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**KARBONSTEEL ENGINEERING LIMITED**  
CIN: U74120MH2011PLC216558

**DRAFT RED HERRING PROSPECTUS**

Dated: March 27, 2025

Please read Section 26 and 32 of the

Companies Act, 2013

(This Draft Red Herring Prospectus will be

updated upon filing with the ROC)

100% Book Built Issue

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
B-8; Ratnadeep Cosmopolitan Chs Ltd, 140-141 S.V. Road, Nr. Shoppers Stop, Andheri (W), Mumbai, Maharashtra, India-400058.	Jankhana Vasanji Gala (Company Secretary & Compliance Officer)	<b>E-mail:</b> <a href="mailto:info@karbonsteel.com">info@karbonsteel.com</a> <b>Tel No:</b> +91-22-61872821	<b>Website:</b> <a href="https://www.karbonsteel.com/">https://www.karbonsteel.com/</a>

<b>PROMOTERS OF THE COMPANY</b>	Shrenik Kirit Shah and Mittal Shrenik Shah
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DETAILS OF THE OFFER TO PUBLIC/PROMOTER SELLING SHAREHOLDERS				
Type	Fresh Issue Size (in ₹ Lakhs)	OFS Size (By no. of Shares or by Amount in ₹)	Total Offer Size (in ₹ Lakhs)	Eligibility
Fresh Issue & OFS	Up to 30,40,000 Equity Shares aggregating to ₹ [●]Lakhs	Up to 6,90,000 Equity Shares aggregating to ₹ [●]Lakhs	Up to 37,30,000 Equity shares aggregating to ₹ [●]Lakhs	This Offer is being made in terms of regulation 229(2) and 253(1) of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.

DETAILS OF OFFER FOR SALE			
Name of selling shareholder	Category of shareholder	No. of shares offered	Weighted average cost of acquisition (in Rs. per equity share)
Shrenik Kirit Shah	Promoter	4,14,000 Equity Shares aggregating up to ₹ [●] Lakhs.	Nil
Mittal Shrenik Shah	Promoter	2,76,000 Equity Shares aggregating up to ₹ [●] Lakhs.	Nil

As certified by the Rao & Shyam, Chartered Accountants pursuant to their certificate dated March 21, 2025.

RISK IN RELATION TO THE FIRST OFFER
This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under <b>"Basis for Offer Price"</b> on page 100 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the 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 issued 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section <b>"Risk Factors"</b> beginning on page 25 of this Draft Red Herring Prospectus.

ISSUER & PROMOTER SELLING SHAREHOLDERS ABSOLUTE RESPONSIBILITY
The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the 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. Further, the Promoter Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Promoter Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Promoter Selling Shareholder assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Promoter Selling Shareholder, in this Draft Red Herring Prospectus.

LISTING
The Equity Shares Issued through Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE ("BSE SME"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received "in-principle" approval letter dated [●] from BSE (BSE SME) for using its name in the Offer Document. For the purpose of this Offer, the Designated Stock Exchange will be the BSE Limited ("BSE").

BOOK RUNNING LEAD MANAGER TO THE OFFER		
Name and Logo	Contact Person	Email & Telephone
 Elevate Your Potential Seren Capital Private Limited	Ankit Maheshwari/Akshita Agarwal	<b>Email:</b> <a href="mailto:info@serencapital.in">info@serencapital.in</a> <b>Tel. No.:</b> +91- 22- 46011058

REGISTRAR TO THE OFFER		
Name and Logo	Contact Person	Email & Telephone
 Maashitla Securities Private Limited	Mukul Agrawal	<b>Email:</b> <a href="mailto:investor.po@maashitla.com">investor.po@maashitla.com</a> <b>Tel No.:</b> 011-47581432

BID/OFFER PERIOD		
Anchor Portion Offer Opens/Closes On: [●]*	Bid/Offer Opens On: [●]	Bid/Offer Closes On: [●]**

\*The Company and the Promoter Selling Shareholders may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*Our Company and the Promoter Selling Shareholders may, in consultation with the BRLM, 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.



**KARBONSTEEL ENGINEERING LIMITED**  
CIN: U74120MH2011PLC216558

Our Company was incorporated on April 21, 2011 under the name of "Karbon Steelmart Private Limited", a private limited Company under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by Registrar of Companies, Maharashtra. Further, Pursuant to Special Resolution passed by the shareholders at the Extra-Ordinary General Meeting held on January 15, 2022, the name of our Company was changed from Karbon Steelmart Private Limited" to "Karbonsteel Engineering Private Limited" and a fresh Certificate of Incorporation issued by the Registrar of Companies, Mumbai, Maharashtra, on March 2, 2022. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on May 09, 2024 and the name of our Company was changed from "Karbonsteel Engineering Private Limited" to "Karbonsteel Engineering Limited" vide fresh certificate of incorporation dated June 24, 2024 issued by the Registrar of Companies, Central Processing Centre.

**Registered Office:** B-8; Ratnadeep Cosmopolitan Chs Ltd, 140-141 S.V. Road, Nr. Shoppers Stop, Andheri (W), Mumbai, Maharashtra, India-400058.

**Contact Person:** Jankhana Vasanti Gala, Company Secretary & Compliance Officer

**Tel No:** +91-22-61872821; **E-mail:** [info@karbonsteel.com](mailto:info@karbonsteel.com); **Website:** <https://www.karbonsteel.com/>

**Promoters of our Company:** Shrenik Kirit Shah and Mittal Shrenik Shah

#### DETAILS OF THE OFFER

INITIAL PUBLIC OFFER OF UPTO 37,30,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF KARBONSTEEL ENGINEERING LIMITED ("OUR COMPANY" OR "KEL" OR "THE ISSUER") AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC OFFER") COMPRISING OF A FRESH ISSUE OF UPTO 30,40,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 6,90,000 EQUITY SHARES BY THE PROMOTER SELLING SHAREHOLDERS, SHRENIK KIRIT SHAH AND MITTAL SHRENIK SHAH ("OFFER FOR SALE") AGGREGATING TO ₹ [●] LAKHS, (HEREINAFTER REFERRED AS "PROMOTER SELLING SHAREHOLDERS") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET OFFER". THE PUBLIC OFFER AND NET OFFER WILL CONSTITUTE 26.37% AND [●] % RESPECTIVELY OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND MUMBAI EDITION OF [●]), A REGIONAL NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MUMBAI 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 SME PLATFORM OF BSE ("BSE SME") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE

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

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), the "QIB Portion", provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the 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 QIBs. Further, the SEBI ICDR Regulations read with SEBI ICDR (Amendment) Regulations, 2025, states that not less than 35% of the Net Offer shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders 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 Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of shares in non-institutional investors' category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) (Amendment) Regulations, 2025. All Potential Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self-Certified Syndicate Banks ("SCSBs") or 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, please refer to the chapter titled "Offer Procedure" on page 309 of this Draft Red Herring Prospectus.

#### RISK IN RELATION TO THE FIRST OFFER

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and offer Price determined by our Company, in consultation with the Book Running Lead Managers, 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 Offer Price" on page 100 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this 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 issued 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on 25 of this Draft Red Herring Prospectus.

#### ISSUER & PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the 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. Further, the Promoter Selling Shareholder accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Promoter Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to him and/or his Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Promoter Selling Shareholder assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Promoter Selling Shareholder, in this Draft Red Herring Prospectus.

#### LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE (BSE SME). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received "in-principle" approval letter dated [●] from BSE (BSE SME) for using its name in the Offer Document. For the purpose of this Offer, the Designated Stock Exchange will be the BSE Limited. ("BSE")

#### BOOK RUNNING LEAD MANAGER TO THE OFFER

#### REGISTRAR TO THE OFFER

**SEREN CAPITAL**  
Elevate Your Potential

**Seren Capital Private Limited**  
Office no. 601 to 605, Raylon Arcade, Kondivita, J.B. Nagar, Mumbai, Maharashtra – 400059  
**Tel. No.:** +91-22-46011058  
**Email:** [info@serencapital.in](mailto:info@serencapital.in)  
**Investor Grievance Email:** [investor@serencapital.in](mailto:investor@serencapital.in)  
**Website:** <https://serencapital.in/>  
**Contact Person:** Ankit Maheshwari/Akshita Agarwal  
**SEBI Regn. No.** INM000013156

**Maashitla**  
Securities Private Limited

**Maashitla Securities Private Limited**  
**Address:** 451, Krishna Apra, Business Square, Netaji Subhash Place, Pitampura, Delhi 110034, India.  
**Telephone:** 011-47581432  
**Email:** [investor.ipo@maashitla.com](mailto:investor.ipo@maashitla.com)  
**Investor Grievance Email:** [investor.ipo@maashitla.com](mailto:investor.ipo@maashitla.com)  
**Website:** [www.maashitla.com](http://www.maashitla.com)  
**Contact Person:** Mukul Agrawal  
**SEBI Registration Number:** INR000004370

#### OFFER PROGRAMME

**ANCHOR PORTION OFFER OPENS/CLOSES ON:** [●]\*

**BID/OFFER OPENS ON:** [●]

**BID/OFFER CLOSES ON:** [●]\*\*

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be 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 one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

## TABLE OF CONTENTS

SECTION	CONTENTS	PAGE NO.
<b>I.</b>	<b>GENERAL</b>	
	DEFINITIONS AND ABBREVIATIONS	1
	CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION	15
	FORWARD LOOKING STATEMENTS	17
<b>II.</b>	<b>SUMMARY OF DRAFT RED HERRING PROSPECTUS</b>	18
<b>III.</b>	<b>RISK FACTORS</b>	25
<b>IV.</b>	<b>INTRODUCTION</b>	
	THE OFFER	51
	SUMMARY OF OUR FINANCIAL STATEMENTS	54
	GENERAL INFORMATION	58
	CAPITAL STRUCTURE	69
	OBJECTS OF THE OFFER	85
	BASIS FOR OFFER PRICE	100
	STATEMENT OF SPECIAL TAX BENEFITS	106
<b>V.</b>	<b>ABOUT THE COMPANY</b>	
	INDUSTRY OVERVIEW	109
	OUR BUSINESS	147
	KEY INDUSTRIAL REGULATIONS AND POLICIES	164
	HISTORY AND CORPORATE STRUCTURE	179
	OUR MANAGEMENT	182
	OUR PROMOTERS & PROMOTER GROUP	197
	DIVIDEND POLICY	201
<b>VI.</b>	<b>FINANCIAL INFORMATION OF THE COMPANY</b>	
	RESTATED FINANCIAL STATEMENTS	202
	OTHER FINANCIAL INFORMATION	258
	STATEMENT OF FINANCIAL INDEBTEDNESS	259
	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	266
	CAPITALISATION STATEMENT	274
<b>VII.</b>	<b>LEGAL AND OTHER INFORMATION</b>	
	OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	275
	GOVERNMENT AND OTHER STATUTORY APPROVALS	280
	OUR GROUP COMPANIES	286
	OTHER REGULATORY AND STATUTORY DISCLOSURES	287
<b>VIII.</b>	<b>OFFER RELATED INFORMATION</b>	
	TERMS OF THE OFFER	298
	OFFER STRUCTURE	305
	OFFER PROCEDURE	309
	RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	337
<b>IX.</b>	<b>MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY</b>	339
<b>X.</b>	<b>OTHER INFORMATION</b>	
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	368
	DECLARATION	369

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted 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 meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 106, 202 and 339 respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

<b>Terms</b>	<b>Description</b>
“KEL”, “the Company”, “our Company”, “Issuer” or “Karbonsteel Engineering Limited”	Karbonsteel Engineering Limited, a Company incorporated in India under the Companies Act, 1956, having its Registered office at B-8, Ratnadeep Cosmopolitan CHS Ltd, 140-141 S.V. Road, Nr. Shoppers Stop, Andheri (W), Mumbai, Maharashtra, India-400058.
“we”, “us” or “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Offer.

#### Company related terms

<b>Term</b>	<b>Description</b>
AOA/ Articles/ Articles of Association	The articles of association of our Company, as amended.
Audit Committee	Audit Committee of our Company as described in the chapter titled “ <b>Our Management</b> ” beginning on page 182 of this Draft Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. Rao & Shyam., (Firm Registration No. as 006186S).
Bankers to our Company	HDFC Bank.
Board of Directors/ the Board/ our Board	The board of directors of our Company, as constituted from time to time. For further details of our Directors, please refer to section titled “ <b>Our Management</b> ” beginning on page 182 of this Draft Red Herring Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Ganesh Shripati Bhandary.
CIN	Corporate Identification Number in this case U74120MH2011PLC216558.
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being CS Jankhana VasANJI Gala.
CSR Committee/ Corporate Social Responsibility Committee	CSR Committee of our Company as described in the chapter titled “ <b>Our Management</b> ” beginning on page 182 of this Draft Red Herring Prospectus.
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified. For details of our directors, see “ <b>Our Management</b> ” on page 182 of this Draft Red Herring Prospectus.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
DP ID	Depository’s Participant’s Identity Number.
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of the Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.

<b>Term</b>	<b>Description</b>
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
Group Companies	Our group companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as set out in section titled <b>“Our Group Companies”</b> on page 286.
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see <b>“Our Management”</b> on page 182 of this Draft Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE0V8A01016.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page 182 of this Draft Red Herring Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Karbonsteel Engineering Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Shrenik Kirit Shah.
Materiality Policy	The policy adopted by our Board on February 01, 2025 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled <b>“Our Management”</b> beginning on page 182 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Promoter(s)	Shall mean promoters of our Company i.e. Shrenik Kirit Shah and Mittal Shrenik Shah. For further details, please refer to section titled <b>“Our Promoters &amp; Promoter Group”</b> beginning on page 197 of this Draft Red Herring Prospectus.
Promoter Group	Includes such Persons and companies constituting our Promoter Group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>“Our Promoters and Promoter Group”</b> beginning on page 197 of this Draft Red Herring Prospectus.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at B-8, Ratnadeep Cosmopolitan CHS Ltd, 140-141, S.V. Road, Nr. Shoppers Stop, Andheri (W), Mumbai, Maharashtra, India-400058.
Reserve Bank of India/ RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information/ Statements	The Restated Financial statements of our Company comprising of the Restated Statement of Assets and Liabilities as at September 30,2024, and Financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statement of Profit & Loss as at September 30,2024, and Financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022,and the Restated Cash Flows Statements at September 30,2024, and Financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Unless specified otherwise refers to ROC Maharashtra, situated at 100, Everest, Marine Drive Mumbai-400002.
Selling Shareholder (s)	Shall mean Selling shareholders/ Promoter selling shareholders of our Company i.e. Shrenik Kirit Shah and Mittal Shrenik Shah. For further details, please refer to section titled <b>“Our Promoters &amp; Promoter Group”</b> beginning on page 197 of this Draft Red Herring Prospectus.
Stakeholders’ Relationship Committee	Stakeholders’ relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled <b>“Our Management”</b> beginning on page 182 of this Draft Red Herring Prospectus .
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited
Shareholders	Shareholders of our Company from time to time.

Term	Description
Subscriber to MOA	Initial Subscribers to MOA & AOA being Kirit Shantilal Shah and Jitendra Shantilal Shah.

