registration. Our Company has made an application to the Gram Panchayat, Badhwas to procure a copy of the same on December 13, 2024.

### C. Regulatory approvals of our Company

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue / Renewal/ Effective date	Date of Expiry
1.	Certificate of registration - Employees' Provident Fund	VDBRD0021885000	Employees Provident Fund Organization	April 01, 1997	Valid till cancelled
2.	Certificate of registration - ESIC	38000187390000699	Employees' State Insurance Corporation	July 22, 2010	Valid till cancelled
3.	Importer-Exporter Code	3499001594	Office of the Joint Director General of Foreign Trade, Vadodara, Directorate General of Foreign Trade, Ministry of Commerce and Industry	August 20, 1999	Valid till cancelled
4.	Intimation for Shops and Establishment – Vadodara	I-A-W12-0011625	Vadodara Municipal Corporation	November 26, 2024	Valid till cancelled
4	Intimation for Shops and Establishment – Mumbai, Maharashtra	890900629	Office of the chief facilitator, Department of labour, Government of Maharashtra	October 5, 2024	Valid Till Cancelled
5.	Legal Entity Identifier	3358007X6AMSUIHIEJ72	Legal Entity Identifier India Limited	January 13, 2023	January 12, 2025
6.	Factory License	<b>Registration No.</b> 1883/24101/1993 <b>License no.</b> 27579	Director Industrial Safety and Health, Gujarat State	July 30, 1993	December 31, 2025

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue / Renewal/ Effective date	Date of Expiry
7.	Environmental Clearance	EC22B008GJ131878	State Environment Impact Assessment Authority (SEIAA), Gujarat	November 4, 2022	November 3, 2032
8.	Consent to Establish	GPCB/CCA-PN-78/467	Gujarat Pollution Control Board	August 11, 2008	-
9.	Consolidated Consent and Authorization	AWH-135182	Gujarat Pollution Control Board	June 24, 2024	November 6, 2027
10.	Certificate of Stability	<b>Certificate No.:</b> RSL/2 <b>Competency Certificate No.:</b> GUJ/DISH/CPT/A/0400/2014	Director, Industrial Safety & Health, Gujarat State, Ahmedabad	November 4, 2020	November 3, 2025
11.	Contract Labour – Registration Certificate	Shri Orgo Lole/Koler/7/2012	Office of the Assistant Labor Commissioner, Godhra	July 15, 2010	Valid till cancelled
12.	License to store compressed gas in pressure vessel or vessels – for storage of Liquid Oxygen, Liquid Nitrogen and Liquid Argon	S/HO/GJ/03/1104(S34822)	Chief Controller of Explosives, HQ, Nagpur	July 31, 2008	September 30, 2027
13.	Storage of Petroleum - Class ‘C’ (furnace oil/LDO) – Approval for permission	A/P/WB/GJ/15/584 (P231932)	Ministry of Commerce & Industry, Department of Explosives	May 20, 2009	Valid till cancelled
14.	Certificate of Conformity	IS 6603:2001	Bureau of Indian Standards	May 3, 2024	May 2, 2025
15.	Certificate for Quality Assurance system for material manufacturer according to pressure equipment directive 2014/68/EU	07/202/1409/WZ/1971/22	TUV NORD Systems GmbH & Co.KG	June 28, 2022	June, 2025
16.	Certificate for recognition as material manufacturer	07/203/1409/WP/1971/22	TUV NORD Systems GmbH & Co.KG	June 28, 2022	June, 2025
17.	Certificate for Petroleum & Explosives Safety Organisation (PESO)	S/HO/GJ/03/1104	Ministry of Commerce and Industry, Government of India	July 31, 2008	September 30, 2027
18.	Certificate of Verification of Legal Metrology	2744843/PAN/2023/01	Sr. Inspector of Legal Metrology, Godhra, Dist. Panchmahal	September 17, 2023	Valid till cancelled



Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue / Renewal/ Effective date	Date of Expiry
19.	Certificate for registration of DG set	2307/04/10/2011	Chief Electrical Inspector	October 4, 2011	Valid till cancelled
20.	Certificate for management systems as per ISO 9001:2015	IND 100 24395691	Tuv India Private Limited	December 19, 2024	December 18, 2027

**III. Material approvals or renewals for which applications are currently pending before relevant authorities**

Sr. No.	Details of Application	Application number	Date of Application
2.	Application for receipt of NoC from Central Ground Water Authority for use of ground water	21-4/6279/GJ/IND/2020	May 23, 2024
3.	Application for renewal of Boiler Manufacturer/Erector/Fabricator/Repairer/Material Testing Lab Certificate	100018118034-3347181	December 16, 2024

**IV. Material approvals expired and renewal yet to be applied for**


Nil

**V. Material approvals required but not obtained or applied for**

Nil

**VI. Pending Intellectual property related approvals Application**

As on the date of this Draft Red Herring Prospectus, our Company has made application for registration of some of our Trademarks with the Registrar of Trademarks under the Trademarks Act, 1999. We set out below the details of such trademark:

Date of Application	Trademark	Class	Application Number	Status
November 4, 2023	 Rajputana Stainless Limited	6	6175861	Objected

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA.

While the Industrial Policy, 1991 has prescribed the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government of India has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI, earlier known as Department of Industrial Policy and Promotion ("**DPIIT**") has issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Foreign investment of upto 100% is currently permitted under the automatic route for our Company.

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 as per the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits provided 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 FDI 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. Each Applicant 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 Applicant shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Apply for the Offer do not exceed the applicable limits under applicable laws or regulations.**

For further details, see "*Offer Procedure*" beginning on page 425.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

#### *Corporate Approvals*

1. The Board of Directors of our Company has authorised the Offer including the Fresh Issue by a resolution passed at its meeting held on December 3, 2024.
2. The Shareholders of our Company have authorised the Offer, pursuant to a special resolution passed in the Extraordinary General Meeting held on December 5, 2024 under Section 23 and 62(1) (c) of the Companies Act 2013.
3. Our Board has taken on record the consent of the Selling Shareholder to participate in the Offer for Sale pursuant to its resolution dated December 3, 2024.
4. The Board of Directors of our Company has, on December 30, 2024 approved the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.
5. The Board of Directors of our Company has, on [●] approved the Red Herring Prospectus for filing with the RoC, SEBI and the Stock Exchanges.

#### *Authorisation by the Selling Shareholder*

The Selling Shareholder has, confirmed the transfer of its respective portion of the Offered Shares pursuant to the Offer for Sale, as set out below:

<b>Name of the Selling Shareholder</b>	<b>Maximum number of Equity Shares offered in the Offer for Sale</b>	<b>Date of consent letter</b>	<b>Date of board resolutions recording the consent of Selling Shareholder</b>
Shankarlal Deepchand Mehta	Up to 35,00,000	December 2, 2024	December 3, 2024

#### *In-principle Listing Approvals*

Our Company has received in-principle approvals from the BSE and NSE for the listing of our Equity Shares pursuant to their respective letters, [●] and [●] respectively.

#### **Prohibition by the SEBI, the RBI or Governmental Authorities**

Our Company, our Directors, our Promoters, the members of the Promoter Group, persons in control of our Company and companies or entities with which our Company's Promoters and Directors and each of the Selling Shareholder are associated as Directors / Promoters are not prohibited/debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator in any other jurisdiction or any other authority/court. The listing of any securities of our Company has never been refused at any time by any of the Stock Exchange in India. There are no violations of securities laws committed by them in the past or are pending against them.

None of our Directors are, in any manner, associated with the securities market. Further, there are no outstanding actions initiated by SEBI against any of our Directors, in the past five years preceding the date of this Draft Red Herring Prospectus.

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Neither our Company nor our Directors have been declared as a Wilful Defaulter or a Fraudulent Borrower.

The Company, its Directors and its Promoters / Promoter Group are not declared as "Fraudulent Borrowers" by the lending banks or financial institutions or consortium, in terms of the Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs dated July 1, 2016, as amended, issued by the Reserve Bank of India.

The Selling Shareholder has confirmed that they 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 SEBI or any securities market regulator in any other jurisdiction or any other authority/court. Further, there have not been any regulatory actions initiated against the Selling Shareholder by SEBI, RBI or any overseas regulator.

### Compliance with the Companies (Significant Beneficial Owners) Rules, 2018 and amendments thereof

Our Company, our Promoters, member of Promoter Group and the Selling Shareholder confirms that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them, as on the date of this Draft Red Herring Prospectus.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹300 lakhs, calculated on a restated basis, in each of the preceding three full years (of 12 months each).
- Our Company has an average operating profit of at least ₹1500 lakhs, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹100 lakhs in each of the preceding three full years (of 12 months each), calculated on a restated basis; and
- Our Company has not changed its name in the last one year.

***Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, have been derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for for period ended June 30, 2024 and the last three Fiscals, are set forth below:***

Particulars	For Period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Restated Net Tangible Assets (A) <sup>(1)*</sup>	12,982.04	11,915.62	8,803.44	6,827.40
Operating Profit (B) <sup>(2)*</sup>	1,755.44	5,109.33	3,693.33	2,345.20
Net Worth (C) <sup>(3)*</sup>	12,321.72	11,226.94	8,116.61	5,775.72
Restated Monetary Assets (D) <sup>(4)*</sup>	1,261.14	956.94	823.11	1,066.62
Restated Monetary Assets as a Percentage of the Restated Net Tangible Assets (D)/(A)	9.71	8.03	9.35	15.62

\*As restated

(1) "Restated Net Tangible Assets" means, as restated, the sum of all net assets of the issuer, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38, as applicable, issued by the Institute of Chartered Accountants of India and in accordance with Regulation 2(1)(gg) of the SEBI ICDR Regulations. The restated net tangible assets mentioned above excludes, Right of Use assets (related total lease liabilities), intangible assets, and deferred tax assets/liabilities (net).

(2) Operating profit" means, as restated, the profit before finance costs, other income and tax expenses.

(3) "Net worth" means, as restated, the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets

(4) "Monetary Assets" means cash in hand, investments, balance with bank in current and deposit account (net of bank deposits not considered as cash and cash equivalent)

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees in the Offer shall be not less than 1,000 and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Investor, in accordance with the SEBI ICDR Regulations and applicable law. The Selling Shareholder, confirms that its respective portion of the Offered Shares is in compliance with Regulation 8 of the SEBI ICDR Regulations, and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable. The Selling Shareholder confirms that the Offered Shares is in compliance with Regulation 8 of the SEBI ICDR Regulations, and it has held the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

1. None of our Company, Selling Shareholder, our Promoters, members of our Promoter Group and our Directors are debarred from accessing the capital markets by SEBI;
2. None of the Promoters or Directors of our Company are promoters or a director of companies which are debarred from accessing the capital market by SEBI;
3. None of our Company, our Promoters or Directors have been categorized as a Wilful Defaulter or a Fraudulent Borrower;
4. None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018;
5. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus;
6. Our Company, along with the Registrar to the Offer, has entered into tripartite agreements dated July 14, 2010 and July 16, 2010 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
7. There are no outstanding convertible securities or any other right which would entitle any person with any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus; and
8. There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

#### **Disclaimer Clauses**

##### **DISCLAIMER CLAUSE OF THE SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, NIRBHAY CAPITAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE BIDDERS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS TO THE EXTENT OF INFORMATION SPECIFICALLY PERTAINING TO ITSELF FOR THE OFFERED SHARES. THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, NIRBHAY CAPITAL SERVICES PRIVATE LIMITED AND , HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 30, 2024, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

**Disclaimer from our Company, our Directors the Selling Shareholder and the BRLM**

Our Company, our Directors, the Selling Shareholder and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.rajputanastainless.com](http://www.rajputanastainless.com) or any website of any of the Group Companies or the Selling Shareholder, would be doing so at his or her own risk.

The Selling Shareholder and its affiliates, accept no responsibility for any statements made or undertakings provided other than those specifically confirmed or undertaken by such Selling Shareholder, and only in relation to itself and/or to the Equity Shares offered by the Selling Shareholder through the Offer for Sale and included in this Draft Red Herring Prospectus and anyone placing reliance on any other source of information, including our Company's website at [www.rajputanastainless.com](http://www.rajputanastainless.com) or any of the websites of any affiliate of our Company or of the Selling Shareholder, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided in the Underwriting Agreement to be entered into among the Underwriters, and our Company.

All information shall be made available by our Company, the Selling Shareholder (with respect to itself and the Offered Shares) and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

None among our Company, the Selling Shareholder, BRLM, and any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

**Caution**

Investors who Bid in the Offer are required to confirm and are deemed to have represented to our Company, the Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not offer, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the

Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and its associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholder, our Group Companies, and their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholder and its affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer in respect of Jurisdiction**

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Gujarat, India only.

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, Hindu Undivided Families (“HUFs”), companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important non-banking financial companies or trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other applicable trust laws, and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, venture capital funds, permitted insurance companies, provident funds and pension funds with a minimum corpus of ₹2500,00,000/- (Rupees Twenty Five Hundred Lakhs Only ), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and to permitted systemically important NBFCs registered with the RBI, non-residents including Eligible NRIs, Alternative Investment Funds. Foreign Portfolio Investors registered with SEBI, venture capital fund, foreign venture capital fund and QIBs.

This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India. Any 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 Offer will be subject to the jurisdiction of appropriate court(s) in Gujarat, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholder from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Eligibility and Transfer Restrictions**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions**

**in reliance on Regulation S under the U.S. Securities Act and applicable laws of the jurisdictions where such offers and sales occur.**

**Each purchaser of the Equity Shares in the Offer in India shall be deemed to:**

- represent and warrant to our Company, the BRLM and the Syndicate Members that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.
- represent and warrant to our Company, the BRLM and the Syndicate Members that it did not purchase the Equity Shares as result of any “directed selling efforts” (as defined in Regulation S).
- represent and warrant to our Company, the BRLM and the Syndicate Members that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.
- represent and warrant to our Company, the BRLM and the Syndicate Members that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- represent and warrant to our Company, the BRLM and the Syndicate Members that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- agree to indemnify and hold the Company, the BRLM and the Syndicate Members harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- acknowledge that our Company, the BRLM, the Syndicate Members and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

**Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.**

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

**Disclaimer Clause of the BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Draft Red Herring Prospectus and the Prospectus prior to the RoC filing.

**Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Draft Red Herring Prospectus and the Prospectus prior to the RoC filing.

**Listing**

Applications will be made to the Stock Exchanges for obtaining permission to list, trade and deal in and for an official quotation of the Equity Shares being Offered and sold in the Issue and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised for the Offer. Our existing Equity Shares are not listed on any Stock Exchanges in India.



If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholder with regard to interest on such refunds as required under the Companies Act, 2013 and any other applicable law will be reimbursed by the Selling Shareholder as agreed among our Company and the Selling Shareholder in writing, in proportion to its respective portion of the Offered Shares. Provided that the Selling Shareholder shall not be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholder and such liability shall be limited to the extent of its respective Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within such time prescribed by SEBI of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Offer such time as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI. The Selling Shareholder shall extend commercially reasonable co-operation to our Company, as may be required solely in relation to its respective Offered Shares, in accordance with applicable law, to facilitate the process of listing the Equity Shares on the Stock Exchanges.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

*“Any person who –*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447”*

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than 6 (six) months extending up to 10 (ten) years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

### **Consents**

Consents in writing of the Selling Shareholder, our Directors, the Company Secretary and Compliance Officer, Chief Financial Officer, the legal counsel, the BRLM, the Bankers to our Company, D&B India, Statutory Auditors, Independent Chartered Engineer and Registrar to the Offer, in their respective capacities, have been obtained and consents in writing of, the Syndicate Members, Bankers to the Offer (Escrow Bank, Public Issue Account Bank, Sponsor Bank and Refund Bank) and Monitoring Agency, to act in their respective capacities, will be obtained and filed along with a copy of the Draft Red Herring Prospectus with the RoC as required under Companies Act, 2013.

Our Company has received consent of our Statutory Auditors, who holds a valid peer review certificate, to include their name as required under Section 26(5) of the Companies Act 2013 in this Draft Red Herring Prospectus.

The said consents will be filed along with a copy of this Draft Red Herring Prospectus and such consents have not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, for filing with the RoC.

### **Experts**

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

Our Company has received written consent dated December 27, 2024 from our Statutory Auditors, M/s Ruparel & Bavadiya, Chartered Accountants, who holds a valid peer review certificate dated May 15, 2023, to include its name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of (i) the examination reports on the Restated Financial Statement and their examination report dated December 11, 2024; and (ii) the Statement of Possible tax benefits dated December 28, 2024, included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated November 26, 2024, from JAS Associates, Independent Chartered Engineer, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the Independent Chartered Engineer, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

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

#### **Particulars regarding public or rights issues by our Company during the last 5 (five) years**

Our Company has not made any public issue in the last 5 (five) years immediately preceding the date of this Draft Red Herring Prospectus. The Company has not undertaken rights issues of its equity shares in the last 5 (five) years immediately preceding the date of this Draft Red Herring Prospectus. For details, see “*Capital Structure*” on page 103.

#### **Commission or Brokerage on Previous issues in the last 5 (five) years**

Since this is the initial public issuing of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the 5 (five) years preceding the date of this Draft Red Herring Prospectus.

#### **Capital Issues in the Preceding Three Years**

Except as disclosed in “*Capital Structure - Share capital history of our Company*” on page 103, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed group company or any listed Subsidiary or a listed associate entity.

#### **Performance vis-à-vis Objects**

Our Company has not undertaken any public issues, including any rights issues to the public in the 5 (five) years immediately preceding the date of this Draft Red Herring Prospectus.

#### **Performance vis- à-vis Objects: Last Offer of Subsidiaries/Promoters**

Our Company does not have any listed promoters or promoter entity and our Company do not have any Subsidiary.

The price information of past issues handled by the BRLM is as follows:

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by the BRLM, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer the table below and the website of the BRLM at <https://nirbhaycapital.com>.

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY NIRBHAY CAPITAL SERVICES PRIVATE LIMITED**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
<b>Mainboard IPO</b>								
Nil								
<b>SME IPO</b>								
1.	Aatmaj Healthcare Limited	38.40	60.00	June 2023	30, 56.00	-19.00 (-7.01)	-24.17 (-8.76)	-30.58 (-19.04)

Source: All share price data is from [www.bseindia.com](http://www.bseindia.com)

**Note:**

- Opening price information as disclosed on the website of the Designated Stock Exchange.
- Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
- For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- 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 days, scrips are not traded then last trading price has been considered.
- This disclosure is restricted to last 10 issues handled by the BRLM.

## SUMMARY STATEMENT OF DISCLOSURE

Fiscal	Total no. of IPO	Total funds raised (₹ in Lakhs)	Nos of IPOs trading at discount on 30th Calendar Day from listing date			Nos of IPOs trading at premium on 30th Calendar Day from listing date			Nos of IPOs trading at discount on 180th Calendar Day from listing date			Nos of IPOs trading at premium on 180th Calendar Day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	1	38.40	-	-	1	-	-	-	-	1	-	-	-	
2022-23														
2021-22														

N.A.

### Track record of past issues handled by the BRLM

For details regarding the track record of the Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of the BRLM, as set forth in the table below:

Sr. No.	Name of the BRLM	Website
1.	Nirbhay Capital Services Private Limited	<a href="http://www.nirbhaycapital.com">www.nirbhaycapital.com</a>

### Stock Market Data of the Equity Shares

This being the initial public issuing of the Equity Shares of our Company, the Equity Shares is not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

### Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Offer and our Company dated December 10, 2024 provides for retention of records with the Registrar to the Offer for a minimum period of 8 (eight) years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLM. All grievances of

the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the Sole Bidder or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/Offer 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.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable law subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount for the period of such delay, which period shall start from the day following the receipt of a complaint from the investor. The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock.
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher.	From the date on which multiple amounts were blocked till the date of actual unblock.
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher.	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock.
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher.	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock.

Further, in terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Manager, and such application shall be made only after (i) unblocking of application amounts for

each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Our Company, the BRLM, the Selling Shareholder and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of any SCSB, Registered broker, Syndicate member, RTA or CDP including any defaults in complying with its obligations under the SEBI ICDR Regulations.

#### **Disposal of Investor Grievances by our Company**

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be ten Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Richa Sanjeev Prashar, Company Secretary as the Compliance Officer and she may be contacted in case of any pre-Offer or post-Offer related problems, at the address set forth hereunder.

**Address:** 213, Madhwas  
Halol Kalol Road Kalol  
Panchmahal, Gujarat - 389330, India  
**Telephone:** +91 63 5816 4770  
**Email Id:** [compliance@rajputanastainless.com](mailto:compliance@rajputanastainless.com)

The Selling Shareholder has authorised Richa Sanjeev Parashar, the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders solely to the extent of the statements specifically made, confirmed or undertaken by Selling Shareholder in the Offer Documents in respect of itself and the Offered Shares.