### Offer Related Terms

Terms	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	A successful applicant to whom the Equity Shares are allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI (ICDR) Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Offer Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Anchor Investor Bid/ Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the 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 Book Running Lead Managers.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI (ICDR) Regulations.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by an individual investors who applies for minimum application size, linked to a UPI ID, which will be blocked in relation to a Bid by a individual investors who applies for minimum application size Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
ASBA Applicant/ ASBA Investor	Any prospective investor(s)/applicants(s) in this Offer who apply (ies) through the ASBA process in terms of the Prospectus.
Banker to the Offer Agreement	Agreement dated [●] entered into amongst the Company, Selling Shareholders, Lead Manager, the Registrar, Sponsor Bank and the Banker to the Offer.
Bankers to the Offer / Public Offer Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Offer and with whom the Public Offer Account will be opened, in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the Offer and which is described in the chapter titled “ <i>Offer Procedure</i> ” beginning on page 309 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor

<b>Terms</b>	<b>Description</b>
	Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of individual investors who applies for minimum application size Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such individual investors who applies for minimum application size and mentioned in the Bid cum Application Form and payable by the individual investors who applies for minimum application size or blocked in the ASBA Account upon submission of the Bid in the Offer.
Bid Lot	[●] equity shares of face value of Rs. 10 each and in multiples of [●] equity shares of face value of Rs. 10 each thereafter.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Mumbai Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Mumbai Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Offer closing Date also to be notified on the website and terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Offer Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date or the QIB Bid/ Offer Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Offer Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidders /First Bidder/Applicant	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Bidding	The process of making a Bid.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Offer in this case being Seren Capital Private Limited, SEBI Registered Category-I Merchant Banker.
Broker Centres	Broker Centres notified by the Stock Exchanges, where the investors can submit the Bid-cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
BSE SME	SME Platform of BSE Limited.
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Offer Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account.
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.

<b>Terms</b>	<b>Description</b>
Collecting Registrar and Share Transfer Agent	Registrar to an Offer and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Offer and the Stock Exchange.
Cut Off Price	The Offer Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only individual investors who applies for minimum application size are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
D&B	Dun & Bradstreet Information Services India Private Limited
D&B Report	Industry Research Report on Structural Steel dated March 21, 2025, prepared by D&B, appointed by our Company on December 16, 2024, exclusively commissioned and paid for by our Company in connection with the Issue.
Demographic Details	The demographic details of the Bidders such as their Address, PAN, name of the Bidders father/husband, investor status, occupation and Bank Account details.
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Director Identification Number.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Bid-cum-Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a> .
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as applicable, in terms of the Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer.
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an offer and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker	[•]
Designated RTA Locations	Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a> .
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <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> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Ltd. ("SME Exchange") ("BSE SME").
DP ID	Depository's Participant's Identity Number.
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996.
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated March 27, 2025 as being filed with BSE SME.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.



Terms	Description
Floor Price	The lower end of the Price Band, subject to any revision(s) 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.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Fresh Issue	The fresh issue of up to 30,40,000 Equity Shares by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any offer related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Manager.
Individual investors who applies for minimum application size	Individual investors who applies for minimum application size i.e. two lots in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
LLP	Limited Liability Partnership.
Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the Individual Investors who applies for minimum application size by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of face value of ₹10 each at an Offer price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this offer.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares of face value of Rs. 10 each, 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	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of [●] equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the "Offer Price"), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The Offer Proceeds received from the fresh Offer excluding Offer related expenses. For further information on the use of Offer Proceeds and Offer expenses, please refer to the section titled " <b>Objects of the Offer</b> " beginning on page <b>Error! Bookmark not defined.</b> of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non- Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
Non-Institutional Investors	All Investors (other than QIBs or individual investors who applies for minimum application size), who have Bid for Equity Shares of face value of Rs. 10 each, for more than two lots (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price.
Offer/Public size/Initial Public Offering/ IPO	The Initial Public Offer of up to 37,30,000 Equity shares of face value of Rs. 10/- each at Offer price of Rs. [●]/- per Equity share, including a premium of Rs. [●]/- per equity share aggregating to Rs. [●] lakhs comprising of a Fresh Issue of 30,40,000 Equity Shares and

Terms	Description
	the Offer for Sale of 6,90,000 Equity Shares of face value of Rs. 10 each by Selling Shareholders.
Offer Price	The final price at which the Equity shares will be allotted in terms of the Red Herring Prospectus and the Prospectus, as determined by our company in consultation with BRLM on the Pricing date in accordance with the Book Building process and the Red Herring Prospectus.
Offer Proceeds	Proceeds to be raised by our Company through this Offer, for further details please refer chapter titled <b>“Objects of the Offer”</b> beginning on page 85 of this Draft Red Herring Prospectus.
Offered Shares	Offer of up to 6,90,000 Equity shares aggregating to Rs. [●] lakhs being offered for sale by the promoter selling shareholders in the offer.
Offer Agreement	The Offer Agreement dated March 05, 2025 between our Company, Selling Shareholders and Book Running Lead Manager, Seren Capital Private Limited.
Offer Closing Date	The date on which Offer closes for subscription. In this case being [●].
Offer Opening Date	The date on which Offer opens for subscription. In this case being [●].
Offer Price	The Price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being ₹ [●] per Equity share, as determined by our Company and the Selling Shareholders, in consultation with the BRLM.
Offer Proceeds	Proceeds to be raised by our Company through this Offer, for further details please refer chapter titled <b>“Objects of the Offer”</b> beginning on page 85 of this Draft Red Herring Prospectus.
Offer/ Public Offer/ Offer size/ Initial Public Offer/ Initial Public Offering/ IPO	The Initial Public Offer of up to 37,30,000 Equity shares of face value of ₹ 10/- each at offer price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs comprising the Fresh Issue and the Offer for Sale.
Offer for Sale	The offer for sale component of the Offer, comprising of an offer for sale of up to 6,90,000 Equity Shares of face value of Rs. 10 each at ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs by Selling Shareholders.
Pay-in-Period	The period commencing on the Bid/Offer Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Portion of individual investors who applies for minimum application size	The portion of the Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares of face value of Rs. 10 each, available for allocation to individual investors who applies for minimum application size.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Offer Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Offer Price.
Project Report	Project Report dated March 12, 2025, obtained by our Company from Sameer Rasane, Chartered Engineer, S.N. Rasane & Associates, in respect of the Proposed expansion of facility for structural steel fabrication.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Offer Price, size of the Offer and certain other information.
Public Offer Account	Account to be opened with the Bankers to the Offer to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
QIB Category/ 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 of face value of Rs. 10 each aggregating to ₹ [●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors).
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.

<b>Terms</b>	<b>Description</b>
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Account will be opened, in this case being [●].
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids.
Registrar Agreement	The agreement dated September 13, 2023 entered into between our Company 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 Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar/ Registrar to the Offer/ RTA/ RTI	Registrar to the Offer, in this case being Maashitla Securities Private Limited.
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.
Reservation Portion	The portion of the Offer reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
SCPL	Seren Capital Private Limited.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI (PFUTP) Regulations/ PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.

<b>Terms</b>	<b>Description</b>
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Offer registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <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.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Selling Shareholders	Selling Shareholders being Shrenik Kirit Shah and Mittal Shrenik Shah.
SME Exchange	SME Platform of the BSE i.e. BSE SME.
Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Specified Securities	Equity shares offered through this Draft Red Herring Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the category of individual investors who applies for minimum application size into the UPI.
Sub Syndicate Member	A SEBI Registered member of BSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Offer.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter	The BRLM who has underwritten this Offer pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement [●] entered between the Underwriter, our Company, Selling Shareholders and BRLM.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. 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/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, SEBI circular number 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.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request/ Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI-linked mobile application and by way of an SMS on directing the UPI Bidders to such UPI mobile application) to the UPI Bidders initiated by the Sponsor Bank(s) to authorise blocking of

Terms	Description
	funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues.
UPI PIN	Password to authenticate UPI transaction.
Venture Capital Fund/ VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Offer period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

### **Technical and Industry Related Terms**

Term	Description
AEC	Architecture, Engineering, and Construction
ASTM	American Standards for Testing and Materials
BIM	Building Information Modelling
CAD	Computer-Aided Design
CNC	Computer Numerical Control
CO <sup>2</sup>	Carbon Dioxide Gas
DMISP	Domestically Manufactured Iron & Steel Products
EOT	Extension of Time
EN	European Norm
ERW	Electric Resistance Welded
FOBs	Foot Over Bridge
GFCF	Gross Fixed Capital Formation
GMAW	Gas Metal Arc Welding
GW	Gega Watt
HSLA	High Strength Low Alloy
HSS	Hollow Steel Sections
IS	Indian Standard
LNG	Liquefied Natural Gas
MIG	Metal Inert Gas
MT	Million Tonnes
MW	Mega watt
NDT	Non-destructive testing
PEBs	Pre-Engineered Buildings
PPE	Personal protective equipment
PV	Photovoltaic
RDSO	Research Designs and Standards Organization
ROBs	Road Over Bridges
SAW	Submerged Arc Welding
SMAW	Shielded Metal Arc Welding
UT	ultrasonic testing

### **Conventional terms and Abbreviations**

Abbreviation	Full Form
Rs./ Rupees/ INR/ ₹	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary

<b>Abbreviation</b>	<b>Full Form</b>
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt.	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder.
CA	Chartered Accountant
CAIIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
CPI	Consumer Price Index
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
CY	Calendar Year
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Installment
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account

<b>Abbreviation</b>	<b>Full Form</b>
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
FV	Face Value
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
GoI/Government	Government of India
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
IBC	The Insolvency and Bankruptcy Code, 2016
ICA	Independent Chartered Accountant
ICAI	The Institute of Chartered Accountants of India
ICE	Independent Chartered Engineer
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT	Information Technology
IFRS	International Financial Reporting Standards
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
KMP	Key Managerial Personnel
KPI	Key Performance Indicators
LLB	Bachelor of Law
BRLM	Book Running Lead Manager
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts

<b>Abbreviation</b>	<b>Full Form</b>
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
MAT	Minimum Alternate Tax
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Net worth	The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer.
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PGeMBA	Post Graduate in e- Management and Business Administration Programme
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time



Abbreviation	Full Form
SMP	Senior Management Personnel
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
U.N.	United Nations
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF/ Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Company or person categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorized as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WPI	Wholesale Price Index
WTD	Whole Time Director
w.e.f.	With effect from
-, (₹)	Represent Outflow

### Key Performance Indicators terms

Terms	Description
Revenue from operation	Revenue from sales, service and other operating revenues
EBITDA	Profit before tax + Depreciation + Interest Expenses - Other Income
EBITDA Margin	EBITDA divided by Revenue from Operations
PAT	Profit before tax – Tax Expenses
PAT Margin	PAT for the period/year divided by revenue from operations
Return on Equity	Ratio of Profit after Tax and Average Shareholder Equity
Return on Capital Employed	EBIT divided by capital employed, which is defined as shareholders' equity plus long term borrowings and short-term borrowings

For details, please refer to the section **“Basis for Issue Price – Key Performance Indicators”** on page 103 of the DRHP

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

Notwithstanding the foregoing, terms in **“Main Provisions of the Articles of Association”**, **“Statement of Special Tax Benefits”**, **“Industry Overview”**, **“Regulations and Policies in India”**, **“Financial Information of the Company”**, **“Outstanding Litigations and Material Developments”** and **“Offer Procedure”**, will have the meaning ascribed to such terms in these respective sections.

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

### Certain Conventions

All references in the Draft Red Herring Prospectus to “India” are to the Republic of India. All references in the Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

### Use of Financial Data

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated financial information prepared as at September 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 202 of this Draft Red Herring Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Peer Review Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 202 of this Draft Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 339 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### Use of Industry & Market Data

Unless otherwise indicated or unless the context requires otherwise, industry and market data used in this section have been derived from the industry report titled “Structural Steel, dated March 21, 2025 (“D&B Report”), prepared and issued by Dun & Bradstreet Information Services India Private Limited exclusively for the purpose of this Issue, and commissioned and paid for by our Company. D&B has stated in its consent letter that all information contained in the Report has been obtained or derived from publicly available sources and interaction with industry participants, which they consider as reliable and after exercise of reasonable care and diligence by them. Although reasonable care has been taken to ensure that the information therein is true, such information is provided ‘as is’ without any warranty of any kind, and in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained therein must be construed solely as statements of opinion and not any recommendation for investment.

As such, a blanket, generic use of the derived results or the methodology is not encouraged. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that D&B assumptions are correct or will not change and, accordingly, our position in the market may differ, favorably or unfavorably, from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions. For risks in relation to commissioned reports, see “*Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from industry report commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.*” on page 47 of this DRHP.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “*Basis for Offer Price*” on page 100 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

***Disclaimer of Dun & Bradstreet:***

*This study has been undertaken through extensive secondary research, which involves compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Dun & Bradstreet (“Dun & Bradstreet”) and its assumptions are based on varying levels of quantitative and qualitative analysis including industry journals, company reports and information in the public domain.*

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

*Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. The recipient should conduct its own investigation and analysis of all facts and information contained in this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed.*

*The recipient should conduct its own investigation and analysis of all facts and information contained in this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLM, or any of their respective affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation.

Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section ‘Risk Factors’ on page 25.

Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The extent to which the market and industry data used 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 business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

**Currency of Financial Presentation**

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” on page 5, 147 and 266 respectively of this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Draft Red Herring Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in consumer demand;
3. Failure to successfully upgrade our service portfolio, from time to time;
4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key managements persons and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. general economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company’s ability to successfully implement its growth strategy and expansion plans;
13. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. inability to successfully obtain registrations in a timely manner or at all;
15. occurrence of Environmental Problems & Uninsured Losses;
16. conflicts of interest with affiliated companies, the promoter group and other related parties;
17. any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoter;
19. The performance of the financial markets in India and globally;
20. Global distress due to pandemic, war or by any other reason.

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 5, 147 and 266 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

Neither our Company or our Directors or the Selling Shareholders or our Officers or Book Running Lead Manager or Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Offer.

## SECTION II: SUMMARY OF DRAFT RED HERRING PROSPECTUS

### A. OVERVIEW OF BUSINESS

We are a structural engineering and fabrication company engaged primarily in the design, fabrication and assembly of heavy and precision steel structures, customized to meet clients' requirements across various industrial and infrastructure segments. We have delivered structural engineering and fabrication solutions in diverse sectors including steel plants, railway bridges, oil & gas plants, refineries, chemical plants and other industrial units. Our fabricated structures form an integral part of the construction, expansion or modernization of industrial and infrastructure projects, including industrial plants, high rise buildings, railway bridges and other large-scale developments.

### B. OVERVIEW OF THE INDUSTRY

The Indian steel structural market is growing quickly as the country's economic growth and infrastructure development are rising. Structural Steel form the backbone of construction projects in India, playing a critical role in bridges, highways, railways, buildings, high-rise structures, and industrial facilities. From FY 2022 onwards, steel structural consumption has steadily increased from 7,067 thousand tonnes to 10,221 thousand tons in FY 2024, signaling a recovery in industrial activities. The most significant growth occurred in 2023-24, where consumption surged to 10,221 thousand tonnes recording 24% y-o-y increase in FY 2024 against 16% and 8% growth in the previous two years, respectively. (Source: D&B Report).

### C. PROMOTERS

Shrenik Kirit Shah & Mittal Shrenik Shah are the Promoters of our Company.

### D. DETAILS OF THE OFFER

This offer comprises of a Fresh Issue of up to 30,40,000 Equity Shares of face value of Rs. 10 each aggregating To ₹ [●] Lakhs (The "Fresh Issue") and an offer for sale of up to 6,90,000 equity shares of face value of Rs. 10 each by the promoter selling shareholders, Shrenik Kirit Shah and Mittal Shrenik Shah ("Offer For Sale") Aggregating to ₹ [●] Lakhs, (hereinafter referred as "Promoter Selling Shareholders") out of which [●] equity shares of face value of ₹ 10 each, at an offer price of ₹ [●] per equity share for cash, aggregating ₹ [●] lakhs will be reserved for subscription by the market maker to the offer (the "market maker reservation portion") . The public offer less market maker reservation portion i.e. offer of [●] equity shares of face value of ₹ 10 each, at an offer price of ₹ [●] per equity share for cash, aggregating ₹ [●] lakhs is herein after referred to as the "Net Offer".

### E. OBJECTS OF THE OFFER

Our Company intends to utilize the Proceeds of the Offer to meet the following objects:

S. No.	Particulars	Amount (₹ in Lakhs)
1.	Funding of capital expenditure towards expansion of existing Umbergaon facility through construction of new sheds	1122.18
2.	Repayment of a portion of certain borrowings availed by our Company	307.54
3.	To meet the Working Capital requirements	2300.00
4.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

### F. AGGREGATE PRE-OFFER AND POST OFFER SHAREHOLDING OF OUR PROMOTERS, THE MEMBER OF OUR PROMOTER GROUP AND PROMOTER SELLING SHAREHOLDER

Aggregate Pre-offer and post offer shareholding of our promoter, the member of our Promoter Group and Promoter selling shareholder as on the date of Draft Red Hearing Prospectus is set out below:

Name	Pre Offer		Post Offer**	
	Number of Equity Shares of face value of ₹10 each	Percentage of pre-offer Equity Share capital (%)	Number of Equity Shares of face value of ₹10 each	Percentage of post offer Equity Share capital (%)
<b>Promoters (A)</b>				
Shrenik Kirit Shah*	54,06,240	48.70	[●]	[●]
Mittal Shrenik Shah*	21,06,160	18.98	[●]	[●]
<b>Sub Total (A)</b>	<b>75,12,400</b>	<b>67.68</b>	[●]	[●]

<b>Promoter Group (B)</b>				
Smitaben Kirit Shah	1,99,840	1.80	[●]	[●]
Bhavin Kirit Shah	2,99,760	2.69	[●]	[●]
<b>Sub Total (B)</b>	<b>4,99,600</b>	<b>4.50</b>	[●]	[●]
<b>Total (A) + (B)</b>	<b>80,12,000</b>	<b>72.17</b>	[●]	[●]

\*Also, a Promoter selling shareholder.

\*\*Subject to completion of the Offer and finalization of the Basis of Allotment.

**G. AGGREGATE PRE-OFFER SHAREHOLDING OF OUR PROMOTERS, OUR PROMOTER GROUP AND THE ADDITIONAL TOP 10 SHAREHOLDERS**

The aggregate pre-offer shareholding of our Promoters, our Promoter Group and any other top 10 Shareholders as a percentage of the pre-offer paid-up Equity Share capital of our Company is set out below:

Name	Pre offer		Post-offer shareholding as at Allotment**			
	No. of Equity Shares of face value of ₹10 each	Percentage of pre-offer Equity Share capital (%)	At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
			Number of Equity Shares of face value of ₹10 each	Percentage of post offer Equity Share capital (%)	Number of Equity Shares of face value of ₹10 each	Percentage of post offer Equity Share capital (%)
<b>Promoters (A)</b>						
Shrenik Kirit Shah*	54,06,240	48.70	[●]	[●]	[●]	[●]
Mittal Shrenik Shah*	21,06,160	18.98	[●]	[●]	[●]	[●]
<b>Sub Total (A)</b>	<b>75,12,400</b>	<b>67.68</b>	[●]	[●]	[●]	[●]
<b>Promoter Group (B)</b>						
Smitaben Kirit Shah	1,99,840	1.80	[●]	[●]	[●]	[●]
Bhavin Kirit Shah	2,99,760	2.69	[●]	[●]	[●]	[●]
<b>Sub Total (B)</b>	<b>4,99,600</b>	<b>4.50</b>	[●]	[●]	[●]	[●]
<b>Top 10 shareholders other than the above (C)</b>						
Darshana Satish Thakkar	19,80,000	17.83	[●]	[●]	[●]	[●]
Gunavanth Kumar G HUF	69,000	0.62	[●]	[●]	[●]	[●]
Prakash Chand G HUF	69,000	0.62	[●]	[●]	[●]	[●]
Gothamchand A	69,000	0.62	[●]	[●]	[●]	[●]
Sandeep Bhandari	69,000	0.62	[●]	[●]	[●]	[●]
Ammishi Saarthak Kothaari	63,300	0.57	[●]	[●]	[●]	[●]
Pooja Paras Chheda	63,300	0.57	[●]	[●]	[●]	[●]
Neeta Hemant Ashar	54,000	0.48	[●]	[●]	[●]	[●]
Manish Mittal HUF	47,200	0.42	[●]	[●]	[●]	[●]
Akilandeshwari Selvamurthy	41,300	0.37	[●]	[●]	[●]	[●]
<b>Sub Total (C)</b>	<b>25,25,100</b>	<b>22.74</b>	[●]	[●]	[●]	[●]
<b>TOTAL (A+B+C)</b>	<b>1,05,37,100</b>	<b>94.92</b>	[●]	[●]	[●]	[●]

\*Also, a Promoter selling shareholder.

\*\*Subject to completion of the Offer and finalization of the Basis of Allotment. To be included in the Prospectus.

## H. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the Restated financial statements for the six months period ended September 30, 2024 and financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	(₹ in lakhs)			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Equity Share Capital	555.11	538.46	499.60	499.60
Total Net Worth	5,234.85	4,379.56	2,873.63	2,362.93
Total Income	10,612.01	21,877.30	15,588.79	8,918.85
Profit after tax	613.82	942.49	510.70	189.91
Earnings per Share (based on weighted average number of shares)	5.55	9.42	5.11	1.90
Net Asset Value per Share (based on weighted average number of shares)	47.31	43.78	28.76	23.65
Total Borrowings	7640.16	5983.45	4851.88	4075.08

## I. AUDITOR QUALIFICATIONS NOT GIVEN EFFECT IN THE RESTATED FINANCIAL STATEMENTS

There are no audit qualifications which have not been given effect in the restated financial information.

## J. SUMMARY OF OUTSTANDING LITIGATIONS

Our Company is involved in certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Draft Red Herring Prospectus are as follows:

### Litigations involving the Company:

Nature of Cases	(₹ in lakhs)	
	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal proceedings filed by the Company	4	38.41
<b>Tax proceedings:</b>		
Direct Tax	2	7.67
Indirect Tax	-	-
Other pending material litigation against the Company	3	143.55
<b>Total</b>	<b>9</b>	<b>189.63</b>

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “**Outstanding Litigations and Material Developments**” on page 275 of this Draft Red Herring Prospectus.

## K. RISK FACTORS

For details on the risks involved in our business, please see the Chapter titled “**Risk Factors**” beginning on page 25 of this Draft Red Herring Prospectus.

## L. SUMMARY OF CONTINGENT LIABILITIES

Following is the summary of the Contingent Liabilities and Commitments of the Company:

Particulars	As at September 30, 2024	As at March, 31		
		2024	2023	2022
<b>Contingent liabilities in respect of:</b>				
Guarantees given on Behalf of the Company	135.54	135.54	259.84	59.29
TDS	3.19	0.36	0.64	0.22
<b>Total</b>	<b>138.73</b>	<b>135.90</b>	<b>260.48</b>	<b>59.51</b>

For further details, please refer to Annexure AA - Contingent Liabilities of the chapter titled “**Financial Information of the Company**” on page 250 of this Draft Red Herring Prospectus.

## **M. SUMMARY OF RELATED PARTY TRANSACTIONS**

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the 6 months period ended on September 30, 2024 and financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022:

### **(i) Names of the related party and nature of relationship where control/significant influence exists**

<b>Names of related party</b>	<b>Nature of Relationship</b>
<b>Key Management Personnel &amp; Directors</b>	
Shrenik Kirit Shah	Managing Director
Mittal Shrenik Shah	Whole-time Director
Kirit Shah	Director till date 25/08/2022
Sunil kathariya	Director w.e.f 21/05/2024
Saurabh Bhansali	Director w.e.f 09/07/2024
Mihen Jyotindra Halani	Director w.e.f 09/07/2024
Jankhana Vasanji Gala	Company Secretary w.e.f 09/07/2024
Samridhi Bhansali	Chief Financial Officer (July 9, 2024 till Jan 31, 2025)
Ganesh Shripati Bhandary	Chief Financial Officer w.e.f 01/02/2025

<b>Relative of Key Management Personnel &amp; Directors</b>	<b>Nature of Relationship</b>
Kirit Shantilal Shah HUF	HUF
Smita Shah	Mother of Director
Bhavin Kirit Shah	Brother of Director



Transactions carried out with related parties referred to in (i) above, in ordinary course of business

(Rs. In Lakhs)

Particulars		For the Period ended September 30, 2024	For the Year ended March 31,		
			2024	2023	2022
<b>(i) Transactions with Director /Promoters in KMP</b>					
<b>Director Remuneration</b>					
	<b>Key Managerial Personnel</b>				
	Mittal Shrenik Shah	12.00	12.00	7.00	-
	Kirit Shah	-	-	6.00	18.00
	Shrenik Kirit Shah	18.00	24.00	24.00	24.00
<b>Rent</b>					
	<b>Key Managerial Personnel</b>				
	Shrenik Kirit Shah	-	-	9.00	9.00
<b>Interest Expenses</b>					
	<b>Key Managerial Personnel</b>				
	Mittal Shrenik Shah	-	20.14	-	-
	Kirit Shah	-	-	-	26.35
	Shrenik Kirit Shah	7.37	72.73	69.13	12.93
	<b>Relative of Key managerial Personnel</b>				
	Kirit Shantilal Shah HUF	-	5.60	5.18	4.79
	Smita Shah	-	7.05	6.56	5.26
	Bhavin Kirit Shah	-	25.03	23.41	22.21
<b>Legal &amp; Professional Charges</b>					
	<b>Key Managerial Personnel</b>				
	Bhavin Kirit Shah	-	1.20	-	-
<b>Salary</b>					
	<b>Key Managerial Personnel</b>				
	Samridhi Bhansali	2.10	-	-	-
	Jankhana Vasanji Gala	0.75	-	-	-
<b>Loan Taken</b>					
	<b>Key Managerial Personnel</b>				
	Mittal Shrenik Shah	55.00	-	-	600.00

	Kirit Shah	-	-	1,260.18	499.80
	Shrenik Kirit Shah	121.06	341.97	1,263.36	263.22
	<b>Relative of Key managerial Personnel</b>				
	Kirit Shantilal Shah HUF	-	-	-	-
	Smita Shah	-	-	-	104.70
	Bhavin Kirit Shah	-	-	-	60.00
<b>Loan Repaid</b>					
	<b>Key Managerial Personnel</b>				
	Mittal Shrenik Shah	193.57	204.78	50.64	212.25
	Kirit Shah	-	-	1,547.48	577.33
	Shrenik Kirit Shah	392.24	758.02	737.93	306.96
	<b>Relative of Key managerial Personnel</b>				
	Kirit Shantilal Shah HUF	0.00	0.56	0.52	0.48
	Smita Shah	33.50	2.15	6.66	108.40
	Bhavin Kirit Shah	-	8.62	15.49	53.22
<b>(ii) Balances Outstanding</b>					
<b>Long Term Borrowings</b>	<b>Key Managerial Personnel &amp; Directors</b>				
	Mittal Shrenik Shah	13.90	152.46	337.11	387.75
	Kirit Shah	-	-	-	287.30
	Shrenik Kirit Shah	107.88	371.69	715.00	111.44
	<b>Relative of Key managerial Personnel</b>				
	Kirit Shantilal Shah HUF	67.21	67.21	62.18	57.52
	Smita Shah	49.82	83.32	78.41	78.51
	Bhavin Kirit Shah	296.70	296.70	279.09	271.17
<b>Trade Payable</b>					
	<b>Key Managerial Personnel &amp; Directors</b>				
	Mittal Shrenik Shah	1.67	1.00	1.00	-
	Kirit Shah	-	-	-	1.27
	Shrenik Kirit Shah	11.82	11.40	10.99	10.99

**N. DETAILS OF FINANCING ARRANGEMENTS**

There are no financing arrangements whereby the promoters, members of the Promoter Group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

**O. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR**

Sr. No.	Name of the Promoters	No. of Shares held of Face Value of ₹ 10 each	Average cost of Acquisition (in ₹)
1.	Shrenik Kirit Shah	27,28,220	0.01
2.	Mittal Shrenik Shah	10,53,080	0.00

**P. AVERAGE COST OF ACQUISITION OF SHARES BY OUR PROMOTERS AND SELLING SHAREHOLDERS**

The average cost of acquisition of Equity Shares by our Promoters and Selling shareholders is set forth in the table below:

Sr. No.	Name of the Promoters and selling shareholder	No. of Shares of face value of Rs. 10 each held	Average cost of Acquisition (in ₹)
1.	Shrenik Kirit Shah	54,06,240	3.37
2.	Mittal Shrenik Shah	21,06,160	2.29

**Q. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH**

Except for bonus issue of 55,51,111 Equity shares of face value of Rs 10/- each made on December 09, 2024, our Company has not issued any Equity Shares for consideration other than cash in the last one year.

**R. SPLIT/ CONSOLIDATION OF EQUITY SHARES**

Our company has not done any split/consolidation/ subdivision of equity shares of the Company since incorporation.