Our Company has applied for authentication on the SCORES in compliance with the SEBI circular SEBI circular bearing number SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 read with SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 2, 2019 and the SEBI circular read with the 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 and SEBI circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Further, our Board has constituted a Stakeholders' Relationship Committee, which is responsible for redressal of grievances of the security holders of our Company. For details, see "**Our Management**" on page 262. Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

Our Company estimates that the average time required by our Company or the Registrar to the Offer, for the redressal of routine investor grievances shall be 10 (ten) Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

#### **Outstanding Debentures, Bonds or Redeemable Preference Shares**

Our Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Draft Red Herring Prospectus.

#### **Partly Paid-Up Shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

**Fees Payable to the Syndicate**

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement. For details of the Offer expenses, see “*Objects of the Offer*” on page 136.

**Commission payable to SCBSs, Registered Brokers, CRTAs and CDPs**

For details of the commission payable to SCBS, Registered Brokers, CRTAs and CDPs, please see “*Objects of the Offer*” on page 136.

**Disposal of investor grievances by listed Group Companies**

Our Company does not have any listed group companies.

**Capitalization of Reserves or Profits**

Except for bonus issue of its Equity Shares, our Company has not capitalized its reserves or profits at any time during the 5 (five) years immediately preceding the date of this Draft Red Herring Prospectus.

**Revaluation of Assets**

Our Company has not revalued its assets since its incorporation.

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

Our Company has not made any application under the SEBI ICDR Regulations for seeking exemption from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

## SECTION VII – ISSUE RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer will be subject to the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the CAN, Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities, issued from time to time, by SEBI and the Stock Exchanges, the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or any other governmental, statutory or regulatory authorities while granting approval for the Offer.

#### **The Offer**

The Offer comprises of a Fresh Issue of Equity Shares by our Company and Offer for Sale by Selling Shareholder. The listing fees payable with respect to the Offer shall be borne by our Company. All costs, charges, fees and expenses associated with and incurred in connection with the Offer shall be borne by the Selling Shareholder in respect of the Equity Shares sold by the Selling Shareholder through the Offer. Provided that all Offer-related expenses shall initially be borne by our Company and the Selling Shareholder shall reimburse the Company for their respective proportion of the expenses.

For details in relation to Offer expenses, see “*Objects of the Offer*” on page 136.

#### **Ranking of the Equity Shares**

The Equity Shares being offered, Allotted and transferred pursuant to the Offer will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with applicable laws. For details, see “*Dividend Policy*” and “*Description of Equity Shares and terms of Articles of Association*” on pages 286 and 448, respectively.

#### **Mode of Payment of Dividend**

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect or any other applicable law. Any dividends declared by our Company after the date of Allotment (including pursuant to the transfer of Equity Shares under the Offer for Sale) in this Offer, will be payable to the Allottees, in accordance with applicable laws. See “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 286 and 448, respectively.

#### **Face Value, Offer Price, Floor Price and Price Band**

The face value of the Equity Shares is ₹10/-. The Floor Price of Equity Shares is [●] per Equity Share and the Cap Price is [●] per Equity Share. The Anchor Investor Offer Price is [●] per Equity Share.

The Price Band and minimum Bid Lot for the Offer will be decided by our Company in consultation with the BRLM, and shall be advertised in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and all editions of [●] (a widely circulated Gujarati daily regional newspaper, Gujarati also being the regional language of Gujarat where our Registered Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer price



shall be determined by our Company in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

#### **Compliance with disclosure and accounting norms**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles of Association, the equity shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or 'e-voting', in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory or preferential claims being satisfied;
- Right to freely transfer their Equity Shares, subject to any RBI rules, foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations and the Articles of Association of the Company.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, consolidation and splitting, see "*Description of Equity Shares and terms of Articles of Association*" on page 448.

#### **Allotment of Equity Shares in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in dematerialised form only. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two tripartite agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

1. Tripartite Agreement dated July 14, 2010 among NSDL, our Company and the Registrar to the Offer.
2. Tripartite Agreement dated July 16, 2010 among CDSL, our Company and Registrar to the Offer.

#### **Market Lot and Trading Lot**

Since the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, the tradable lot is one (1) Equity Share. Allotment of Equity Shares will be only in dematerialised form in multiples of [●] Equity Share, subject to a minimum Allotment of [●] Equity Shares. For details, see "*Offer Procedure*" on page 425.

#### **Joint Holders**

Subject to provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

#### **Jurisdiction**

The courts of Vadodara, Gujarat, India will have exclusive jurisdiction in relation to this Offer.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (“Securities Act”) and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

#### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is verified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialized form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Depository Participant.

#### **Bid/Offer Programme**

<b>ANCHOR BID/OFFER OPENS ON</b>	[●]*
<b>BID / OFFER OPENS ON*</b>	[●]
<b>BID / OFFER CLOSES ON**</b>	[●]#

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

\*\*Our Company may, in consultation with the BRLM, consider closing the Bid / Offer Period for QIBs one (1) day prior to the Bid / Offer 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/Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

<b>Event</b>	<b>Indicative Date</b>
Anchor Investor Bidding Date	[●]
Bid/Offer Opening Date	[●]
Bid/Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]

Event	Indicative Date
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account***	[●]
Credit of the Equity Shares to depository accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

\*\*\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated by the SCSB responsible for causing such delay in unblocking at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated by the SCSB responsible for causing such delay in unblocking at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated by the SCSB responsible for causing such delay in unblocking at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022 and the SEBI master circular no. SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with SEBI master circular no. SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023.

**The above timetable is indicative and does not constitute any obligation on our Company, or the Selling Shareholder or the BRLM.**

**While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, with reasonable support and co-operation of the Selling Shareholder, as may be required in respect of its respective portion of the Offered Shares, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company in consultation with the BRLM, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. The Selling Shareholder, confirm that they shall extend reasonable support and co-operation required by our Company and the BRLM, to the extent of each Selling Shareholder's portion of the Offered Shares, to facilitate the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such other period as may be prescribed.**

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been 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. Accordingly, the Offer will be made under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. The BRLM shall, in their sole

discretion, identify and fix the liability on such intermediary or entity responsible for such delay.

**Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Offer procedure is subject to change to any revised SEBI circulars to this effect.**

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/ Offer Period (except the Bid/ Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time (“IST”)
<b>Bid/ Offer Closing Date<sup>#</sup></b>	
Submission of electronic applications (online ASBA through 3-in-1 accounts)	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic application (bank ASBA through online channels like internet banking, mobile banking and syndicate ASBA applications through UPI as a payment mechanism where Bid Amount is upto ₹5.00 lakhs)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (syndicate non-retail, non-individual applications of QIBs and NIIs)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of physical applications (direct bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (syndicate non-retail, non-individual applications where Bid Amount is more than ₹5.00 lakhs)	Only between 10.00 a.m. and up to 12.00 p.m. IST
<b>Revision/cancellation of Bids</b>	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories*	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Offer Closing Date

<sup>#</sup>UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

\*QIBs and Non-Institutional Bidders can neither revise their Bids downwards nor cancel/withdraw their Bids.

**On the Bid/ Offer Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by UPI Bidders.

On Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are

advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (IST) on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. Neither our Company, Selling shareholder, BRLM nor any member of the Syndicate is liable for any failure in: (i) uploading or downloading the Bids due to faults in any software / hardware system or otherwise, and (ii) the blocking of the Bid Amount in the ASBA Account of Bidders on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to it being at least 105% of the Floor Price. In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least 3 (three) additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 (ten) Working Days. Further, in cases of *force majeure*, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, may extend the Bid / Offer Period for a minimum of 1 (one) Working Days, subject to the Bid /Offer Period not exceeding 10 (ten) Working Days.**

**Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate and by intimation to the Designated Intermediaries and Sponsor Bank as applicable. In case of revision of the Price Band, the Bid lot shall remain the same.**

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange.

### **Minimum Subscription**

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond two days, our Company shall pay interest at the rate of 15% per annum including the circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by

SEBI and master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

In case of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and complying with Rule 19(2)(b) of SCRR, allotment of Equity Shares shall be first made towards the Fresh Issue followed by transfer of/ sale of the Offered Shares in the Offer for Sale. Additionally, even if the minimum subscription for 90% of the Fresh Issue is achieved, the Allotment for the balance valid Bids will be made (i) firstly, towards the remaining Equity Shares offered pursuant to the Fresh Issue; and (ii) thereafter, towards the Offered Shares. In the event any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus and applicable provisions of the SEBI ICDR Regulations.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

The Selling Shareholder shall adjust or reimburse, in proportion to the portion of its respective Offered Shares, any expenses (with regard to delayed payment of refunds) and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law as agreed among our Company and the Selling Shareholder in writing, provided that the Selling Shareholder shall not be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

#### **Arrangements for disposal of odd lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

#### **Restriction on transfer and transmission of shares**

Except for the lock-in of the pre-Offer Equity Share Capital of our Company, minimum Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 103 and except as otherwise provided in our Articles of Association, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting, for details see, "*Description of Equity Shares and terms of Articles of Association*" on page 448.

#### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

#### **Withdrawal of the Offer**

Our Company in consultation with the BRLM, reserves the right not to proceed with the Offer, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company will issue a public notice within two days from the Bid/Offer Closing Date, or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLM, through the Registrar to the Offer, will instruct the SCSBs or the Sponsor Bank(s), as the case may be, 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-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly by our Company.

If our Company in consultation with the BRLM, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, our Company will file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of Bid/Offer Closing Date or such other period as may be prescribed under applicable laws.

**New Financial Instruments**

Our Company is not issuing any new financial instruments through this Offer.

*The remainder of this page has been intentionally left blank*

## OFFER STRUCTURE

The Offer is of upto 2,25,00,000 Equity Shares of face value of ₹ 10 each, for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs comprising of a Fresh Issue of upto 1,90,00,000 Equity Shares aggregating up to ₹ [●] lakhs by our Company and an Offer for Sale of upto 35,00,000 Equity Shares aggregating to ₹ [●] lakhs by the Selling Shareholder.

The Offer is being made through the Book Building Process.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation* <sup>(2)</sup>	Not more than [●] Equity Shares or Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer shall be available for allocation to QIBs. However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs.	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation out of which a) one third of such portion shall be reserved for NIIs with application size of more than ₹2.00 lakhs and up to ₹10.00 lakhs; and b) two third of such portion shall be reserved for NIIs with application size of more than ₹10.00 lakhs, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Not more than [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of	The allocation to each Non-Institutional Investor shall not be less than the minimum application size viz. ₹2.00 lakhs Equity Shares subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis, subject to valid Bids being received at or above the Offer Price, in accordance with the SEBI ICDR Regulations. Further, (a) one third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹2.00 lakhs and up	Proportionate, subject to the minimum Bid lot. The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Offer Procedure” on page 425.



Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	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.	to ₹10.00 lakhs; and (b) two third of the portion available to Non-Institutional Investors shall be reserved for applicants with application size of more than ₹10.00 lakhs, provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Investors. For details, see “ <i>Offer Procedure</i> ” on page 425.	
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹20.00 lakhs and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹2.00 lakhs and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the Anchor Investor Portion), subject to applicable limits under applicable law.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to applicable limits under applicable law.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹2.00 lakhs
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply <sup>(3)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, Eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹2,500 lakhs, pension funds with minimum corpus of ₹2,500 lakhs, National Investment Fund set up by the Government of India, the insurance funds set	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices which are categorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the <i>karta</i> ).

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.		
Terms of Payment	<b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup> <b>In case of all other Bidders:</b> Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) by the SCSBs or by the Sponsor Bank through the UPI Mechanism that is specified in the ASBA Form at the time of submission of the ASBA Form		
<sup>^</sup> Mode of Bidding	ASBA only (excluding UPI Mechanism) <sup>(5)</sup> except for Anchor Investors	ASBA only (including the UPI Mechanism for an application size of upto ₹5.00 lakhs) <sup>(6)</sup>	ASBA only (including UPI Mechanism) <sup>(6)</sup>

<sup>\*</sup>Assuming full subscription in the Offer.

<sup>^</sup>SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIBs and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

<sup>(1)</sup> Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 1,000 lakhs, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹1,000 lakhs but up to ₹25,000 lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹500 lakhs per Anchor Investor, and (iii) in case of allocation above ₹25,000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹25,000 lakhs, and an additional 10 Anchor Investors for every additional ₹25,000 lakhs or part thereof will be permitted, subject to minimum allotment of ₹500 lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹1,000 lakhs. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

<sup>(2)</sup> Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders of which one-third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹2.00 lakhs and up to ₹10.00 lakhs and two-thirds of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹10.00 lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to applicants in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Offer, the Allotment for the valid Bids will be made, in the first instance, towards subscription for 90% of the Fresh Issue. For details, please see "Terms of the Offer" on page 413.

<sup>(3)</sup> 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.

<sup>(4)</sup> Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

<sup>(5)</sup> Anchor Investors are not permitted to use the ASBA process.

<sup>(6)</sup> In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

<sup>(7)</sup> UPI Bidders are advised to confirm the availability of the UPI Mechanism with their respective brokers, prior to submission of Bids.

Bids by FPIs with certain structures as described under “*Offer Procedure*” on page 425 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 Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire Equity Shares under the Offer.**

**In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least 3 (three) additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 (ten) Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.**

*In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.*

## OFFER PROCEDURE

All Bidders should read the General Information Document, for Investing in Public Offer prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 issued by SEBI and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Offer; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications and electronic registration of bids; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was to continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the Covid-19, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”) and modalities of the implementation of UPI Phase III has been notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended by circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 has introduced certain additional measures for streamlining the process of initial public issue and redressing investor grievances. This circular has come into force for initial public issue opening on or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹5.00 lakhs shall use the UPI Mechanism. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus.

*Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

*The BRLM shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and BRLM shall continue to coordinate with intermediaries involved in the said process.*

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended by SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.*

*Our Company, the Selling Shareholder, the BRLM and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.*

*Further, our Company, the Selling Shareholder, the BRLM and the Syndicate are not liable for any adverse occurrence consequent to the implementation of the UPI Mechanism for application in this Offer.*

### **Book Building Procedure**

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹2.00 lakhs and up to ₹10.00 lakhs; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹10.00 lakhs, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders; and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for UPI Bidders using the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable law.**

**Bidder must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021 and CBDT Circular No.7 of 2022 dated March 30, 2022 read with press release dated March 28, 2023, read with subsequent circulars issued in relation thereto. .**

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice.

**Phase III:** This phase has become applicable on 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. In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI. Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase III of the UPI Circular.

All SCSBs offering the facility of making applications in public offers shall also provide the facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the UPI Bidders using the UPI Mechanism.

Non-Institutional Bidders Bidding with an application size of up to ₹5.00 lakhs in the Non-Institutional Portion may also Bid using the UPI Mechanism, where made available.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹5.00 lakhs shall use UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- i. a syndicate member;
- ii. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- iii. a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
- iv. a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

For further details, refer to the “General Information Document” available on the websites of the Stock Exchanges and the BRLM.

### **Bid cum Application Form**

Copies of the ASBA Forms (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. An electronic copy of ASBA Forms will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date.

Anchor Investor Application Forms shall be available at the offices of the BRLM at the Anchor Investor Bidding Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. All ASBA Bidders must provide either, (i) bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Non-Institutional Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than UPI Bidders using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021 and CBDT Circular No.7 of 2022 dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent applicable circular issued thereto.



Further, ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. UPI Bidders authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. UPI Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or by Sponsor Bank under the UPI Mechanism, as applicable at the time of submitting the Bid. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

Since the Offer is made under Phase III, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIBs (other than the UPI Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.
- iv. 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 or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

\* Excluding electronic Bid cum Application Forms

Notes:

1. Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the respective websites of the Stock Exchanges ([www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com))
2. Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to



enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders using UPI Mechanism where made available) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE circular no. 20220803-40 and NSE circular no. 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date (“Cut-Off Time”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the bankers to an offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the Bankers to the Offer. The BRLM shall also be required to obtain the audit trail from the Sponsor Bank and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- a) Cut-off time for acceptance of UPI mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and Depository Participants shall continue till further notice;
- b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;
- c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5 pm on the initial public offer closure day;
- d) The Stock Exchanges shall display Offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/client, based on responses/status received from the Sponsor Bank(s).

#### **Electronic registration of Bids**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for

- Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
  - c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given time till 5:00 pm on the next Working Day following the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

#### **Participation by associates and affiliates of the BRLM and the Syndicate Members, Promoters, Promoter Group and persons related to Promoters / Promoter Group**

The BRLM and the Syndicate Members shall not be allowed to subscribe to or purchase the Equity Shares in this Offer, in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may bid for Equity Shares in the Offer, either in the Net QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis or in any other manner as introduced under applicable laws, and such subscription may be on their own account or on behalf of their clients.

Except as stated below, neither the BRLM nor any associates of the BRLM can apply in the Offer under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the BRLM
- (ii) insurance companies promoted by entities which are associate of the BRLM
- (iii) AIFs sponsored by the entities which are associate of the BRLM; or
- (iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the BRLM.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “*person related to the Promoter or Promoter Group*”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter or members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of a BRLM, if: (a) either of them controls, directly or indirectly through its Subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

Except to the extent of participation in the Offer for Sale by the Promoter Selling Shareholder, the Promoters and the Promoter Group will not participate in the Offer.

#### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index fund

or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts (including UPI ID, if activated), or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary (“NRO”) accounts or confirm or accept the UPI Mandate Request (in case of UPI Bidders using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

Participation of Eligible NRIs in the Offer shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall 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 warrant.

For details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 399.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

### **Bids by HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the *karta*. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

### **Bids by FPIs**

In terms of applicable FEMA NDI Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control) shall be below 10% of our post-offer Equity Share capital on a fully diluted basis. In case, the total holding of an FPI, or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income-tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for offer procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, is permitted to issue, subscribe to or otherwise deal in offshore derivative instruments directly or indirectly, if it complies with the following conditions: (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with the 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (i) to (iv)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

BID received from FPIs bearing the same PAN shall be treated as multiples bids and are liable to be rejected, except for bid from FPIs that utilise the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated depository participants issued to facilitate implementation of SEBI FPIs regulations (such structure referred to as "**MIM structure**"), provided such bid have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the multi-investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and

indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

For details of investment by FPIs in the Offer, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 399. Participation of FPIs shall be subject to the FEMA Non-debt Instruments Rules.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months period from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

**There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.**

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

Our Company, Selling Shareholder or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required

to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof subject to applicable law

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “Banking Regulation Act”), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank’s own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank’s interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company’s paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

#### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended (“**IRDAI Investment Regulations**”), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds with minimum corpus of ₹2,500 lakhs, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserve the right to reject any Bid, without assigning any reason thereof.

#### **Bids by Systemically Important NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof,

subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time. The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹ 2,500 lakhs and pension funds with a minimum corpus of ₹2,500 lakhs, in each case, subject to applicable law and in accordance with their respective constitutional documents a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLM, may deem fit, without assigning any reasons thereof.

### **Bids by Anchor Investors**

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

- (i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹1,000 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 ₹1,000 lakhs.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
- (v) Our Company, in consultation with the BRLM may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
  - (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹1,000 lakhs
  - (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹1,000 lakhs but up to ₹25,000 lakhs, subject to a minimum Allotment of ₹500 lakhs per Anchor Investor; and
  - (c) in case of allocation above ₹25,000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹25,000 lakhs, and an additional 10 Anchor Investors for every additional ₹25,000 lakhs, subject to minimum Allotment of ₹500 lakhs per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.

- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) 50% of the Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- (ix) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Office Price.
- (x) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (xi) Neither the BRLM or any associate of the BRLM ((except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLM) nor any "person related to the Promoter or Promoter Group" shall apply in the Offer under the Anchor Investor Portion. For details, see "*Offer Procedure*" on page 425.
- (xii) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, see the General Information Document.

**The above information is given for the benefit of the Bidders. Our Company, Selling Shareholder, BRLM and the members of Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.**

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

#### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholder and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity



Shares will be listed or will continue to be listed on the Stock Exchanges.

### **General Instructions**

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Offer Period and withdraw or lower the size of their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/ Offer Period.