**S. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

### **SECTION III: RISK FACTORS**

*An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Red Herring Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 202, 147 and 266 respectively of this Draft Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

*The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

*Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications, other sources and the report titled “Industry Research Report on Structural Steel” dated March 21, 2025 (the “D&B Report”) prepared by Dun & Bradstreet Information Services India Private Limited and such report has been commissioned and paid for by our Company vide engagement letter dated December 16, 2024 exclusively in relation to the Issue. A copy of the D&B Report is available on the website of our Company at [www.karbonsteel.com](http://www.karbonsteel.com). 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.*

#### **Materiality**

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

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

#### **Note:**

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

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 25 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 266 of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Restated Financial Statements**”.*

#### **INTERNAL RISK FACTORS**

- 1. Our business is substantially dependent on certain key customers, from whom we derive a significant portion of our revenues. The loss of any significant customer may have a material and adverse effect on our business and results of operations.*

We are a structural engineering and fabrication company engaged primarily in the design, fabrication and assembly of heavy and precision steel structures, customized to meet clients' requirements across various industrial and infrastructure segments. We have delivered structural engineering and fabrication solutions in diverse sectors including steel plants, railway bridges, oil & gas plants, refineries, high rise buildings, chemical plants and other industrial units. In our business, revenues from any particular client may vary significantly from reporting period to reporting period depending on the nature of ongoing projects, the implementation schedule and stage of completion of such projects. We derive a significant portion of our revenue from a limited number of clients. For instance, for the six months period ended Sept.'24, Fiscal 2024, 2023 and 2022, our revenue from top ten (10) clients accounted for 99.15%, 90.16%, 94.36% and 53.38% of our revenue from operations respectively. Our revenue from top 10 customers for F.Y. 2023-24 were as follows:

**Top 10 customers for FY 2023-24:**

Sr. No	Name of Customers	Amount	% of Revenue
1	ArcelorMittal Nippon Steel India Limited	7,452.20	34.13 %
2	Customer 2*	6,835.81	31.31 %
3	Tata Projects Ltd	2,083.48	9.54 %
4	John Cockerill India Limited	1,389.05	6.36 %
5	Ray Engineering Pvt Ltd	400.73	1.84 %
6	Customer 6*	397.56	1.82 %
7	JSW Severfield Structures Limited	376.91	1.73 %
8	Customer 8*	315.70	1.45 %
9	Customer 9*	246.82	1.13 %
10	Customer 10*	188.14	0.86 %
	<b>Total</b>	<b>19,686.40</b>	<b>90.16 %</b>
	<b>Grand Total</b>	<b>21,833.76</b>	<b>100.00 %</b>

*As Certified by M/s Rao & Shyam, Chartered accountants, Statutory auditor of our company, by way of their certificate dated March 21, 2025*

*\*We have not received NOC from such customers for disclosure of their name in the DRHP.*

Such concentration of our business on a limited number of clients and projects increases the potential volatility of our results and exposes us to individual contract risks. Larger contracts from a few customers may constitute a significant portion of our portfolio, increasing our dependence on these customers and subjecting us to greater risk in case of any adverse developments, including reduction, termination, or delay in contracts. This concentration is primarily because we undertake turnkey projects, which are generally awarded by major industry participants and typically involve long execution timelines, making us more reliant on a select number of high-value contracts for a substantial portion of our revenue.

We cannot assure that we will be able to maintain historical levels of project orders from our existing clients or replace them with new clients in the event of any loss of business. Our ability to secure repeat orders from clients is dependent on factors such as our past performance in terms of timely and quality delivery, as well as offering competitive and reasonable pricing. However, if we are unable to complete our projects within the stipulated timelines prescribed under our contracts, or if there is any deterioration in the quality of our work, our relationships with such clients may be adversely impacted, which could result in the loss of future business opportunities. Our revenues from repeat orders from customers for the period of six months ended on September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is as set out below:

*(Rs. in lakhs)*

Particulars	March 2022	March 2023	March 2024	Six months period ended September 30, 2024
Revenue from operations	8,883.16	15,558.03	21,833.76	10,595.34
Revenue from repeat customers	1,591.09	11,292.76	18,239.57	9,990.07
Percentage of revenue from operations from Repeat Customers*	17.91%	72.59%	83.54%	94.29%

*\*Repeat Customers are defined as customers who were invoiced during the particular fiscal year or period as well as in the previous fiscal year(s).*

*\*As Certified by M/s Rao & Shyam, Chartered accountants, Statutory auditor of our company, by way of their certificate dated March 25, 2025*

Furthermore, under the terms of our contracts, clients may also be entitled to terminate the agreements in the event of delays in completion that are not attributable to agreed exceptions, which could further adversely affect our business, results of operations and financial condition. For further details, please refer to the chapter titled “*Our Business*” beginning on page 147 of this Draft Red Herring Prospectus.

Consequently, the loss of any of our significant clients could have a material adverse effect on our business, cash flows and results of operations. Additionally, any adverse change in the projects awarded to us by such clients, including delays or stoppages in completion schedules, changes to agreed designs and specifications, or failure by clients to obtain necessary regulatory permits and approvals, may also materially and adversely affect our business, financial condition and operational performance.

**2. *Our business is exposed to risks relating to delays in project execution and cost overruns, which may adversely affect our business, financial condition, results of operations and prospects.***

Our business involves executing steel fabrication projects, including procurement, fabrication, painting and transportation of heavy and precision steel structures for large-scale industrial and infrastructure projects. The timely and efficient execution of such contracts is critical to our business operations and any delays in project execution or cost overruns could adversely affect our business, financial condition and results of operations.

We are required to deliver fabricated structures in accordance with the timelines prescribed under our contracts and in many cases, delays are subject to liquidated damages. Our inability to adhere to these timelines, except for limited agreed exceptions such as force majeure events or delays solely attributable to clients, may expose us to liquidated damages and termination of contracts. Furthermore, in case of contract termination due to delays or other breaches, we may only receive partial payments, if any and such payments may be significantly lower than the anticipated revenue from such projects, thereby affecting our projected cash flows and profitability. The successful execution of our contracts depends on several factors, many of which are beyond our control, including but not limited to:

- Timely receipt of fabrication drawings, technical specifications and design approvals from clients, without which the fabrication process cannot begin. Any delay in the issuance or approval of these documents may directly affect our delivery timelines.
- Changes in scope, design, or technical specifications initiated by clients after the commencement of work, which may require rework, resulting in time and cost overruns.
- Site readiness issues and delays caused by third parties, including delays in site accessibility or delays by other contractors, may impact our ability to deliver on time.
- Shortages of labour, skilled workforce, or disruptions in supply chain for raw materials, especially for specific grades and dimensions required under client-approved quality plans (QAP).
- Mandatory third-party inspections, quality testing and certifications that must be completed before dispatch; delays in these processes can impact overall timelines.
- Adverse climatic conditions, strikes, lockdowns, transport bottlenecks, or regulatory delays (e.g., for road permits for over-dimensional cargo (ODC) and other site-specific clearances).

Any delay in execution typically results in increased expenses, including higher labour, overhead, logistics and financing costs due to prolonged project duration. Since these additional costs are generally not reimbursed by clients, they can significantly impact our margins and profitability. In addition, clients often require strict compliance with agreed quality standards and specifications. Any deviation or failure to meet these requirements may lead to rejections, rework, withholding of payments and in severe cases, termination of contracts. If we are unable to complete our projects within the contractually agreed period or within any extended period granted, or if there is deterioration in the quality of our work, our relationship with key clients may be adversely affected, potentially impacting future business opportunities.

Moreover, any adverse change or delay in the projects awarded to us by clients — such as changes to designs, delays in obtaining regulatory permits by clients, or stoppage of projects — may also materially affect our execution, timelines and revenue generation. Our scheduled completion targets are based on estimated timelines and are subject to unforeseen events that may delay the execution, including engineering challenges, unanticipated cost increases and adverse external conditions. While we endeavor to mitigate such risks, we cannot assure that such delays or cost overruns will not occur. Such delays and cost overruns may result in liquidated damages, increased costs, strained client relationships and

reputational harm, which could adversely affect our future business, revenues, cash flows, profitability and overall financial condition. While we have not experienced any such material incidents in the last three financial years or the six-month period ended September 30, 2024, we cannot assure that such events will not occur in the future.

**3. *Our business is dependent on capital investments in industrial and infrastructure sectors and any slowdown in these sectors due to economic conditions, government policies, or project-specific factors may materially and adversely affect our business, financial condition and results of operations.***

Our business is directly linked to the capital investment cycle in the industrial and infrastructure sectors, including but not limited to steel plants, refineries, oil & gas installations, chemical plants, high rise buildings, high-speed rail projects and large infrastructure developments. The demand for our structural steel fabrication depends largely on new industrial developments, expansion and modernization projects undertaken by leading private sector entities and their appointed EPC contractors.

Investments in these sectors are inherently cyclical and influenced by various external factors including the overall economic environment, industrial output, government policies, regulatory environment, interest rates, availability of financing and private sector investment climate. Any slowdown in industrial growth, delay in project implementation, or postponement of capital expenditure by these companies may directly impact the demand for our fabricated structures and delay the execution of ongoing contracts. Our ability to secure new orders and maintain a stable order book depends on continued spending by these companies and any downturn in industrial or infrastructure activity may result in fewer new projects being launched or existing projects being deferred or canceled. Moreover, changes in government policies impacting the steel, energy, or infrastructure sectors, such as changes in taxation, import/export restrictions, environmental and safety regulations, or foreign direct investment (FDI) norms, could impact the pace and scale of industrial projects.

Additionally, a significant portion of our business comes from subcontracting work under large private players who themselves are dependent on project awards from government and private sector clients. If such primary contractors are affected by delays in their projects, financial constraints, or policy changes affecting their operations, it may result in a reduction in the volume of work subcontracted to us. In addition, economic downturns or adverse geopolitical developments may affect private and public sector investments, leading to reduced demand for steel structures and fabrication work. Uncertainty in economic conditions may also impact the availability and cost of financing for our customers' projects, which could lead to deferrals or reductions in scope. Any material reduction in capital expenditure by our key clients, delays in project execution, or postponement in the release of new contracts may materially and adversely affect our revenues, cash flows and overall financial performance. For further details regarding our industry, please refer to the chapter titled "Industry Overview" on page 109 of this DRHP.

**4. *Failure to comply with stringent quality standards, inspection requirements and technical specifications may result in rework, delayed payments or termination of contracts, which could adversely affect our business, financial condition and results of operations.***

Our business involves the fabrication of steel bridge structures, pre-engineered buildings, heavy steel fabricated structures and precision technological steel structures, which must comply with strict technical specifications and quality standards prescribed by our customers. Our customers mandate compliance with highly specific parameters related to material quality, design tolerances, welding procedures, structural integrity, surface treatment (blasting, painting) and third-party inspection protocols.

We are required to subject our fabricated structures to multiple stage-wise inspections and testing protocols, such as ultrasonic testing (UT), radiographic testing (RT), post-weld heat treatment (PWHT), surface finishing and alignment verification. These tests are either conducted by the client's representatives or by external third-party quality assurance agencies. Failure to comply with these inspection requirements may lead to outright rejection of fabricated components, additional costs for rework, delays in dispatch approvals and the risk of termination of contracts.

Additionally, most of our customer contracts specify that we cannot dispatch materials without obtaining prior inspection clearance. Any deviation from the approved Quality Assurance Plan (QAP) or Fabrication Quality Assurance Plan (FQAP) can result in shipment holds, leading to delayed deliveries and potential penalties for late execution. Further, the nature of our projects—such as structural steel fabrication for high-speed rail bridges, large-scale industrial plants and infrastructure projects—requires precision engineering and strict adherence to safety standards. For further details, please refer to the section "Our Business – Manufacturing Process" on page 158 of this Draft Red Herring Prospectus. Any structural failure, welding defects, or material inconsistencies in our fabricated components may impact the overall safety and durability of

the end-use structures, potentially leading to liability claims, loss of client confidence and legal disputes. Ensuring compliance with evolving client specifications and industry regulations requires continuous investment in quality control infrastructure, workforce training and process improvements. Any failure to meet quality requirements may result in contract disputes, revenue loss and increased operational costs, all of which could have a material adverse effect on our business, results of operations, financial condition and cash flows. While we have not encountered any such material quality related issues in the last three financial years or the six-month period ended September 30, 2024, we cannot assure that such events will not occur in the future.

**5. *Our Company does not have long-term agreements with suppliers for our input materials and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations.***

Steel and related raw materials form a significant portion of our total project costs and their pricing is influenced by market fluctuations, supply chain constraints, import/export policies, transportation costs and broader economic conditions. The prices of structural steel products, including plates, rolled sections and beams, are cyclical in nature and subject to global commodity trends. We procure these materials from domestic suppliers and do not have long-term fixed-price supply contracts, which exposes us to cost escalations and supply disruptions. For further details, please refer to the section “Our Business – Raw Materials” on page 160 of the DRHP. If our key suppliers are unable to meet their commitments due to production constraints, delays, or quality issues, our ability to execute fabrication contracts within prescribed timelines and budgets may be affected, potentially exposing us to liquidated damages and reputational risks.

Further, while major of our contracts allow price variation for raw materials, such adjustments are limited to pre-approved variations and are subject to strict documentation and client approval before any reimbursement can be claimed. Additionally, these price adjustments do not apply to conversion costs, meaning that expenses related to fabrication, painting and transportation must be absorbed at a fixed rate, regardless of any increase in costs during the project execution. Moreover, even where price adjustments are permitted, the timing and certainty of reimbursement remain unpredictable, which can adversely impact our working capital cycle and cash flow management. If we are unable to pass on such cost increases to our clients, it may adversely affect our margins, cash flows, business and overall financial condition.

**6. *Our business is dependent on and will continue to depend on our Manufacturing Facilities and we are subject to certain risks in our manufacturing process due to the usage of heavy machinery in our manufacturing operations. Any slowdown or shutdown in our manufacturing operations or strikes or work stoppages could have an adverse effect on our business, cash flows, financial condition and results of operations.***

We have two Manufacturing Facilities each located at Umbergaon, District Valsad, Gujarat (“Umbergaon Facility”) and Khopoli, District Raigad, Maharashtra (“Khopoli Facility”). Any disruptions, breakdown or shutdown of our Manufacturing Facilities, due to, inter alia, (i) breakdown or failure of equipment, (ii) disruption in power supply or processes, (iii) performance below expected levels of efficiency, (iv) obsolescence, (v) labour disputes, (vi) natural and man-made disaster and (vii) political instability, could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials and/or otherwise adversely affect our business, results of operations, financial condition, cash flows and future prospects. For further details, please refer to section “Our Business – Properties” on page 162 of this DRHP.

Our business is dependent upon our ability to manage our Manufacturing Facilities, which are subject to various operating risks. Any significant malfunction or breakdown of our machinery, our equipment or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to maintain, repair our machinery, equipment or any other part of our manufacturing processes or systems in a timely manner or at all, our operations may need to be suspended until we procure the appropriate machinery, equipment or systems to replace them. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. In Fiscal 2024, 2023 and 2022, we have spent ₹34.21 lakhs, ₹27.46 lakhs and ₹15.36 lakhs, respectively, towards general repair and maintenance of our machinery. We cannot assure you that such general repair and maintenance costs for our machinery will not increase in the future which could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

Our inability to effectively respond to any slowdown or shutdown and to rectify any disruption, in a timely manner and at an acceptable cost, could also lead to an inability to comply with our customers’ requirements and would result in us breaching our contractual obligations which would have a material adverse effect on our financial condition and results of operations.



**7. Our industry is labour-intensive which relies on Contract and Skilled Labour and any shortage of skilled labour, labour disputes, or wage cost increases may adversely impact our operations, project execution and financial performance.**

Our operations are labour-intensive and heavily reliant on both skilled and semi-skilled workers, including welders, structural fabricators, machine operators, quality control engineers and project supervisors. We engage third-party labour contractors to provide contract workers for various aspects of our operations, including fabrication, welding, quality control, material handling and logistics support at our fabrication facilities and project sites. As of January 31, 2025, we had 349 permanent employees (comprising skilled and on-site workers) and 180 contract labourers, constituting 34.03% of our total workforce. For further details, please refer “Our Business – Manpower” on page 161 of the DRHP.

Since we do not have direct control over the hiring, wages, or management of contract workers, we are exposed to risks such as non-performance, late performance, or poor performance by subcontractors or contract labourers. This could lead to deterioration in project quality, increased operational costs, or potential legal liabilities. Furthermore, the availability of trained and experienced personnel is critical to our operations and any shortage of skilled or unskilled labour may result in project delays, reduced production capacity and increased costs associated with retraining or hiring replacements. Additionally, high turnover rates may require frequent retraining and adjustments in work schedules, adding to operational inefficiencies.

We are also exposed to risks related to labour disputes, strikes, work stoppages and unionization efforts. While we have not experienced any major disruptions due to labour unrest in the past, we cannot assure that such events will not occur in the future. Any disruptions caused by labour strikes, disputes, regulatory interventions, or supply constraints may delay ongoing projects, increase operational costs and affect our ability to meet contractual deadlines. Certain client contracts impose liquidated damages for project delays and if we are unable to deploy sufficient contract labour on time, we may be required to pay penalties or bear additional costs.

Further, labour contractors are responsible for obtaining and maintaining valid registrations under relevant labour laws in India. Non-compliance with statutory requirements such as minimum wages, social security contributions, health and safety and working conditions may expose us to legal liabilities, penalties, or reputational damage. India has stringent labour laws and any changes in regulations, stricter enforcement, or additional compliance requirements may increase our financial obligations.

Additionally, wage inflation, particularly for specialized fabrication skills, could increase our overall operational expenses. Any mandatory wage hikes, changes in labour laws, or increased compliance costs related to employee welfare, safety, or working conditions may further add to our cost burden, which we may be unable to pass on these increased labour costs to our clients, thereby affecting our profitability.

If we fail to secure skilled contract labour in a timely manner, experience unexpected labour shortages, or face inefficiencies due to lack of direct control, it may result in delays in execution, increased costs and an adverse impact on our business, results of operations and financial condition.

**8. There are outstanding legal proceedings involving our Company. Any adverse decisions could impact our cash flows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.**

There are outstanding legal proceedings involving our Company. For details, see “Outstanding Litigation and Material Developments” beginning on page 275 of this Draft Red Herring Prospectus.

**Litigations involving the Company:**

<b>Nature of Cases</b>	<b>No. of Outstanding Cases</b>	<b>Amount in dispute/demanded to the extent ascertainable</b>
Criminal proceedings filed by the Company	4	38.41
<b>Tax proceedings:</b>		
Direct Tax	2	7.67
Indirect Tax	-	-
Other pending material litigation against the Company	3	143.55
<b>Total</b>	<b>9</b>	<b>189.63</b>

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details,

please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page 275 of this Draft Red Herring Prospectus.

Any adverse decisions in the above cases could impact our cashflows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.

**9. Our business is working capital intensive and delays in client payments, retention money, or extended credit terms may strain our liquidity, increase financing costs and impact profitability.**

A significant amount of working capital is required to finance the purchase of raw materials, equipment, mobilization of resources and other work on projects before payment is received from clients. Many of our contracts follow milestone-based payment structures, with a portion of the contract value retained by clients as security until the completion of defect liability periods, which typically range from 6 to 18 months. These retention amounts can create cash flow mismatches, requiring us to rely on external borrowings to fund operations, increasing our financing costs.

Additionally, our clients include large private sector companies engaged in infrastructure, industrial and EPC (Engineering, Procurement and Construction) projects, many of whom operate on long credit cycles. Delays in invoice certification, verification and processing by clients may result in payment delays beyond our expected realization periods. Any prolonged delay or default by clients may increase our working capital requirements and force us to seek additional short-term financing, leading to higher interest costs.

The working capital requirements of our Company (based on restated financial statements) is as under:-

(Rs. in lakhs)

Particulars	Six months period ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Current Assets (excluding cash and cash equivalents)	16,115.18	13,197.11	10,976.32	7,566.93
Current Liabilities (excluding short term borrowings)	8,456.23	7,180.98	6,598.25	3,303.67
Working Capital	7,658.95	6,016.13	4,378.07	4,263.26

For further details, please refer to the section “*Objects of the Offer - Working Capital requirements*” on page 93 of this DRHP.

Further, certain projects require us to provide bank guarantees, letters of credit, or other financial instruments as security for contract performance. The need for such instruments ties up our cash flow, increasing our working capital burden. Our ability to obtain such financing depends on our creditworthiness, relationships with lenders and prevailing interest rates. Any tightening of credit conditions, higher collateral requirements, or unfavorable lending policies by banks or financial institutions may limit our ability to secure adequate financing for ongoing and new projects.

In addition, contractual disputes, project delays, or quality-related issues may lead to payment holdbacks, deductions, or prolonged negotiations over claims, further straining our liquidity. Since a large portion of our working capital is tied up in trade receivables and retention money, any deterioration in collection efficiency or delays in cash inflows may adversely impact our ability to fund operations, expand our business and meet our financial obligations.

While we strive to optimize our working capital cycle and secure timely payments, we cannot assure that our clients will release payments on time, that financing will always be available on favorable terms, or that we will not face increased working capital constraints in the future. Any significant disruption in our working capital availability may negatively affect our business, financial condition, results of operations and growth prospects.

**10. The number of orders we have received in the past, our current order book and our growth rate may not be indicative of the number of orders we will receive in future.**

Our order book may be materially impacted if the time taken or amount payable for completion of any ongoing orders of our Company exceeds the contractual estimate. The order book details as at March 31, 2022, March 31, 2023 and March 31, 2024 and as on September 30, 2024 respectively, is set forth below:

(Rs. In Lakhs)

Particular	As on January 31, 2025	Apr.'24 to Sept'24	FY 2023-24	FY 2022-23	FY 2021-22

Order Book	22,196.97	16,138.18	16,632.88	6,487.99	748.58
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For further details, please refer to section “Our Business – Our Competitive Strengths – Strong Order Book” on page 151 of the DRHP.

The growth of our order book is a cumulative indication of the revenues including incentives, that we expect to recognise in future periods with respect to our existing contracts. We cannot guarantee that the income anticipated in our order book will be realised or if realised, will be realised on time or result in profits. The number of orders we have received in the past, our existing order book and our historic growth rate may not be indicative of the number of orders we will receive in the future. Further, our inability to secure new orders may adversely impact the growth of our order book, thereby affecting our revenue visibility and profitability.

**11. The structural steel fabrication industry is highly competitive and increased competition may lead to reduced revenues, pricing pressure, or a loss of market share, which may adversely affect our business, financial condition and results of operations.**

We operate in a highly competitive and fragmented industry, where we face competition from domestic and international structural steel fabricators, engineering firms and EPC (Engineering, Procurement and Construction) contractors with in-house fabrication capabilities. At the regional level, we compete with smaller players offering specialized fabrication solutions, while at the national and international level, we face competition from larger, well-established companies with greater financial resources, economies of scale and access to a wider customer base. Some of our significant competitors in the organized segment include Goodluck India Limited, Salasar Techno Engineering Limited and Atmastco Limited. For further details regarding the industry, please refer to the chapter titled “Industry Overview” on page 109 of this DRHP.

Many of our contracts are awarded through a competitive bidding process, where pricing is a key deciding factor. In order to remain competitive, we may need to quote aggressively, which may reduce our profit margins and impact our financial performance. Further, certain competitors may have better economies of scale, technological advantages, or lower operating costs, allowing them to offer lower prices or superior contract terms, making it difficult for us to secure projects at profitable margins.

Additionally, some of our competitors may have the ability to:

- Offer lower prices or discounts, compelling us to either reduce our margins or match their pricing to retain business.
- Expand into additional geographic markets where we have limited presence.
- Leverage better supply chain relationships, enabling them to procure raw materials at more competitive prices.
- Invest in automation and advanced fabrication technologies, improving production efficiency and cost-effectiveness.
- Provide a broader range of products and services, making them more attractive to large clients.

Moreover, our customers may revise their outsourcing strategy, choosing to integrate fabrication capabilities in-house, reducing their reliance on external fabricators like us. If we fail to differentiate ourselves through cost efficiency, quality standards and execution capabilities, we may lose existing customers, struggle to acquire new contracts, or experience declining market share.

While we endeavor to compete effectively by maintaining operational efficiency, cost control and customer satisfaction, we cannot assure that we will continue to win new projects at sustainable margins or that pricing pressures will not erode our profitability. If we are unable to effectively compete in the market, our revenues, operating margins and growth prospects may be adversely affected.

**12. Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.**

As on the date of this Draft Red Herring Prospectus, we manufacture fabricated structures and other products from our two Manufacturing Facilities, located in Umbergaon, Gujarat and Khopoli, Maharashtra. Due to the geographic concentration of our Manufacturing Facilities, our operations are susceptible to local and regional factors, such as economic and weather conditions, natural disasters, political, demographic and population changes and other unforeseen events and circumstances. Such factors could result in the damage or destruction of a significant portion of our manufacturing abilities and/or otherwise materially adversely affect our business, results of operations, financial condition and cash flows. While there have been no such regional disruptions during the six month ended September 30, 2024, Fiscals 2024, 2023 and 2022, however, we cannot assure you that there will not be any such disruption in the future.

In addition, we generate a significant portion of our domestic sales through customers situated in Gujarat. For the six-month period ended September 2024, the largest share of our revenue, accounting for 94.70%, originated from Gujarat. Our geographical wise revenue bifurcation for the six months period ended Sept.'24, Fiscal 2024, 2023 and 2022 is presented here below:

Particulars	Period for 30th September, 2024	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2022
<b><u>In India</u></b>				
Assam	4.29	315.70	270.11	-
Dadra And Nagar Haveli	174.61	56.76	11.79	63.51
Gujarat	10,033.61	18,040.79	8,428.76	888.77
Maharashtra	383.01	2,830.29	655.41	5,870.96
Tamil Nadu	-0.18	0.50	16.25	41.86
Karnataka	-	376.91	2,284.36	1,789.62
Madhya Pradesh	-	-0.62	9.70	24.08
Odisha	-	185.39	1,653.45	-
Rajasthan	-	28.04	2,033.83	0.10
Haryana	-	-	0.72	-128.28
Uttarakhand	-	-	132.64	-
West Bengal	-	-	61.00	-
Andhra Pradesh	-	-	-	7.69
Puducherry	-	-	-	38.37
Punjab	-	-	-	115.37
Uttar Pradesh	-	-	-	16.63
<b>Total (A)</b>	<b>10,595.34</b>	<b>21,833.76</b>	<b>15,558.03</b>	<b>8,728.68</b>
<b><u>Other Countries</u></b>				
Nigeria	-	-	-	154.48
<b>Total(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154.48</b>
<b>Total</b>	<b>10,595.34</b>	<b>21,833.76</b>	<b>15,558.03</b>	<b>8,883.16</b>

This concentration is primarily due to the nature of our business, where contract-based projects are awarded by clients based on project locations, existing industrial hubs, and infrastructure developments, leading to a high revenue share from Gujarat. Such geographical concentration heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in Gujarat, which may adversely affect our business prospects, financial condition, and results of operations.

**13. Expansion of our existing manufacturing facility requires substantial capital outlay before we realize any benefits or returns on investments and is subject to the risk of unanticipated delays.**

We currently manufacture heavy steel fabricated structures, Precision Fabricated Steel Structures, Steel Bridge Structures for High-Speed Rail Projects and Pre-Engineered Buildings at our manufacturing facilities located at Umbergaon, Gujarat and Khopoli, Maharashtra. To drive revenue growth, expand production capabilities and capitalize on emerging market opportunities, we plan to expand our existing Umbergaon facility through construction of two new sheds. For further details, please refer to chapter titled “Objects of the Offer - Funding of capital expenditure towards expansion of existing Umbergaon facility through construction of new sheds” on page 86 of this DRHP. We expect our long-term capital requirements to increase significantly to fund our intended growth and we cannot assure that we shall efficiently be able to obtain sufficient capital resources for these expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, in case we decide to raise additional funds through the issuance of equity or equity-

linked instruments, the interests of our shareholders may be diluted. Further, if we decide to meet our capital requirements through debt financing, our interest obligations shall increase and we may be subject to additional restrictive covenants under our respective financing arrangements. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected. Additionally, on account of such expansion, our finance cost, depreciation and other related expenses shall increase in the near future which can adversely impact our results of operations, cash flows and financial condition.

Our expansion plans remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays, labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that our budgeted costs may be sufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows and prospects. The proposed expansion will require us to obtain various statutory approvals or amend existing statutory approvals, including consent to establish, consent to operate, factory license etc. For further details, please refer to section “Objects of the Offer - Government approvals” on page 91.

There can be no assurance that we will be able to obtain these registrations and approvals including approvals in relations to power and water procurement in a timely manner or at all, which in turn may materially and adversely affect our growth prospects, financial condition, results of operations and cash flows. Our expansion plans and business growth could also strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to attract, expand, train, motivate, retain and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Any of these factors may cause us to delay, modify or forego some or all aspects of our expansion plans. Our return on our investment depends upon, among other things, successful implementation of our strategy, competition, demand of our products, government policies, interest rates and general economic conditions. If our return on investment does not meet our or market expectations, this could materially and adversely affect our business, cash flows, results of operations and financial condition.

**14. Our dependence on a limited number of suppliers for procurement of raw materials and other consumables may adversely affect our business, cash flows and results of operations.**

We rely on a limited number of key suppliers for the procurement of structural steel, consumables and other raw materials required for our fabrication processes. Our top 10 suppliers contribute a significant portion of our total raw material purchases and any disruptions in their supply, changes in commercial terms, or financial instability of these suppliers may adversely impact our production schedules, cost structure and ability to fulfill client commitments. For instance, for the six months period ended September 30, 2024, Fiscal 2024, 2023 and 2022, our purchase from top 10 suppliers contributed to 63.41%, 68.07%, 70.71% and 73.15% of our total purchase for the respective period/fiscal.

Our top 10 suppliers for the six months period ended September’24 were:-

<b>(Rs. in lakhs)</b>			
<b>Sr No.</b>	<b>Particulars</b>	<b>Amount</b>	<b>%</b>
1	Supplier 1	1,144.18	11.41 %
2	Supplier 2	774.52	7.73 %
3	Supplier 3	759.51	7.58 %
4	Supplier 4	755.28	7.53 %
5	Supplier 5	637.50	6.36 %
6	Supplier 6	547.49	5.46 %
7	Supplier 7	500.02	4.99 %
8	Supplier 8	483.56	4.82 %
9	Supplier 9	444.61	4.43 %
10	Supplier 10	310.94	3.10 %
	<b>Total</b>	<b>6,357.60</b>	<b>63.41 %</b>
	<b>Grand Total</b>	<b>10,025.61</b>	<b>100.00 %</b>

Our top 10 suppliers for the F.Y. ended Mar.'24 were: -

<b>(Rs. In lakhs)</b>			
<b>Sr No.</b>	<b>Particulars</b>	<b>Amount</b>	<b>%</b>
1	Supplier 1	3,154.44	20.35 %
2	Supplier 2	3,124.53	20.16 %
3	Supplier 3	841.32	5.43 %
4	Supplier 4	813.20	5.25 %
5	Supplier 5	592.81	3.82 %
6	Supplier 6	518.65	3.35 %
7	Supplier 7	510.83	3.30 %
8	Supplier 8	349.77	2.26 %
9	Supplier 9	335.68	2.17 %
10	Supplier 10	310.24	2.00 %
	<b>Total</b>	<b>10,551.46</b>	<b>68.07 %</b>
	<b>Grand Total</b>	<b>15,500.87</b>	<b>100.00 %</b>

Any reductions or interruptions in the supply of raw materials and any inability on our part to find alternate sources for the procurement of such raw materials or equipment, may have an adverse effect on our ability to manufacture our products in a timely or cost-effective manner. We may also be required to replace a supplier if its products or services do not meet our quality standards or if a supplier unexpectedly discontinues operations due to reasons beyond their or our control, including financing constraints caused by credit market conditions. While we continuously evaluate and expand our supplier network to mitigate concentration risks, we cannot assure that we will always have uninterrupted access to raw materials at competitive prices. Any adverse developments affecting our top suppliers may have a material impact on our production capabilities, cash flows and financial performance.