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you (other than the Anchor Investors) have mentioned the correct details of your ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
4. UPI Bidders using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. UPI Bidder using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of the relevant Designated Intermediary;
6. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, Mobile Applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
7. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
8. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
9. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, sub-Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case

- of joint Bids;
13. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
  14. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
  15. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
  16. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021 and September 17, 2021 and CBDT Circular No.7 of 2022 dated March 30, 2022 read with press release dated March 28, 2023;
  17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
  18. Ensure that the Demographic Details are updated, true and correct in all respects;
  19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
  20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
  21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents, including a copy of the power of attorney, are submitted;
  22. Ensure that Bids submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;
  23. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
  24. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for ASBA Bidders bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;

25. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
26. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
27. The ASBA Bidders shall ensure that bids above ₹5.00 lakhs, are uploaded only by the SCSBs;
28. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank issues the UPI Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment;
29. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
30. UPI Bidders should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
31. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
32. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/Offer Closing Date;
34. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids are liable to be rejected;
35. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM;
36. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website (at [www.sebi.gov.in](http://www.sebi.gov.in)) or such other websites as updated from time to time;
37. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

38. UPI Bidders Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
39. UPI Bidders Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form
40. Bidders (other than Anchor Investors) ensure that only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism, where made available) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
41. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;
42. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹2.00 lakhs would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹2.00 lakhs would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer;
43. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected;
44. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 12:00 p.m. of the working Day immediately after the Bid/Offer Closing Date; and
45. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than

the Bidding Centres;

8. Do not submit the Bid cum Application Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres or to any unauthorised Designated Intermediary;
9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Offer 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 this Draft Red Herring Prospectus;
12. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
15. If you are a UPI Bidder using the UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
16. Do not submit the General Index Register (GIR) number instead of the PAN;
17. Do not Bid for a Bid Amount exceeding ₹2.00 lakhs (for Bids by Retail Individual Investors);
18. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
19. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid/Offer Closing Date;
21. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
22. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
23. 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;
24. 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);
25. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or Mobile Applications and/or UPI handle that is not listed on the website of SEBI;
26. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

27. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
28. Do not submit a Bid cum Application Form with third-party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism);
29. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;
30. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
31. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
32. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
33. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
34. Do not Bid if you are an OCB; and
35. Bids uploaded by QIBs after 4:00 p.m. on the QIB Bid/Offer Closing Date and by Non-Institutional Bidders uploaded after 4:00 p.m. on the Bid/Offer Closing Date, and Bids by RIBs uploaded after 5:00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see “**General Information**” on page 94.

For helpline details of the Book Running Lead Manager pursuant to the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “**General Information –Book Running Lead Manager**” on page 96.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended by SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares through the Offer Document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the Offer may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. The Allotment to each Non-Institutional Investor shall not be less than the minimum application size viz. ₹2.00 lakhs, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

### **Payment into Escrow Account for Anchor Investors**

Our Company in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: “[●]”;
- (ii) In case of non-resident Anchor Investors: “[●]”.

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●] (a widely circulated English national daily newspaper), and in all editions of [●] (a widely circulated Hindi daily newspaper), and all editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located). In the pre-Offer advertisement, our Company shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in part A of Schedule X of the SEBI ICDR Regulations.

### **Allotment Advertisement**

Our Company, the BRLM and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] (a widely circulated Gujarati regional daily newspaper), Gujarati also being the regional language of Gujarat, India where our Registered Office is located.

Copies of the above advertisements shall be made available on the website of the Company at [www.rajputanastainless.com](http://www.rajputanastainless.com).

**The above information is given for the benefit of the Bidders/applicants. Our Company, Selling Shareholder, BRLM and the members of the Syndicate are not liable for any amendments or modification**

**or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

### **Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable law. The Prospectus will contain details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and will be complete in all material respects.

### **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated July 14, 2010 among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated July 16, 2010 among CDSL, our Company and Registrar to the Offer.

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who—*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹10.00 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months period extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹50.00 lakhs or with both.

### **Undertakings by our Company**

Our Company undertakes the following:

- (i) the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- (iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;



- (iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- (v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- (vi) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (vii) that if our Company, in consultation with the BRLM, withdraws the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft Offer document with the SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter;
- (viii) Promoter's contribution, if any, shall be brought in advance before the Bid / Offer Opening Date;
- (ix) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and
- (x) no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

#### **Undertakings by the Selling Shareholder**

The Selling Shareholder, specifically undertakes and/or confirms the following in respect to itself as a Selling Shareholder and its respective portion of the Offered Shares:

- (i) that the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;
- (ii) it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;
- (iii) its respective portion of Offered Shares are eligible for being offered in the Offer in terms of Regulation 8 of the SEBI ICDR Regulations;
- (iv) it shall extend all necessary support, documentation and cooperation, as required under applicable laws or requested by to the Company and/ or the BRLM, to the extent of their respective Offered Shares;
- (v) its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;
- (vi) it shall not 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 in the Offer; and
- (vii) it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges.

#### **Utilisation of Offer Proceeds**

Our Company and the Selling Shareholder, severally, specifically confirm and declare:

- (a) that all monies received from the Offer shall be credited / transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- (b) details of all monies utilised out of the proceeds from the Fresh Issue shall be disclosed, and continue to be disclosed till all the time any part of the proceeds from the Fresh Issue remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised, or the form in which such unutilised monies have been invested; and

details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

## **SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION**

Pursuant to the Companies Act and the SEBI ICDR Regulations, the Description of Equity Shares and Terms of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Extraordinary General Meeting held on, July 10, 2024 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Association of the Company.

### **MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.

### **INTERPRETATION CLAUSE**

1. The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:
  - a) 'The Act' or 'The Companies Act' shall mean 'The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.'
  - b) "Article" or "Articles" means these articles of association of the Company as originally framed or as altered from time to time or applied in pursuance of the Act.
  - c) "Auditor" means the statutory auditors of the Company which shall be reputed accounting firms practicing in India and appointed by the Board in accordance with Applicable Law and the provisions of these Articles.
  - d) "Beneficial Owner" means the beneficial owner as defined under the provisions of the Depositories Act, 1996 and in accordance with any other law and or regulations for the time being in force.
  - e) 'The Board' or 'The Board of Directors' means the board of directors of the Company, as duly constituted from time to time.
  - f) "Board Committee" means a committee (or sub-committee thereof) duly constituted under the Board.
  - g) 'The Company' or 'This Company' means **RAJPUTANA STAINLESS LIMITED**.
  - h) "Depository" shall mean a depository as defined under the provisions of the Depositories Act, 1996 and in accordance with any other law and / or regulations for the time being in force.
  - i) "Depositories Act" shall mean the Depositories Act, 1996 (22 of 1996) or any statutory modifications or re-enactment thereof.
  - j) 'Directors' means the Directors for the time being of the Company.
  - k) 'Member' means the duly registered holder of the shares of any class of the Company from time to time and includes the subscribers to the Memorandum of the company and every person holding equity share capital of the company whose name is entered as beneficial owner in the records of a depository.

- l) 'Month' shall mean a calendar month.
  - m) 'Office' means the registered office, for the time being of the Company.
  - n) 'Officer' shall have the meaning assigned thereto by the Act.
  - o) 'Ordinary Resolution' shall have the meaning assigned thereto by the Act, as amended from time to time.
  - p) 'Paid-up' shall include 'credited as fully paid-up'.
  - q) 'Person' shall include any corporation as well as individual.
  - r) 'These presents' or 'Regulations' shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.
  - s) 'Section' or 'Sec.' means Section of the Act.
  - t) Words importing the masculine gender shall include the feminine gender.
  - u) Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.
  - v) 'Special Resolution' means special resolution as defined by Section 114 in the Act.
  - w) 'The Office' means the Registered Office for the time being of the Company.
  - x) 'The Register' means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.
  - y) 'Proxy' includes Attorney duly constituted under a Power of Attorney.
  - z) 'Stock Exchanges' shall mean BSE Limited and the National Stock Exchange of India Limited or such other stock exchange as the Board may deem fit.
  - aa) 'Writing' includes printing, lithograph, typewriting and any other usual substitutes for writing.
2. Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, 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.
  3. The Authorized Share Capital of the Company shall be as prescribed in Clause 5 of the Memorandum of Association of the Company.
  4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

Any debentures, debenture-stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any 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 Special Resolution.

5. The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.

**Power of General Meeting to offer share such persons as the Company may receive:**

6. The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:
- (i)
    - (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
    - (b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
    - (c) 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 (b) shall contain a statement of this right.
    - (d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.
  - (ii) The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.
  - (iii) Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:
    - (a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and
    - (b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.
  - (iv) 1. Notwithstanding anything contained in Section 53 of the Act, the company may issue sweat equity shares, of a class of shares already issued, subject to the conditions that

- a) The issue of the sweat equity shares is authorised by a special resolution passed by the company in the General Meeting;
  - b) The resolution shall specify the number of shares, current market price, consideration, if any and the class or classes of Directors or employees to whom such equity shares are to be issued;
  - c) Not less than one year has, at the date of issue, elapsed since the date on which the company was entitled to commence business;
  - d) The sweat equity shares of the company shall be subject to the provisions of any regulations made by SEBI and the Stock Exchanges in this behalf.
2. All the limitations, restrictions and provisions relating to equity shares shall be applicable to sweat equity shares issued by the company.

In addition to but without restricting the powers conferred under Article 13(A) and 13 (C) above, the company shall by a special resolution passed by the shareholders provide for offering shares to the employees of the company, promoter companies, group companies and affiliates and shall make necessary reservations for this purpose in the proposed offer of Securities on Rights basis subject to the regulations made by SEBI in this regard from time to time.

For the purpose of this clause, "Sweat Equity Shares" means equity shares issued by the company to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value addition by whatever name called.

- (v) The company shall by a special resolution passed by the shareholders provide for offering shares to the employees of the company, promoter companies, group companies and affiliates and shall make necessary reservations for this purpose in the proposed offer of Securities on Rights basis subject to the regulations made by SEBI in this regard from time to time.
- (vi) 1. Notwithstanding anything specified securities contained in the Act, but subject to the provisions of sub-section (2) of section 69 and section 70, the company may purchase its own shares or other specified securities (hereinafter referred to as 'buy-back') out of-
  - (i) Its free reserves; or
  - (ii) The securities premium account; or
  - (iii) The proceeds of any shares or other specified securities.

Provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

2. The company shall not purchase its own shares or other specified securities under sub-clause (1) -of this article unless –
  - (i) A special resolution has been passed in general meeting of the company authorizing the buy-back;
  - (ii) The buy back is less than twenty-five per cent of the total paid up capital and free reserves of the company.

Provided that the buy-back of equity shares in any financial year shall not exceed twenty-five percent, of its total paid-up equity capital in that financial year.

3. The ratio of the debt owed by the company is not more than twice the capital and its free reserves after such buy back or at such ratio as may be fixed by the central government from time to time in this regard;

Explanation: -For the purpose of this article, the expression “debt” includes all amounts of unsecured and secured debts.

4. All the shares or other specified securities for buy back shall be fully paid-up;
5. The buyback of shares or other specified securities shall be made in accordance with the guidelines issued by SEBI in this behalf.
6. The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.
7. To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.

**7. Issue of further shares with disproportionate rights**

Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari passu therewith.

**8. Not to issue shares with disproportionate rights**

The Company shall not issue any shares (not being Preference Shares) which carry voting rights 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.

**9. Power to pay commission**

The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

**10. Liability of joint holders of shares**

The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.

- a) “Except as ordered by a Court of competent jurisdiction, or as by law required, the company shall not be bound to recognise an 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 the holder thereof, or whose name appears as the beneficial owner of shares in the records of a Depository, 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 or the survivor or survivors of them.”

- b) 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:

Provided that nothing in this article shall be taken to prohibit –

- (i) the provision by the company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for, fully paid shares in the company or its holding company, being a purchase or subscription by trustees of, or for shares to be held by, or for the benefit of employees of the company, including any director holding a salaried office or employment in the company; or
- (ii) the making by the company of loans, within the limit laid down under the Act, or any other regulations that may be in force, at the time of making such loan, to persons (other than directors or managers) bona-fide in the employment of the company with a view to enabling those persons to purchase or subscribe for fully paid shares in the company or its holding company to be held by themselves by way of beneficial ownership.

#### **11. Trust not recognised**

Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

#### **12. Issue other than for cash**

- a) The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.
- b) As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.

#### **13. Acceptance of shares**

An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

#### **14. Member' right to share Certificates**

1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:
- a) One certificate for all his shares; or
- b) Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.
2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.
3. Every certificate shall be under the signature of two Directors and the Company Secretary of the Company and shall specify the shares to which it relates and the amount paid-up thereon.



4. The certificate of title to shares and duplicates thereof when necessary shall be issued under the signature of two Directors and the Company Secretary of the Company or authorized official(s) of the Company.

**15. One Certificate for joint holders**

In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.

**16. Renewal of Certificate**

If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.

17. For every certificate issued under the last preceding Article, no fee shall be charged by the Company.

**18. Splitting and consolidation of Share Certificate**

The shares of the Company will be split up/consolidated in the following circumstances:

- (i) At the request of the member/s for split up of shares in marketable lot.
- (ii) At the request of the member/s for consolidation of fraction shares into marketable lot.

**19. Directors may issue new Certificate(s)**

Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

**20. Person by whom installments are payable**

If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.

**LIEN**

**21. Company's lien on shares**

The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

**22. As to enforcing lien by sale**

For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such

manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.

**23. Authority to transfer**

- a) To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.
- b) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

**24. Application of proceeds of sale**

The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

### **CALLS ON SHARES**

**25. Calls**

Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.

**26. When call deemed to have been made**

A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.

**27. Length of Notice of call**

Not less than thirty day's notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

**28. Sum payable in fixed installments to be deemed calls**

If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by installments at fixed time, whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or installment accordingly.

**29. When interest on call or installment payable**

If the sum payable in respect of any call or, installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that

interest wholly or in part.

**30. Sums payable at fixed times to be treated as calls**

The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

**31. Payment of call in advance**

The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

**32. 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 share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

### **FORFEITURE OF SHARES**

**33. If call or installment not paid, notice may be given**

If a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.

**34. Evidence action by Company against shareholders**

On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors 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 matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

**35. Form of Notice**

The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

**36. If notice not complied with, shares may be forfeited**

If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

**37. Notice after 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 shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

**38. Boards' right to dispose of forfeited shares or cancellation of forfeiture**

A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

**39. Liability after forfeiture**

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

**40. Effect of forfeiture**

The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

**41. Evidence of forfeiture**

A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any ) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

**42. Non-payment of sums payable at fixed times**

The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

**43. Validity of such sales**

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. 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 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.

## **TRANSFER AND TRANSMISSION OF SHARES**

### **44. Transfer**

- a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.
- b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.

- c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.
- e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.
- f. Nothing in this Article shall prejudice any power of the Board to refuse to register the transfer of any shares to a transferee, whether a member or not.
- g. "Nothing contained in this article shall apply to transfer of shares effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository."

### **45. Form of transfer**

Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act and statutory modification thereof for the time being shall be duly compiled with in respect of all transfer of shares and registration thereof.

No fee shall be charged for registration of transfer, transmission, probate, Succession Certificate and letter of administration, certificate of death or marriage, Power of Attorney or similar other document.

### **46. Board's right to refuse to register**

Notwithstanding anything contained in these Articles, the Board may in its absolute and uncontrolled discretion and without assigning any reasons, decline to register any transfer of shares, in particular and without prejudice to the generally of the above powers, subject to the provisions of Section 58 of the Companies Act, 2013 and Section 22A of the Securities Contract (Regulation) Act, 1956;

1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or
2. Any transfer or transmission of shares on which the Company has a lien
  - a. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
  - b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
  - c. If the Board refuses to register any transfer or transmission of right they shall within two months from the date on which the instrument of transfer or the intimation of such transmission was delivered to the company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
  - d. In case of refusal by the Board, the decision of the Board shall be subject to the right of the appeal conferred by Section 58.
  - e. The provisions of this clause shall apply to transfers of stock also.

**47. Further right of Board of Directors to refuse to register**

- a. The Board may, at its discretion, decline to recognise or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.
- b. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.
- c. Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.
- d. The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to:
  - (i) Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.
  - (ii) Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.
  - (iii) Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than hundred (100) equity shares.
  - (iv) Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.
  - (v) The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.

Provided that where a member is holding shares in lots higher than the transferable limit of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand

in the name of such transferor notwithstanding that the residual holding shall be below hundred (100).

**48. Rights to shares on death of a member for transmission**

- a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares..
- b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.

Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.

Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.

Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.

**49. Rights and liabilities of person**

1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either
  - a. to be registered himself as a holder of the share or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
2. The Board, shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

**50. Notice by such a person of his election**

- a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.

**51. No transfer to infant, etc.**

No transfer shall be made to an infant or a person of unsound mind.

**52. Endorsement of transfer and issue of certificate**

Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.

**53. Custody of transfer**

The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

**54. Register of members**

- a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.

**Closure of Register of members**

- b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

**When instruments of transfer to be retained**

- c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

**Company's right to register transfer by apparent legal owner**

55. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

**ALTERATION OF CAPITAL**

**Alteration and consolidation, sub-division and cancellation of shares**

56. The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:
1. increase its share capital by such amount as it thinks expedient by issuing new shares;
  2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  3. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;
  4. 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 shares from which the reduced share is derived.



5. (a). Cancel shares which, at the date of 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.
- (b). The resolution whereby any share is sub-divided may determined that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.
6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.

#### **Reduction of capital, etc. by Company**

57. The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:
  - a. its share capital;
  - b. any capital redemption reserve account; or
  - c. any share premium account.

#### **SURRENDER OF SHARES**

58. The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

#### **MODIFICATION OF RIGHTS**

##### **Power of modify shares**

59. The rights and privileges attached to each class of shares may be modified, commuted, affected, abrogated in the manner provided in Section 48 of the Act.

#### **SET OFF OF MONEY DUE TO SHAREHOLDERS**

##### **Set-off of moneys due to shareholders**

60. Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.

#### **CONVERSION OF SHARES INTO STOCK**

##### **Conversion of shares**

61. The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

##### **Transfer of stock**

62. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed

the nominal amount of the shares from which the stock arose.

#### **Right of stockholders**

63. The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

#### **Applicability of regulations to stock and stockholders**

64. Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

#### **65. DEMATERIALISATION OF SECURITIES**

##### **a) Definitions**

For the purpose of this Article:

‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository;

‘SEBI’ means the Securities and Exchange Board of India;

‘Depository’ means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

‘Security’ means such security as may be specified by SEBI from time to time.

##### **b) Dematerialisation of securities**

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

##### **c) Options for investors**

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

##### **d) Securities in depositories to be in fungible form**

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

##### **e) 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 purposes of effecting transfer of ownership

of security on behalf of the beneficial owner.

- (ii) Save as otherwise provided in (a) 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 the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

**f) Service of documents**

Notwithstanding anything in the Act or these Articles to the contrary, 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 by delivery of floppies or discs.

**g) Transfer of securities**

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

**h) Allotment of securities dealt with in a depository**

Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

**i) Distinctive numbers of securities held in a depository**

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

**j) Register and Index of Beneficial owners**

The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

**k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository**

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

## **GENERAL MEETINGS**

### **Annual General Meeting**

- 66.** The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.

### **Extraordinary General Meeting**

67. 1. Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.

### **Right to summon Extraordinary General Meeting**

2. The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.

### **Extraordinary Meeting by requisition**

68. a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.
- b. The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.
- c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.
- d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.
- e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.

### **Length of notice for calling meeting**

69. A General Meeting of the Company may be called by giving not less than twenty one days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting.

Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

### **Accidental omission to give notice not to invalidate meeting**

70. The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

### **Special business and statement to be annexed**

71. All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of

financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

### **Quorum**

72. The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:
- a) Number of members upto 1000: 5 members personally present
  - b) Number of members 1000-5000: 15 members personally present
  - c) Number of members more than 5000: 30 members personally present

### **If quorum not present, when meeting to be dissolved and when to be adjourned**

73. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

### **Chairman of General Meeting**

74. The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.

### **When Chairman is absent**

75. If there is no such Chairman, or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.

### **Adjournment of meeting**

76. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

### **Questions at General Meeting how decided**

77. At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

### **Casting vote**

78. In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

### **Taking of poll**

79. If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

### **In what cases poll taken without adjournment**

80. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

### **Votes**

81. a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.
- b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.
- c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.

### **Business may proceed notwithstanding demand for poll**

82. A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

### **Joint holders**

83. In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

### **Member of unsound mind**

84. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.

### **No member entitled to vote while call due to Company**

85. No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

### **Proxies permitted on polls**

86. On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.

### **Instrument of proxy**

87. a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the signature of two Directors or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.
- b. A body corporate (whether a company within the meaning of this Act or not) may:
1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;
  2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.
- c. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.

### **Instrument of proxy to be deposited at the office**

88. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of 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 adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

### **Validity of vote by proxy**

89. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Form of proxy**

90. Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.

### **DIRECTORS**

#### **Number of Directors**

91. Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.

**a) Present Board of Directors**

- (i) MR. SHANKERLAL DEEPCHAND MEHTA
- (ii) MR. BABULAL DEEPCHANDJI MEHTA
- (iii) MR. JAYESH NATVARLAL PITHVA
- (iv) MS. NIKITA RONAK MEHTA
- (v) MR. PRASHANT BHARATKUMAR PATEL
- (vi) MR. KUSHAL KAMLESH BRAHMKSHATRIYA

**b) Same individual may be appointed as Chairperson and Managing Director / Chief Executive Officer**

The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive of the Company.

92. Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.

#### **Qualification of Directors**

93. Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.

#### **Director's remuneration**

94. **a.** Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.
- b.** Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.
- c.** Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub-clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in



accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.

- d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.