**15. We require certain approvals, licenses, registrations and permits to operate our business and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.**

We require certain statutory and regulatory permits, licenses and approvals to operate our business. As mentioned in the chapter titled "Government and Other Approvals", we believe that we have obtained requisite permits and licenses which are adequate to run our business, however we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

As of the date of this DRHP, we are awaiting approval from the Gujarat Pollution Control Board for an amendment in our Consent to Establish for certain plots at our Umbergaon facility. Additionally, our existing factory license for the Umbergaon facility does not cover all the plots, and while we have made an application for revised factory license, we are yet to receive the same. Furthermore, we are yet to apply for the inclusion of all plots under our Consolidated Consent and Authorization (CC&A) for the Umbergaon facility. Additionally, we have not yet applied for the Fire No Objection Certificate (NOC) for our Raigad, Maharashtra facility. For further details, please refer to section "Government Approvals - Material licenses/approvals for which the company is yet to apply" on page 285 of the DRHP. Also, our Company will be required to make application for change in name in all the permits, licenses and approvals, which are under Company's former name. There can be no assurance that the relevant authorities will issue the approvals or licenses in a timely manner, or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

We cannot assure you that the approvals, licenses, registrations and permits already issued to us will not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any denial, suspension or revocation of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending to be obtained, see "Government and Other Approvals" on page 280 of this Draft Red Herring Prospectus.

**16. There have been certain delays in payment of statutory dues in the past. Any delay in payment of statutory dues in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.**

Our Company is required to pay certain statutory dues including employee provident fund contributions and employee state insurance contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948, respectively, GST and Professional Taxes. In compliance with the provisions of the Income-tax Act, we are also required to deduct taxes at source at prescribed rates.

There have been certain instances of delays in payment of statutory dues in the past by our Company, which have been belatedly paid by us with an additional fee or an interest. The details of such delays are set out below:

**GST Returns Delay Filings:**

Financial Year	Month	Number of Days Delay (Gujarat)	Number of Days Delay (Maharashtra)
2021-22	April	15 days	33 days
	May	19 days	26 days
	June	7 days	31 days
	July	-	4 days
	August	-	10 days
	September	-	9 days
	January	-	9 days
2022-23	March	-	6 days
	May	3 days	3 days
	August	-	7 days
2023-24	November	-	3 days
	May	1 days	-
	June	1 days	1 days
	November	-	7 days
	February	-	6 days
2024-25	March	12 days	17 days
	July	1 days	-
	September	9 days	-
	October	1 days	-

**EPF Returns:**

Financial Year	Month	Number of Delay
2021-22	August	2

**ESIC Returns:**

Financial Year	Month	Number of Days Delay (Andheri)	Number of Days Delay (Gujarat)	Number of Days Delay (Kalamboli)	Number of Days Delay (Khopoli)
2021-22	August	9	-	9	9
	November	10	-	10	10
2022-23	August	9	-	9	9
	September	3	-	3	3
2023-24	August	1	1	1	1

While our Company has subsequently made payment of all pending dues, we cannot assure you that there will not be any delays in the future. Any delay in payment of statutory dues in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.

**17. We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements. We have shortlisted vendors and obtained quotations from them, however, we are yet to place orders or enter into definitive agreements with the vendors in relation to such capital expenditure requirements.**

We intend to utilize up to ₹ 1122.18 lakhs out of the Net Proceeds for funding capital expenditure requirements for the proposed set up of our new facility at Umbergaon, Gujrat. Out of ₹ 1122.18 lakhs earmarked for funding capital expenditure requirements for the proposed facility, our Company has estimated the cost of shed construction as ₹ 721.17 lakhs, plant and machinery as ₹ 337.13 lakhs and kept contingency of ₹ 63.88 lakhs. In respect of factory building and plant and machineries, while we have obtained quotations from different vendors in relation to the aforesaid objects, we are yet to place orders for the same. Such quotations are valid for a certain period of time and may be subject to revisions and other commercial and technical factors. We cannot assure that we will be able to undertake such capital expenditure at the costs indicated by such quotations or that there will not be cost escalations. Accordingly, orders worth ₹ 1341.42 lakhs, which constitute 100% of the total estimated costs in relation to the estimated cost of building and plant & machinery is yet to be placed.

Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things unforeseen delays or cost overruns, unanticipated expenses, regulatory changes and technological changes. There may also be possibility that the proposed sellers of the plant, machinery and equipment's may not be in a position to provide the equipment/machineries or execute the civil building and construction work in a timely manner. In the event of any delay in placing the purchase orders for the balance requirement of plant and machinery, or an escalation in the cost of acquisition of the equipment or in the event the sellers are not able to provide the equipment and services in a timely manner, we may encounter time and cost overruns. For details, please refer to section "Objects of Issue - Funding of capital expenditure towards expansion of existing Umbergaon facility through construction of new sheds" on page 86 of this DRHP.

**18. Our failure to identify and understand evolving industry trends and preferences and to develop new products to meet our customers' demands may materially adversely affect our business.**

Our ability to anticipate changes in fabrication technologies, material specifications, and regulatory standards, and to develop new or enhanced structural steel solutions in a timely manner, is critical to maintaining our competitiveness. However, there can be no assurance that we will be able to continuously access or adopt the latest technological advancements required for improving our product portfolio and manufacturing processes. If we are unable to do so, our ability to secure and execute projects efficiently may be impacted, affecting our business growth and profitability.

Further, the industry is subject to continuous innovation, and any failure on our part to invest in advanced fabrication techniques or meet evolving customer expectations may result in a loss of market share. We are also exposed to risks associated with introducing new solutions or applications, including potential delays in implementation, lack of market acceptance, or operational inefficiencies, which could adversely affect our business and financial condition.

**19. Our Company is in use of trademark, which is not registered under the Trademarks Act, 1999 as on date of Draft Red Herring Prospectus. Thus, we may be subject to claims alleging breach of third party intellectual property rights.**



Our Company has applied for registration of trademark and logo under class 6 with the Registrar of Trademarks, which is under the process for registration. Thus, as such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the said trademark and the logo in future or that, third parties who have filed objection will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. For further details on above and other trademarks, please refer to chapter titled "Our Business – Intellectual properties" beginning on page 162 of this Draft Red Herring Prospectus.

**20. We do not own all of our manufacturing facilities, registered office and warehouses and any non-renewal, termination, or disputes related to lease agreements may disrupt our operations and adversely affect our business, financial condition and results of operations.**

A significant portion of our manufacturing facilities, offices and warehouses are operated on leased premises, including our manufacturing units in Umbergaon, Gujarat and Raigad, Maharashtra, as well as our registered office, administrative office and warehouses in Mumbai and Navi Mumbai. These properties have been leased for fixed durations, typically ten years, with contractually defined escalation clauses. If we are unable to renew these leases on commercially acceptable terms, or if any disputes arise with the property owners, we may be required to relocate our operations, which could lead



to disruptions, increased costs and potential operational downtime. For further details regarding our Properties, please refer to section “Our Business – Properties” on page 162 of the DRHP.

Our Umbergaon manufacturing facilities, covering multiple units, are leased from private individuals, under agreements that increase rent by 5% every 24 months. Any termination or non-renewal of these leases could require us to vacate the premises, impacting production capacity, inventory management and business continuity. Similarly, our registered office, administrative office and warehouses in Mumbai and Navi Mumbai are leased from Mr. Shrenik Kirit Shah. In the event of termination or non-renewal of these leases, we may be required to relocate these offices, which could disrupt administrative functions and incur relocation costs.

Furthermore, certain of our lease agreements have not been duly registered as required under the Registration Act, 1908, and appropriate stamp duty has not been paid in accordance with the Indian Stamp Act, 1899. These irregularities may affect the enforceability of such lease agreements, potentially impacting our operations and financial condition.

Furthermore, some of our leases contain provisions that may require us to restore the leased properties to their original condition upon expiration or termination, potentially necessitating the removal of machinery, infrastructure and modifications made during our occupancy, leading to additional financial outlays.

We cannot assure that we will be able to renew all lease agreements on the same terms or find suitable alternative locations on favorable terms. Any relocation, delay in securing alternate premises, or increase in rental expenses could negatively impact our manufacturing operations, administrative efficiency and financial condition.

***21. Any inefficiencies in inventory management may adversely impact our Business, Cash Flows and Financial Condition.***

Our business requires maintaining significant levels of inventory, including steel, consumables, work-in-progress (WIP) and various other raw materials, to ensure the smooth execution of projects and timely deliveries to clients. As of September 30, 2024, our inventories were valued at Rs. 11,428.37 lakhs as per restated financial statements. For further details, please refer to Annexure J “Restated Statement of Inventories” on page 235 of this DRHP. Effective inventory planning and management is critical, as any misalignment between stock availability and actual project requirements may result in operational inefficiencies, financial strain and production delays.

We do not operate with long-term, fixed-price supply contracts for raw materials and instead rely on procurement from third-party suppliers based on project timelines and order inflows. For further details, please refer to “Our Business – Raw Materials” on page 160 of the DRHP. This exposes us to risks such as unexpected fluctuations in steel prices, delays in material deliveries, or supplier-related disruptions, which could impact inventory turnover and working capital cycles. Additionally, many of our projects have strict delivery schedules and any shortages in raw materials or fabrication delays due to inventory mismanagement may result in penalties, loss of client confidence and strained business relationships.

Conversely, overstocking of raw materials or finished goods could lead to higher holding costs, increased working capital requirements and potential wastage or obsolescence of materials, especially in the case of customized or project-specific fabrications. Market conditions, changes in client procurement cycles, supply chain inefficiencies, or inaccurate demand forecasting could further affect our ability to maintain an optimal inventory balance.

While we actively monitor and plan our inventory based on order pipelines and supplier lead times, we cannot assure that unforeseen factors such as fluctuations in steel prices, demand volatility, or supply chain disruptions will not negatively impact our inventory turnover, working capital and financial performance. Any significant inefficiencies in inventory management could lead to operational delays, increased costs and financial strain, ultimately affecting our profitability and business growth.

***22. A significant portion of our current assets comprises trade receivables and any delay, default, or failure to collect outstanding amounts may adversely impact our cash flows, profitability and financial condition.***

Trade receivables form a major component of our current assets and working capital and any delay in collection or non-recovery of dues from customers could result in liquidity constraints and increased reliance on external borrowings. As of September 30, 2024, our trade receivables amounted to ₹ 3872.05 lakhs, reflecting the credit exposure we have towards our customers. While we undertake measures to manage credit risk, we cannot assure that all outstanding receivables will be collected in a timely manner or at all.

Many of our contracts involve milestone-based payments and customers may withhold payments due to project delays, quality disputes, financial constraints, or extended internal approval processes. Additionally, retention money held by

clients until the completion of the defect liability period can further delay our cash inflows. If our clients experience financial difficulties, insolvency, or industry slowdowns, we may face payment defaults, bad debts, or significant write-offs, which could adversely impact our revenue, cash flows and financial performance.

A higher level of outstanding receivables may require us to increase short-term borrowings to finance operations, leading to higher interest costs and a strain on our liquidity. Additionally, any deterioration in collection cycles may affect our ability to procure raw materials, meet operational expenses and service debt obligations.

While we actively monitor receivable cycles and have internal controls to mitigate credit risks, we cannot assure that all payments will be received as per agreed terms. Any significant increase in overdue receivables, defaults, or write-offs may have a material adverse effect on our business, financial condition and results of operations.

**23. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded capacities may adversely affect our business, financial performance and future growth prospects.**

Our ability to achieve optimal capacity utilization is dependent on various internal and external factors, including uninterrupted manufacturing operations, availability of raw materials, market demand and customer procurement cycles. As of September 30, 2024, we operate from our manufacturing facilities in Umbergaon, Gujarat and Raigad, Maharashtra, with an aggregate installed capacity of 32,400 MTPA. However, actual utilization levels have varied over time and we cannot assure that we will consistently operate at full capacity. Several factors may contribute to under-utilization, including fluctuations in demand for fabricated structural steel products, disruptions in raw material supply, labor shortages, power supply interruptions and delays in project approvals or execution by our customers.

Further, as we expand or upgrade our manufacturing facilities, we may not be able to immediately achieve optimal utilization due to challenges such as ramp-up delays, workforce constraints, or market conditions. If our capacity utilization remains below optimal levels, it could result in higher fixed costs per unit, lower operating efficiency and reduced profitability. Additionally, prolonged under-utilization of our assets may negatively impact our return on investment and cash flows, affecting our ability to fund future expansions or meet financial commitments.

While we take proactive measures to optimize production planning and enhance facility utilization, we cannot assure that our capacity utilization levels will remain stable or improve consistently. Any significant under-utilization of our manufacturing facilities may adversely impact our business operations, financial condition and overall growth prospects. The installed capacity and capacity utilization for these units for the period ended September 30, 2024 and for Fiscals 2024, 2023 and 2022, as certified by the Independent Chartered Engineer, are set out below:

**Umbergaon Unit**

Particulars	For the period ended Sept 30, 2024	For the year ended on March 31		
		2024	2023	2022
Installed Capacity (in MT)	13,200.00	18,000.00	12,000.00	6,000.00
Capacity Utilization (in MT)	12,476.72	15,458.42	9,429.00	4,158.50
Capacity Utilization %	94.52%	85.88%	78.58%	69.31%

**Khopoli Unit**

Particulars	For the period ended Sept 30, 2024	For the year ended on March 31		
		2024	2023	2022
Installed Capacity (in MT)	3,000.00	6,000.00	6,000.00	3,600.00
Capacity Utilization (in MT)	1,797.91	3,909.87	3,837.49	2,495.21
Capacity Utilization %	59.93%	65.16%	63.96%	69.31%

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, product demand and procurement practice followed by our customers. In the event we face prolonged disruptions at our facility including due to interruptions in the supply of power or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

**24. Our Company had negative cash flows in the past, details of which are given below. Sustained negative cash flow could impact our growth and business.**

We have experienced negative cash flows in the past which have been set out below:

(Rs. In lakhs)

Particulars	For 6 months period ended September'24	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash flow from/(used in) operating activities	(218.83)	639.44	1,346.16	1,422.75

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Such negative cash flows lead to a net decrease in cash and cash equivalents. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, please refer "Restated Financial Statements – Annexure III – Restated Cash Flow Statement" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 209 and 266 respectively.

**25. Any workplace accidents, operational hazards, or safety lapses at our manufacturing facilities may adversely impact our business, financial condition and reputation.**

Our manufacturing facilities involve heavy machinery, welding, cutting, fabrication and material handling, which pose risks related to workplace accidents, fire hazards, equipment malfunctions and occupational injuries. Any safety lapse, machinery failure, or hazardous incident could result in employee injuries, damage to assets, regulatory penalties and production disruptions, affecting our operational efficiency and financial stability.