#### **Directors may act notwithstanding vacancy**

95. The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 121 below:

#### **Chairman of the Board**

96. The Board may from time to time appoint any Director to be the Chairman of the Board. The Chairman of the Board shall be subject to the same provisions as to resignation and removal as the other Directors, and he ipso facto, and immediately ceases to be the Chairman if he ceases to hold the office of Director for any cause.

#### **Casual vacancy**

97. If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

#### **VACATION OF OFFICE BY DIRECTORS**

98. The office of a Director shall be vacated if:
- he is found to be unsound mind by a Court of competent jurisdiction;
  - he applies to be adjudicated as an insolvent;
  - he is an undischarged insolvent;
  - he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
  - he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
  - an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
  - he has not complied with Subsection (3) of Section 152
  - he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.
  - he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;
  - he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.
  - he becomes disqualified by an order of a court or the Tribunal
  - he is removed in pursuance of the provisions of the Act,
  - having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:

1. for thirty days from the date of the adjudication, sentence or order;
2. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
3. where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

#### **Alternate Directors**

99. (a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause “the Original Director” during his absence for a period of not less than 3 months from India.
- (b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

#### **Independent Directors**

- (c) (i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.
- (ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall not be liable to retire by rotation.

#### **Women Director**

- (d) The Directors shall appoint at least one women director as per the requirements of section 149 of the Act.

#### **Key Managerial Personnel**

- (e) Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- (iii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.

#### **Additional Directors**

100. The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 93 above. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company.

### **Proportion of retirement by rotation**

101. The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.

### **Debenture**

102. Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

### **Corporation/Nominee Director**

103. a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company the any finance corporation or credit corporation or body, (herein after in this Article referred to as “The Corporation”) out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or installments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (which Director or Directors is/are hereinafter referred to as “Nominee Director(s)”) on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).
- b. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s.

The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

- c. The Corporation may at any time and from time to time remove any such Corporation 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 a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 93.

#### **Disclosure of interest of Directors**

- 104. a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.

Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.

- b. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.

#### **Rights of Directors**

- 105. Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.

#### **Directors to comply with Section 184**

- 106. Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.

#### **Directors power of contract with Company**

- 107. Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.

#### **ROTATION OF DIRECTORS**

### **Rotation and retirement of Directors**

108. At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.

### **Retiring Directors eligible for re-election**

109. A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.

### **Which Directors to retire**

110. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

### **Retiring Directors to remain in office till successors are appointed**

111. Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint 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, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.

### **Power of General Meeting to increase or reduce number of Directors**

112. Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.

### **Power to remove Directors by ordinary resolution**

113. Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.

### **Rights of persons other than retiring Directors to stand for Directorships**

114. Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution".

### **Register of Directors and KMP and their shareholding**

115. The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.

**Business to be carried on**

116. The business of the Company shall be carried on by the Board of Directors.

**Meeting of the Board**

117. The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.

**Director may summon meeting**

118. A Director may at any time request the Secretary to convene a meeting of the Directors and seven days notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.

**Question how decided**

119. a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
- b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.

**Right of continuing Directors when there is no quorum**

120. The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.

**Quorum**

121. The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

**Election of Chairman to the Board**

122. If no person has been appointed as Chairman or Vice Chairman under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.

**Chairman Emeritus**

- 123.** A.
- 1) The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company.
  - 2) The Chairman Emeritus shall hold office until he resigns his office or a special resolution to that effect is passed by the members in a general meeting.
  - 3) The Chairman Emeritus may attend any meetings of the Board or Committee thereof but shall not have any right to vote and shall not be deemed to be a party to any decision of the Board or Committee thereof.
  - 4) The Chairman Emeritus shall not be deemed to be a director for any purposes of the Act or any other statute or rules made there under or these Articles including for the purpose of determining the maximum number of Directors which the Company can appoint.
  - 5) The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.
  - 6) If at any time the Chairman Emeritus is appointed as a Director of the Company, he may, at his discretion, retain the title of the Chairman Emeritus.”

#### **Power to appoint Committees and to delegate**

- 7)
  - a. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.

#### **Delegation of powers**

- b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement.
  - c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.

#### **Proceedings of Committee**

- 124.** The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last proceeding Article.

#### **Election of Chairman of the Committee**

- 125.**
- a. The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.
  - b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.

#### **Question how determined**

126. a. A Committee may meet and adjourn as it thinks proper.
- b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

**Acts done by Board or Committee valid, notwithstanding defective appointment, etc.**

127. All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.

**Resolution by circulation**

128. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may be) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

**POWERS AND DUTIES OF DIRECTORS**

**General powers of Company vested in Directors**

129. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

**Attorney of the Company**

130. The Board may appoint at any time and from time to time by a power of attorney under the signature of two Directors of the Company, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

**Power to authorise sub delegation**

131. The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.

**Directors' duty to comply with the provisions of the Act**



132. The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.

**Special power of Directors**

133. In furtherance of and without prejudice to the general powers conferred by or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.

**To acquire and dispose of property and rights**

134. a) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.

**To pay for property in debentures, etc.**

- b) At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

**To secure contracts by mortgages**

- c) To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.

**To appoint officers, etc.**

- d) To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.
- e) 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 payments or satisfaction of any dues and of any claims or demands by or against the Company.

**To refer to arbitration**

- f) To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.

**To give receipt**

- g) To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.

**To act in matters of bankrupts and insolvents**

- h) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

**To give security by way of indemnity**

- i) To execute in the name and on behalf of the Company in favour 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 they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

**To give commission**

- j) To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.

**To make contracts etc.**

- k) To enter into 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 consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

**To make bye-laws**

- l) From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.

**To set aside profits for provided fund**

- m) Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.

**To make and alter rules**

- n) To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.
- o) And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.

**Managing Director**

135. a. Subject to the provisions of Section 196, 197, 2(94), 203 of the Act, the following provisions shall apply:
- b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.
- c. The remuneration payable to a Managing Director shall be determined by the Board of Directors

subject to the sanction of the Company in General Meeting and of the Central Government, if required.

- d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.
- e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.
- f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article 135 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

#### **Whole-time Director**

- 136.** 1. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole-time Director or Whole time Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.
2. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.

#### **Secretary**

- 137.** The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.

#### **Powers as to commencement of business**

- 138.** Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business 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.

#### **Delegation of power**

139. Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.

## **BORROWING**

### **Borrowing Powers**

140. a. The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.
- b. Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient.

### **Assignment of debentures**

141. Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

### **Terms of debenture issue**

142. a. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
- b. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed,

bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.

- c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or "Debenture Director" shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.
- d. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.
- e. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.

#### **Charge on uncalled capital**

143. Any uncalled capital of the Company may be included in or charged by mortgage or other security.

#### **Subsequent assignees of uncalled capital**

144. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.

#### **Charge in favour of Director of indemnity**

145. If the Directors or any of them or any other person 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 to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

#### **Powers to be exercised by Board only at meeting**

146. a. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.
- (a) to make calls on shareholders in respect of money unpaid on their shares;
  - (b) to authorise buy-back of securities under section 68;
  - (c) to issue securities, including debentures, whether in or outside India;
  - (d) to borrow monies;
  - (e) to invest the funds of the company;
  - (f) to grant loans or give guarantee or provide security in respect of loans;

- (g) to approve financial statement and the Board's report;
  - (h) to diversify the business of the company;
  - (i) to approve amalgamation, merger or reconstruction;
  - (j) to take over a company or acquire a controlling or substantial stake in another company;
  - (k) to make political contributions;
  - (l) to appoint or remove key managerial personnel (KMP);
  - (m) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
  - (n) to appoint internal auditors and secretarial auditor;
  - (o) to take note of the disclosure of director's interest and shareholding;
  - (p) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
  - (q) to invite or accept or renew public deposits and related matters;
  - (r) to review or change the terms and conditions of public deposit;
  - (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.
  - (t) such other business as may be prescribed by the Act.
- b. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.
  - c. Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.
  - d. Every resolution delegating the power referred to in Sub-clause e shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate.
  - e. Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.

#### **Register of mortgage to be kept**

- 147.** The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.

#### **Register of holders of debentures**

- 148.** Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.

#### **Inspection of copies of and Register of Mortgages**

- 149.** The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.

#### **Supplying copies of register of holder of debentures**

150. The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.

**Right of holders of debentures as to Financial Statements**

151. Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.

**Minutes**

152. a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.
- b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

**Managing Director's power to be exercised severally**

153. All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.

**MANAGER**

154. Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.

**DIVIDENDS AND RESERVES**

**Rights to Dividend**

155. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

**Declaration of Dividends**

156. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

**What to be deemed net profits**

157. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

**Interim Dividend**

158. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

**Dividends to be paid out of profits only**

159. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

#### **Reserve Funds**

160. a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.

#### **Method of payment of dividend**

161. a. Subject to the rights of persons, if any, entitled to share 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.
- b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.
- c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

#### **Deduction of arrears**

162. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.

#### **Adjustment of dividend against call**

163. Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.

#### **Payment by cheque or warrant**

164. a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.
- b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.

#### **Retention in certain cases**



- 165.** The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.

**Receipt of joint holders**

- A. Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:
- a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
  - b) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act”.

**Deduction of arrears**

- 166.** Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.

**Notice of Dividends**

- 167.** Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

**Dividend not to bear interest**

- 168.** No dividend shall bear interest against the Company.

**Unclaimed Dividend**

- 169.** No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.

**Transfer of share not to pass prior Dividend**

- 170.** Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

**CAPITALISATION OF PROFITS**

- 171.** a. The Company in General Meeting, may on the recommendation of the Board, resolve:
- 1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and
  - 2. that such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

- b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Subclause (3) either in or towards:
  - 1. paying up any amount for the time being unpaid on any share held by such members respectively;
  - 2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or
  - 3. partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).
- c. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- d. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

#### **Powers of Directors for declaration of Bonus**

- 172. a. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
  - 1. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and
  - 2. generally do all acts and things required to give effect thereto.
- b. The Board shall have full power:
  - 1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;
  - 2. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.
- c. Any agreement made under such authority shall be effective and binding on all such members.

### **ACCOUNTS**

#### **Books of account to be kept**

- 173. a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.
- b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.
- c. The books of accounts shall be open to inspection by any Director during business hours.

#### **Where books of account to be kept**

- 174. The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.

#### **Inspection by members**

175. The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and 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 inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.

#### **Statement of account to be furnished to General Meeting**

176. The Board shall lay before such Annual General Meeting , financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.

#### **Financial Statements**

177. Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

#### **Authentication of Financial Statements**

178. a. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.
- b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

#### **Auditors Report to be annexed**

179. The Auditor's Report shall be attached to the financial statements.

#### **Board's Report to be attached to Financial Statements**

180. a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by **the** Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.
- b. 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 its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.
- c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.
- d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.
- e. 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) to (e) of this Article are complied with.

#### **Right of member to copies of Financial Statements**

- 181.** The Company shall comply with the requirements of Section 136.

#### **ANNUAL RETURNS**

- 182.** The Company shall make the requisite annual return in accordance with Section 92 of the Act.

#### **AUDIT**

##### **Accounts to be audited**

- 183.**
- a. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
  - b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.
  - c. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.
  - d. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.
  - e. The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.
  - f. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and

2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.
- g. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- h. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.

- i. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- j. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.

#### **Audit of Branch Offices**

- 184.** The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

#### **Remuneration of Auditors**

- 185.** The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.

#### **Rights and duties of Auditors**

- 186.**
- a. Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.
  - b. All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
  - c. The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:
    - 1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and
    - 2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.
  - d. The Auditor's Report shall also state:
    - (a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;
    - (b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
    - (c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;
    - (d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
    - (e) whether, in his opinion, the financial statements comply with the accounting standards;

- (f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
  - (g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;
  - (h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
  - (i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
  - (j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;
  - (k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - (l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
- e. Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.
- f. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

#### **Accounts whether audited and approved to be conclusive**

- 187.** Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.

#### **Service of documents on the Company**

- 188.** A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

#### **How documents to be served to members**

- 189.**
- a. A document (which expression for this purpose shall be deemed to included and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.
  - b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.
  - c. Where a document is sent by post:

- a) service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;
- b) in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and
- c) in any other case, at the time at which the letter should be delivered in the ordinary course of post.

#### **Members to notify address in India**

- 190.** Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

#### **Service on members having no registered address in India**

- 191.** If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

#### **Service on persons acquiring shares on death or insolvency of members**

- 192.** A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

#### **Notice valid though member deceased**

- 193.** Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.

#### **Persons entitled to Notice of General Meeting**

- 194.** Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;
- a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
  - b) the auditor or auditors of the company; and
  - c) every director of the company.

Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other

person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

#### **Advertisement**

- 195.** a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.
- b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.

#### **Transference, etc. bound by prior notices**

- 196.** Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.

#### **How notice to be signed**

- 197.** Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

### **AUTHENTICATION OF DOCUMENTS**

#### **Authentication of document and proceeding**

- 198.** Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.

### **WINDING UP**

- 199.** Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

#### **Division of assets of the Company in specie among members**

- 200.** If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and 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 liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves 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 liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

### **INDEMNITY AND RESPONSIBILITY**



### **Directors' and others' right to indemnity**

- 201.** a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.
- b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurrable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.
- 202.** Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.

### **SECURITY CLAUSE**

- 203.** a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
- b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

### **REGISTERS, INSPECTION AND COPIES THEREOF**

- 204.** a. Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days notice to the company

about his intention to do so.

- b. Any, Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

#### **BUY-BACK OF SHARES**

- 205.** Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **GENERAL AUTHORITY**

Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Offer Closing Date.

#### A. Material Contracts

1. Offer Agreement dated December 10, 2024 entered into between our Company, the Selling Shareholder and the BRLM.
2. Registrar Agreement dated December 10, 2024 entered into between our Company, the Selling Shareholder and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into between our Company, the Selling Shareholder, the BRLM, the Syndicate Members, Banker(s) to the Offer and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] entered into among the Selling Shareholder, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into between the BRLM, members of the Syndicate, our Company, the Selling Shareholder and the Registrar to the Offer.
6. Monitoring Agency Agreement dated [●] entered into between the Company and the Monitoring Agency.
7. Underwriting Agreement dated [●] entered into between our Company, the Selling Shareholder, the Registrar and the Underwriters.
8. Tripartite Agreement dated July 16, 2010 between CDSL, our Company and the Registrar to the Offer.
9. Tripartite Agreement dated July 14, 2010 between NSDL, our Company and the Registrar to the Offer.

#### B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated April 2, 1991.
3. Fresh certificate of incorporation dated June 18, 2007 issued to our Company by RoC pursuant to conversion of the Company from private company to public company and change of name of our Company from 'Rajputana Steels Castings Private Limited' to 'Rajputana Steels Castings Limited'.
4. Fresh certificate of incorporation dated July 12, 2007 issued to our Company by RoC pursuant change in name of the Company from 'Rajputana Steels Castings Limited' to 'Rajputana Stainless Limited'.
5. Resolution of the Board of Directors dated December 3, 2024 authorising the Offer and other related matters.
6. Shareholders' Resolution passed at the Extra-ordinary General Meeting of the Company held on December 5, 2024 authorising the Offer and other related matters.
7. Resolution of our Board of Directors dated December 3, 2024, taking on record the approval for the Offer for Sale by the Selling Shareholder.
8. Consent letters dated December 2, 2024 from the Selling Shareholder consenting to participate in the Offer for Sale.
9. Resolution of the Board dated December 30, 2024 approving this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.
10. Copies of annual reports of our Company for the last three Fiscals, i.e., 2024, 2023 and 2022.
11. Independent Auditor's Report dated December 11, 2024 issued by our Statutory Auditors included in this Draft Red Herring Prospectus.
12. Statement of possible Special Tax Benefits dated December 28, 2024 issued by our Statutory Auditors included in this Draft Red Herring Prospectus.
13. Certificate on Key Performance Indicators (KPIs) dated December 29, 2024, from M/s. Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors.
14. Certificate on Capitalization Statement dated December 27, 2024, from M/s Ruparel & Bavadiya,

- Chartered Accountants, Statutory Auditors
15. Certificate on Weighted Average Price And Cost Of Acquisition Of Equity Shares By The Promoter dated December 28, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  16. Certificate on Related Party Transactions dated December 28, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  17. Certificate on Outstanding Dues to Creditors dated December 27, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  18. Certificate on Financial Indebtedness dated December 27, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  19. Certificate on Defaults And Non (Statutory Dues & Contingent Liabilities) dated December 29, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  20. Certificate on Objects Of The Issue dated December 30, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  21. Certificate on Tax Litigations dated December 29, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  22. Certificate on Weighted Price Primary And Secondary Issuance dated December 29, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  23. Certificate on Eligibility For The Issue From Auditor dated December 28, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  24. Certificate on Loan Repayment dated December 30, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  25. Certificate on Contingent Liability dated December 29, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  26. Certificate on Working Capital Requirements dated December 30, 2024, from M/s Ruparel & Bavadiya, Chartered Accountants, Statutory Auditors
  27. Consents of our Directors, Chief Financial Officer, Company Secretary and Compliance Officer, BRLM, Legal Counsel to the Offer, Statutory Auditor and Peer Reviewed Auditor, Registrar to the Offer, Bankers to the Offer, Bankers to our Company, Underwriters and Syndicate Members as referred to in their specific capacities.
  28. Consent of the Statutory Auditors dated December 27, 2024 to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and referred to as an “expert” as defined under Section 2(38) of the Companies Act to the extent and in their capacity as the Statutory Auditor, and for inclusion of their examination report dated December 11, 2024 on examination of our Restated Financial Statements and the statement of possible special tax benefits dated December 29, 2024 in the form and context in which it appears in this Draft Red Herring Prospectus.
  29. Consent letter dated December 24, 2024 from D&B India to use their report titled "*Industry Report On Indian Stainless Steel*".
  30. Industry report entitled "*Industry Report On Indian Stainless Steel*" dated December 24, 2024 commissioned and paid for by our Company, issued by D&B India.
  31. The TEV Report entitled "*Techno Economic Viability Report*" dated December 28, 2024.
  32. Certificate dated December 29, 2024 from M/s. Ruparel & Bavadiya, Chartered Accountants, to include details regarding working capital requirements of the Company.
  33. Due diligence Certificate dated December 30, 2024 addressed to SEBI issued by the BRLM.
  34. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
  35. SEBI observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules or guidelines or regulations issued by the Government of India and the rules or guidelines or regulations issued by the Securities and Exchange Board of India, 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, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, Securities and Exchange Board of India Act, 1992 or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

---

**Shankarlal Deepchand Mehta**  
*Chairman and Managing Director*  
**DIN:** 02656381

**Date:** December 30, 2024

**Place:** Kalol, Gujarat

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules or guidelines or regulations issued by the Government of India and the rules or guidelines or regulations issued by the Securities and Exchange Board of India, 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, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, Securities and Exchange Board of India Act, 1992 or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

---

**Babulal D. Mehta**  
*Whole-time Director*  
**DIN:** 02656396

**Date:** December 30, 2024  
**Place:** Kalol, Gujarat

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules or guidelines or regulations issued by the Government of India and the rules or guidelines or regulations issued by the Securities and Exchange Board of India, 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, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, Securities and Exchange Board of India Act, 1992 or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

---

**Jayesh Natvarlal Pithva**

*Executive Director*

**DIN:** 01531196

**Date:** December 30, 2024

**Place:** Kalol, Gujarat

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules or guidelines or regulations issued by the Government of India and the rules or guidelines or regulations issued by the Securities and Exchange Board of India, 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, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, Securities and Exchange Board of India Act, 1992 or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

---

**Kushal Kamlesh Brahmshatriya**

*Independent Director*

**DIN:** 06558832

**Date:** December 30, 2024

**Place:** Ahmedabad, Gujarat



## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules or guidelines or regulations issued by the Government of India and the rules or guidelines or regulations issued by the Securities and Exchange Board of India, 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, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, Securities and Exchange Board of India Act, 1992 or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

---

**Nikita Ronak Mehta**

*Independent Director*

**DIN:** 10625486

**Date:** December 30, 2024

**Place:** Ahmedabad, Gujarat

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules or guidelines or regulations issued by the Government of India and the rules or guidelines or regulations issued by the Securities and Exchange Board of India, 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, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, Securities and Exchange Board of India Act, 1992 or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

---

**Prashant B. Patel**  
*Independent Director*  
**DIN:** 03633382

**Date:** December 30, 2024  
**Place:** Ahmedabad, Gujarat

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules or guidelines or regulations issued by the Government of India and the rules or guidelines or regulations issued by the Securities and Exchange Board of India, 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, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, Securities and Exchange Board of India Act, 1992 or the rules framed or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

---

**Ambrish Bedade**  
*Chief Financial Officer*

**Date:** December 30, 2024

**Place:** Kalol, Gujarat

## **DECLARATION BY SHANKARLAL DEEPCHAND MEHTA AS A SELLING SHAREHOLDER**

I, Shankarlal Deepchand Mehta, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as the Selling Shareholder and the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

---

**Shankarlal Deepchand Mehta**

*Selling Shareholder*

**Date:** December 30, 2024

**Place:** Kalol, Gujarat