We are subject to occupational health and safety regulations and any non-compliance with prescribed safety norms or workplace safety failures may result in penalties, legal proceedings, or temporary suspension of operations. Workplace incidents, including but not limited to electrical hazards, falling objects, improper handling of structural steel components, or lapses in safety protocols, could lead to employee injury claims, increased insurance liabilities and reputational risks. For instance, in FY 2020, a truck driver sustained injuries after losing balance while securing finished goods with a chain on a trailer in our Raigad, Maharashtra unit. Any such occurrences may adversely impact our operations, financial condition and brand reputation.

While we have implemented safety protocols, periodic training programs and risk mitigation measures, we cannot assure that accidents or industrial hazards will not occur in the future. Any major workplace incident, regulatory action, or prolonged production halt due to safety concerns could have a material adverse effect on our business operations, employee welfare and financial condition.

**26. We are dependent upon the experience and skill of our Promoters, Key Managerial Personnel and Senior Management Personnel for conducting our business and undertaking our day-to-day operations. The loss of our inability to retain, such persons could materially and adversely affect our business performance. In addition, excess rate of attrition amongst the personnel engaged by our Company may have an adverse impact on our business operations.**

Our business is dependent upon our Promoters, Key Managerial Personnel and Senior Management Personnel, who oversee and supervise our day-to-day operations, strategy and growth of our business. For details pertaining to the profile of our Directors, please refer to heading titled 'Brief Biographies of our Directors' in chapter 'Our Management' on page 184 of this Draft Red Herring Prospectus and for details pertaining to the Key Management Personnel and Senior Management Personnel of our Company and their respective functions, please refer to chapter 'Our Management' on page 182 of this Draft Red Herring Prospectus.

In the event, any of our Promoters or one or more members of our Key Managerial Personnel and Senior Management Personnel are unable or unwilling to continue in their present positions, it would be challenging for us to replace such person in a timely and cost-effective manner or at all. There can be no assurance that we will be able to retain or replace these personnel. The loss of any of such personnel or our inability to replace them may restrict our growth prospects, affect our ability to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

In addition, our attrition rate has been consistently high, particularly in the manufacturing facilities over the past few years in FY22, FY23, FY 24 and the period of six month ended on September 2024. A significant factor contributing to high attrition at our manufacturing units is the seasonal nature of our workforce. Many employees are migrant laborers who

return to their native places during the monsoon season for agricultural activities, leading to temporary workforce reductions.

The following table outlines the attrition rate of employees for the specified periods:

Particulars	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2023-24	Apr-24 to Sept24
Andheri	36.84%	23.26%	43.48%	12.77%
Kalamboli	20.00%	16.67%	-	-
Khopoli	93.10%	48.19%	83.81%	55.86%
Umbergaon	110.96%	95.96%	60.17%	18.41%

This elevated level of employee turnover can impact our productivity by increasing training costs and disrupting operational efficiency. Furthermore, replacing skilled personnel can be time-consuming and expensive, potentially hindering our ability to execute our business strategy effectively. These factors could ultimately have an adverse impact on our business, results of operations and overall financial condition.

**27. *If we are not able to successfully manage our growth, our business and results of operations may be adversely affected.***

The continued growth of our business depends on our ability to expand our manufacturing capacity, diversify our product portfolio, strengthen quality control systems, enhance operational efficiencies and effectively manage our supply chain. As we scale operations, managing a larger product range, an increasing customer base and expanded manufacturing activities will become more complex. Our ability to execute our growth strategy successfully depends on various factors, including timely capacity expansion, hiring and retaining skilled personnel, maintaining customer relationships and adapting to market demands.

As we increase our production capacity and undertake new projects, we may face operational challenges related to procurement, logistics, regulatory compliance and workforce management. Additionally, expanding into new product categories or geographies may expose us to higher competition, increased capital requirements and unforeseen market risks. If we fail to align our growth initiatives with customer expectations, industry trends and evolving business conditions, it could impact order inflows, strain our financial resources and affect profitability.

Moreover, as we scale, we must continuously upgrade our technological infrastructure, process automation and management systems to support expanded operations. Failure to do so may lead to inefficiencies, quality issues and supply chain disruptions, which could negatively impact our financial performance and market position. We also rely on third-party suppliers, logistics providers and subcontractors and any inability to manage these partnerships effectively may hamper production schedules and delay project execution.

While we have implemented growth strategies to expand capacity and improve operational efficiencies, we cannot assure that these initiatives will be executed successfully, within the projected timelines, or at anticipated cost levels. If we are unable to effectively manage our growth, optimize resource allocation, or respond to industry dynamics, it could adversely impact our business operations, results of operations, cash flows and financial stability.

**28. *We have in the past entered into related party transactions and may continue to do so in the future.***

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members/entities. These transactions, inter-alia includes, rent, remuneration, loans and advances etc. For details, please refer to “Annexure X - Related Party Transactions” under Section titled “Financial Information of the Company” and Chapter titled “Capital Structure” on page 245 and 69 respectively of this Draft Red Herring Prospectus.

While our Company trust that all such transactions have been conducted on an arm’s length basis and are accounted as per AS 18 and are in compliance with the provisions of the Companies Act, 2013 and other applicable laws, however there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Our Company has entered into such transactions due to easy proximity and quick execution.

Although all related-party transactions that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties

could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

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

Modernization and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed updated technology, we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the development of fabrication, we may be required to implement new technology or upgrade the machineries and other equipments employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

**30. *Negative publicity, customer dissatisfaction, or product-related concerns may damage our reputation, reduce customer confidence and adversely affect our business and financial performance.***

Our reputation in the fabricated structural steel industry is critical to maintaining customer trust, brand value and business continuity. Any negative publicity regarding our products, project execution quality, or service reliability—whether justified or not—may lead to reduced customer confidence, loss of contracts and an adverse impact on order inflows.

Adverse publicity could arise from product defects, structural failures, safety incidents, non-compliance with project specifications, or delays in project execution. Additionally, public complaints, negative media coverage, or online reviews from customers, contractors, or regulatory bodies may damage our credibility and deter potential clients from engaging with us. Even if such concerns are unfounded, addressing reputational damage and restoring customer confidence may require additional resources, legal costs and corrective measures, affecting our profitability and operational efficiency.

While we have not experienced any significant adverse publicity in the past, we cannot assure that such instances will not occur in the future. Any negative public perception, media scrutiny, or customer dissatisfaction may have a material adverse effect on our business operations, financial performance and long-term growth prospects.

**31. *Our Promoters or directors do not possess experience in managing publicly listed companies.***

None of our existing Promoters or Directors has an experience of managing a listed Company. While they bring significant expertise in private company operations, the unique requirements and regulatory obligations of managing a listed entity, such as shareholder relations, market disclosures and compliance with stock exchange norms, may pose challenges. This lack of prior exposure could impact our company's ability to effectively meet these demands, potentially affecting investor confidence and may attract notices, fines or penalties from regulatory authorities which may divert the Management's attention and may have an adverse impact on the financial performance of the Company.

**32. *The average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders could be lower than the Offer Price.***

Our Promoters and Selling Shareholders average cost of acquisition of Equity Shares in our Company may be lower than the Offer Price as may be decided by the Company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters "Risk Factors" and "Capital Structure" beginning on pages 25 and 69 respectively of this DRHP.

**33. *Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.***

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, the insurance policy of Standard Fire & Special Perils policy in respect of manufacturing facilities, registered office and warehouses, burglary insurance, vehicle insurance and employees compensation policy. For further details, please refer to section titled "Our Business – Insurance" on page 163 of the DRHP. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks such as machinery breakdown, goods in transit, public liability insurance or risk in respect of assets located at registered and admin office. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be

adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. Our Company has not filed any insurance claim for six month period ending September 30, 2024, Fiscals 2024, 2023 and 2022.

**34. *We have incurred significant indebtedness which exposes us to various risks which may have an adverse-effect on our business and results of operations***

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on September 30, 2024, our total outstanding indebtedness was ₹ 7640.16 lakhs.

Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future; and
- increasing our interest expenditure and adversely affecting our profitability.

The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “*Statement of Financial Indebtedness*” on page 259 of this Draft Red Herring Prospectus.

**35. *Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory part/components loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the recent past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Though we have insurance losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition. While we have not experienced any such instance in the last three financial years and six months period ended Sept.’24, there can be no assurance that we will not experience any such adverse event in future.

**36. *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 serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees 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. While we have not experienced any such instance in the last three financial years and six months period ended Sept.’24, there can be no assurance that we will not experience any such adverse event in future.

**37. *We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Offer proceeds may delay the implementation schedule.***

The proposed fund requirement for working capital and capital expenditure, as detailed in the section titled "Objects of the Offer" is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Offer proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “Objects of the Offer” beginning on page 85 of this Draft Red Herring Prospectus.

**38. *We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, management, changes in fixed assets, creation of any

other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see “Statement of Financial Indebtedness” on page 259 of the Draft Red Herring Prospectus.

**39. *Our Company will not receive any proceeds from the Offer for Sale portion of the Offer.***

The Offer includes an Offer for Sale of up to 6,90,000 Equity Shares of face value ₹ 10 each, in the aggregate, by the Selling Shareholders. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all the Offer related expenses will be exclusively borne by our Company. The expenses of the Selling Shareholder will, at the outset, be borne by our Company and each Selling Shareholder will reimburse our Company for such expenses incurred by our Company on behalf of such Selling Shareholder, in relation to the Offer, upon successful completion of the Offer in the manner as prescribed under applicable law and agreed amongst the Company and the Selling Shareholder. See chapter titled “Objects of the Offer” on page 85.

**40. *The Objects of the Offer for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.***

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled “Objects of the Offer”. The fund requirement and deployment, as mentioned in the “Objects of the Offer” on page 85 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Offer” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Offer” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**41. *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 Issue towards (a) Funding of capital expenditure towards expansion of existing Umbergaon facility through construction of new sheds; and (b) Repayment of a portion of certain borrowings availed by our Company; (c) working capital requirements and (d) general corporate purposes. For further details of the proposed Objects of the Offer, see “Objects of the Offer” on page 85. 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 Issue, 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.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “*Dividend Policy*” on page 201 of the Draft Red Herring Prospectus.

**43. *A portion of the Net Proceeds will be utilized for repayment or prepayment of certain loan facilities availed by our Company.***

We propose to repay or pre-pay certain loan facilities availed by our Company from ICICI Bank, HDFC Bank & IDFC Bank from the Net Proceeds. For details see “*Objects of the Offer*” on page 85. While a voluntary prepayment or scheduled re-payment of a portion of certain outstanding loan facilities will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion, the repayment/ pre-payment will not result in the creation of any tangible assets for our Company.

**44. *Certain key performance indicators for certain listed industry peers included in this Draft Red Herring Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete.***

Pursuant to the requirements of the SEBI ICDR Regulations, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the “*Basis for Offer Price*” beginning on page 100 of the Draft Red Herring Prospectus. Although this information is sourced from and relied upon on the consolidated audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There may be different methodologies and formulas used to compute the various ratios.

**45. *Our Promoter and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.***

Our promoter along with the promoter group will continue to hold collectively [●] % of the Equity share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder’s vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoter will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

**46. *Our company is majorly dependent on third-party logistics service providers for the transportation of raw materials and finished products.***

We do not maintain an in-house transportation facility and depend on third-party transportation and logistics services at every stage of our business activities, including procurement from suppliers and delivering finished products to customers. While we engage transportation companies as needed, we have not established definitive agreements with any third-party transport service providers.

The transportation solutions available in the markets where we operate are typically fragmented and the cost incurred for goods transported by third-party carriers often exceeds the contracted transportation fees. Consequently, recovering compensation for damaged, delayed, or lost goods can be challenging. Recent instances, such as transportation vehicles being on strike due to fuel price increases, resulted in delays and potential disruptions in handling and procurement processes, which could have led to possible damage to products in transit. However, we have not experienced any such instances of disruption or delay in Fiscal 2024, Fiscal 2023, Fiscal 2022 and the six-month period ended September 30, 2024.



**47. Our Promoters (including Promoter Group), Directors, KMP's and Senior Management Personnel hold major portion of the Equity Shares of our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.**

Our Promoters (including Promoter Group), Directors, KMP's and Senior Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, or loans advanced by them to the Company and benefits deriving from the directorship in our Company. There can be no assurance that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders and our other shareholders may be unable to affect the outcome of such voting. For further information, please refer to the chapters/section titled "**Our Business**", "**Our Promoter and Promoter Group**" and "**Annexure X - Related Party Transactions**", beginning on pages 147, 197 and 245 respectively of this Draft Red Herring Prospectus.

**48. Loans availed by our Company has been secured on personal guarantees of our Promoters. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Promoters.**

Our Promoters and Directors Shrenik Kirit Shah and Mittal Shrenik Shah has provided personal guarantee to secure a significant portion of our existing borrowings taken from the banks and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer "**Statement of Financial Indebtedness**" on page 259 of this Draft Red Herring Prospectus.

**49. There is no monitoring agency appointed by Our Company to monitor the utilization of the Offer proceeds.**

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Offer size above ₹ 5,000.00 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Offer proceeds. However, the audit committee of our Board will monitor the utilization of Offer proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Offer proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**50. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off and future production and capacity utilization may vary.**

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Red Herring Prospectus. For further information, see the section titled "**Our Business**" on page 147 of this Draft Red Herring Prospectus.

**51. Certain sections of this Draft Red Herring Prospectus disclose information from industry report commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.**

This Draft Red Herring Prospectus includes industry-related information that is derived from the industry report titled "**Industry Research Report on Structural Steel**" issued on March 21, 2025 ("D&B Report"), prepared and issued by Dun & Bradstreet Information Services India Private Limited, appointed by our Company exclusively for the purpose of the Issue. We commissioned and paid for this report for the purpose of confirming our understanding of the industry exclusively for the purpose of the Issue. The D&B Report shall be available on the website of our Company at [www.karbonsteel.com](http://www.karbonsteel.com)

compliance with applicable laws. Our Company, our Promoters and our directors are not related to Dun & Bradstreet Information Services India Private Limited in any manner whatsoever.

Dun & Bradstreet has prepared this study in an independent and objective manner and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and research and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the BRLM, or any of their respective affiliates. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section 'Risk Factors' on page 25.

Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The extent to which the market and industry data used 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 business of our Company is conducted and methodologies and assumptions may vary widely among different industry sources.

#### **EXTERNAL RISK FACTORS**

##### ***52. A slowdown in economic growth in India could have a negative impact on cause our business, results of operations and financial conditions to suffer.***

The economy and securities markets in India are influenced by economic developments and volatility in securities markets in other nations across the globe. Investors' responses to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative developments in the economy, such as increase in trade deficits, decline in India's foreign exchange reserves or a default on national debt, in other emerging countries may also affect investor confidence and cause increase in volatility in Indian securities markets and affect the Indian economy in general. Any financial instability across the globe may also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and may adversely affect our business, financial performance and the price of our Equity Shares. Any other global economic developments or the probability of their occurrence may continue to have an adverse effect on global economic conditions and the stability of financial markets across the globe and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could decrease economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, cash flows, future financial performance, shareholders' equity and the price of our Equity Shares.

##### ***53. Natural disasters, acts of war, terrorist attacks and other events could materially and adversely affect our business and profitability.***

Natural disasters (such as earthquakes, fire, typhoons, cyclones, hurricanes and floods), pandemics, epidemics, strikes, civil unrest, terrorist attacks and other events, which are beyond our control, may lead to global or regional economic instability, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations. Any of these occurrences could cause severe disruptions to our daily operations and may warrant a temporary closure of our Devarapalli Facility. Such closures may disrupt our business operations and adversely affect our results of operations. Such an outbreak or epidemic may significantly interrupt our business operations as health or governmental authorities may impose quarantine and inspection measures on us or our clients.

Moreover, certain regions in India have witnessed terrorist attacks and civil disturbances and it is possible that future terrorist attacks or civil unrest, as well as other adverse social, economic and political events in India could have a negative effect on us. Transportation facilities, including vehicles, can be targets of terrorist attacks, which could lead to, among other things, increased insurance and security costs. Regional and global political or military tensions or conflicts, strained or altered foreign relations, protectionism and acts of war or the potential for war could also cause damage and disruption

to our business, which could materially and adversely affect our business, financial condition, cash flows and results of operations. Such incidents could create the perception that investments in Indian companies involve a higher degree of risk and such perception could adversely affect our business and the price of the Equity Shares.

Developments in the ongoing conflict between Russia and Ukraine, between Israel and Hamas, Hezbollah and Iran and between Houthi rebels and certain western countries, have resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, results of operations and financial condition may be adversely affected.

***54. Any future issuance of Equity Shares may dilute your shareholdings and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Any future equity issuance by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

***55. Financial instability in other countries may cause increased volatility in Indian and other financial markets.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in South - East Asian countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition. The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in South East Asia. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

***56. The Equity Shares have never been publicly traded and, after the Issue, 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 Issue, there has been no public market for the Equity Shares and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through the 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.

***57. Our business is substantially affected by prevailing economic, political and other prevailing conditions in emerging markets.***

Political, economic or other factors that are beyond our control may have an adverse effect on our business, financial condition, results of operations and cash flows.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in and currently functioning only in India and, as a result, are dependent on prevailing economic

conditions in India. Our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- volatility in and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- ongoing conflict between Russia and Ukraine, between Israel and Hamas, Hezbollah and Iran and between Houthi rebels and certain western countries
- occurrence of natural or man-made disasters (such as hurricanes, typhoons, floods, earthquakes, tsunamis and fires) which may cause us to suspend our operations;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the Indian markets as well as result in a loss of business confidence in Indian companies;
- epidemics, pandemics or any other public health concerns in India or in countries in the region or globally, including in India's various neighboring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 pandemic;
- any downgrading of India's debt rating by a domestic or international rating agency;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs,
- increased regulations or capital investment requirements; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

While our results of operations may not necessarily track India's economic growth figures, the Indian economy's performance nonetheless affects the environment in which we operate. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, financial condition and results of operations and the price of the Equity Shares.

***58. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition, cash flows and future prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Adverse modifications to, or changes in interpretations of, existing policies, laws, rules or regulations, or the introduction of new statutes, rules or regulations (including those related to foreign investment and stamp duty) that govern our business activities could lead to our operations being considered as non-compliant or adversely affect our business, prospects and operating results. For example, regulatory authorities in India and abroad may introduce new rules or policies, or pass new legislations that impact EVs or the broader automotive sector. Such circumstances could result in additional compliance obligations, necessitating us to secure further approvals and licences from relevant government and regulatory agencies, who may impose stringent conditions. It could also cause uncertainty in our business practices, potentially disrupting our operations. Adapting to such changes could result in higher costs and additional demands on our management and resources. Any lapses in compliance could negatively impact our business operations, financial performance, cash flow and growth prospects.

Additionally, the Government of India has introduced (a) the Code on Wages, 2019 ("Wages Code"); (b) the Code on Social Security, 2020 ("Social Security Code"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 (collectively, the "Labour Codes") which consolidate, subsume and replace numerous existing central labour legislations. The Government of India has postponed the enactment of the respective Labour Codes and they shall come into force from such dates as may be notified. It is possible that different provisions

within the Labour Codes may come into effect at various times. While the rules for implementation under these codes have not been notified in its entirety, as an immediate consequence, their introduction could potentially increase our company's financial obligations, negatively affecting our profit margins. We have not yet fully assessed the impact that these or similar laws might have on our business operations, which could potentially limit our ability to expand in the future. For instance, the Social Security Code is designed to standardise social security benefits for employees, which were previously divided under various acts with differing scopes and coverage. Additionally, the Wages Code restricts the portion of wages that can be excluded from calculations for employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the total wages paid to employees. The enforcement of these laws could lead to higher employee and labour costs, which in turn could have a detrimental effect on our operational results, cash flow, business and overall financial health.

Further, pursuant to the Finance (No.2) Act of 2024, notified on August 16, 2024, the Government of India has introduced new income tax slabs, an increase in standard deduction and an increase in the deduction available in respect of private sector employer's contribution to National Pension Scheme from 10% to 14% of the salary of the concerned employees. There is no certainty on the impact of the full union budget on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate.

***59. Increase in Indian inflation may lead to increased costs and a decline in profits.***

We may experience inflation volatility in India and continue to face historically persistent high inflation rates. Escalating inflation may increase interest rates and operational costs, including transportation, salaries and other business-related expenses, negatively impacting our financial health. Inflationary pressures could also complicate cost estimation and management. Should operating expenses rise due to inflation, our inability to fully transfer these costs to customers could adversely affect our profitability and financial standing. Moreover, inflation-induced interest rate rises could slow economic growth and credit expansion, further straining our financial performance. Our future success depends on our ability to increase revenue to counterbalance inflation-related cost hikes, failing which our business prospects, financial condition, operational results and cash flow could suffer. Although the Government of India has implemented measures to mitigate inflation, there can be no assurance that these measures remain effective.

***60. Volatile conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.***

The Indian securities markets have experienced significant volatility from time to time. The regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the United States, Europe and certain economies in Asia. Instability in the global financial markets has negatively affected the Indian economy in the past and may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy, financial sector and business in the future. For instance, recent concerns relating to the United States and China trade tensions have led to increased volatility in the global capital markets. In addition, the United States, the United Kingdom and Europe are some of India's major trading partners and there are rising concerns of a possible slowdown in these economies.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to improve the stability of the global financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts is uncertain and they may not have had the intended stabilising effects. Adverse economic developments overseas in countries where we have operations or other significant financial disruptions could have a material adverse effect on our business, future financial performance and the trading price of the Equity Shares.

## SECTION IV – INTRODUCTION

### THE OFFER

<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered <sup>(1)</sup></b>	Offer of up to 37,30,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs.
<b>Consisting of:</b>	
<b>Fresh Issue</b>	Up to 30,40,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating ₹[●] lakhs.
<b>Offer for Sale</b>	Offer for sale by Selling shareholders upto 6,90,000 equity shares of face value of ₹ 10 each at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs.
<b>The offer consist of:</b>	
<b>Offer Reserved for the Market Makers</b>	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Net Offer to the Public</b>	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Out of which*</b>	
A. QIB Portion <sup>(3)(4)</sup>	Not more than [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Of Which</b>	
i) Anchor Investor	Upto [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Of Which</b>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
B. Non-Institutional Portion	Not less than [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
C. Individual investors who applies for minimum application size Portion	Not less than [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Pre and Post – Offer Equity Shares</b>	
<b>Equity Shares outstanding prior to the Offer</b>	1,11,02,222 Equity Shares of face value of ₹ 10 each
<b>Equity Shares outstanding after the Offer</b>	Up to [●] Equity Shares of face value ₹ 10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the offer</i> ” on page 85. of this Draft Red Herring Prospectus.

(1) The Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Offer is being made by our company in terms of Regulation of 229(2) of SEBI (ICDR) Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the Post – Offer paid up equity share capital of our company are being offered to the public for subscription.

(2) The present offer has been authorized by our Board pursuant to a resolution passed at its meeting held on February 01, 2025 and by our Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting held on February 27, 2025. Further, our Board has taken on record the consents of the Selling Shareholders by a resolution of our Board dated February 28, 2025.

(3) The Selling shareholders have consented to participate in the offer for sale in the following manner:

<b>Name of the Selling Shareholders</b>	<b>Authorisation Letter Dated</b>	<b>No of equity shares (of face value of Rs. 10 each) held</b>	<b>No of equity shares (of face value of Rs. 10 each )offered</b>
Shrenik Kirit Shah	February 28, 2025	54,06,240	4,14,000
Mittal Shrenik Shah	February 28, 2025	21,06,160	2,76,000
<b>Total</b>		<b>75,12,400</b>	<b>6,90,000</b>

The Selling Shareholders have confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations, 2018 and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

Further, Selling Shareholders have confirmed that the Offered Shares have been held by such Selling Shareholders for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus and are accordingly eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations and amendments thereto. Further, Selling Shareholders have confirmed that their respective Offered Shares are compliant with Regulation 230(1) (f) and 230(1) (g) of the SEBI ICDR Regulations 2018 read with SEBI ICDR (Amendment) Regulations, 2025.

(4) The SEBI ICDR Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025, permits the offer of securities to the public through the Book Building Process, which states that not less than 35% of the Net Offer shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two thirds of the Non-Institutional Portion will be available for allocation to Bidders 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 Bidders in the other sub-category of Non Institutional Portion. Subject to the availability of shares in non-institutional investors' category the, allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations 2018 read with SEBI ICDR (Amendment) Regulations, 2025. Not more than 50% of the Net Offer shall be allotted to QIBs, subject to valid Bids being received at or above the Offer Price.

(5) 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 of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

Our Company and Selling Shareholders, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the 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 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 refer section titled "**Offer Procedure**" beginning on page 309 of this Draft Red Herring Prospectus.

SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 03, 2025 effective from the date of their publication in official gazette, has prescribed the allocation to each Individual Investors which shall not be less than minimum application size applied by such individual investors and Subject to the availability of shares in non-institutional investors' category, the allotment to Non- Institutional Investors shall be more than two lots which shall not be less than the minimum application size in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.



**SUMMARY OF OUR FINANCIAL STATEMENTS**

**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs in lakhs)

S. No.	PARTICULARS	Annexure No.	As at September 30, 2024	As at March 31,		
				2024	2023	2022
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1.</b>	<b>Shareholders' Funds</b>					
(a)	Share Capital	A	555.11	538.46	499.60	499.60
(b)	Reserves & Surplus		4,679.74	3,841.10	2,374.03	1,863.33
			<b>5,234.85</b>	<b>4,379.56</b>	<b>2,873.63</b>	<b>2,362.93</b>
<b>2.</b>	<b>Non Current Liabilities</b>					
(a)	Long Term Borrowings	B, B(A) and B(B)	2,202.37	1,934.59	2,174.58	1,506.02
(b)	Other Long Term Liabilities		-	-	-	-
(b)	Deferred Tax Liabilities (Net)	C	49.41	45.76	32.05	28.97
(c)	Long Term Provisions	D	29.12	23.90	19.78	14.19
			<b>2,280.89</b>	<b>2,004.24</b>	<b>2,226.41</b>	<b>1,549.18</b>
<b>3.</b>	<b>Current Liabilities</b>					
(a)	Short Term Borrowings	B, B(A) and B(B)	5,437.79	4,048.86	2,677.30	2,569.07
(b)	Trade Payables					
(i)	Due to micro, small and medium enterprises	E	188.86	177.95	110.93	55.10
(ii)	Due to Other than micro, small and medium enterprises		7,868.66	6,394.31	6,272.52	3,168.87
(c)	Other Current Liabilities	F	104.73	422.35	135.91	38.86
(d)	Short Term Provisions		293.98	186.36	78.89	40.85
			<b>13,894.02</b>	<b>11,229.84</b>	<b>9,275.56</b>	<b>5,872.74</b>
	<b>Total Equity and Liabilities</b>		<b>21,409.77</b>	<b>17,613.64</b>	<b>14,375.60</b>	<b>9,784.85</b>
<b>B)</b>	<b>ASSETS</b>					
<b>1.</b>	<b>Non Current Assets</b>					
(a)	Property, Plant & Equipment and Intangible Assets	G				
i)	Property, Plant and Equipment		2,898.03	2,658.45	1,814.92	1,558.21
ii)	Intangible Assets		4.77	2.11	6.81	4.74
			<b>2,902.80</b>	<b>2,660.56</b>	<b>1,821.72</b>	<b>1,562.95</b>
(b)	Long Term Loans and Advances	H	675.97	490.70	19.86	25.94
(c)	Other Non Current Assets	I	566.77	324.70	214.73	123.38
			<b>1,242.75</b>	<b>815.40</b>	<b>234.59</b>	<b>149.31</b>
<b>2.</b>	<b>Current Assets</b>					
(a)	Inventories	J	11,428.37	8,055.31	8,245.86	4,898.87
(b)	Trade Receivables	K	3,872.05	4,682.41	2,169.53	2,559.31
(c)	Cash & Cash equivalent	L	1,149.04	940.57	1,342.96	505.66
(d)	Short-Term Loans and Advances	M	439.03	91.92	19.37	6.57
(e)	Other Current Assets	N	375.72	367.46	541.55	102.19
			<b>17,264.22</b>	<b>14,137.68</b>	<b>12,319.28</b>	<b>8,072.59</b>
<b>Total</b>			<b>21,409.77</b>	<b>17,613.64</b>	<b>14,375.60</b>	<b>9,784.85</b>

**RESTATED STATEMENT OF PROFIT AND LOSS**

(Amount in Rs. Lakh)

S.No	PARTICULARS	Annexure No.	For the Period ended September 30, 2024	For the Year ended March 31,		
				2024	2023	2022
	<b>Income:</b>					
1	Revenue from operations	O	10,595.34	21,833.76	15,558.03	8,883.16
2	Other Income	P	16.67	43.54	30.76	35.69
<b>3</b>	<b>Total Income (1+2)</b>		<b>10,612.01</b>	<b>21,877.30</b>	<b>15,588.79</b>	<b>8,918.85</b>
4	<b>Expenses:</b>					
(a)	Cost of Material Consumed	Q	10,007.03	13,989.00	13,281.53	4,069.80
(b)	Purchases of Stock in Trade		-	561.48	1,017.25	3,756.18
(c)	Changes in Inventories of work-in-progress and stock-in-trade	R	(3,354.48)	1,140.95	(3,252.39)	(1,246.68)
(d)	Employee Benefit Expenses	S	501.39	862.85	594.82	385.41
(e)	Finance Cost	T	663.94	1,117.65	797.10	489.93
(f)	Depreciation and Amortization Expenses	U	142.70	235.66	174.90	159.60
(g)	Other Expenses	V	1,831.20	2,700.69	2,294.64	1,039.02
<b>5</b>	<b>Total Expenses 4(a) to 4(g)</b>		<b>9,791.78</b>	<b>20,608.28</b>	<b>14,907.86</b>	<b>8,653.27</b>
<b>6</b>	<b>Profit/(Loss) Before Exceptional, Extraordinary Items and Tax (3-5)</b>		<b>820.23</b>	<b>1,269.02</b>	<b>680.92</b>	<b>265.58</b>
7	Exceptional Items		-	-	-	-
8	Profit/(Loss) Before extraordinary items and tax (6-7)		820.23	1,269.02	680.92	265.58
9	Extraordinary Items		-	-	-	-
<b>10</b>	<b>Profit/(Loss) Before Tax (8-9)</b>		<b>820.23</b>	<b>1,269.02</b>	<b>680.92</b>	<b>265.58</b>
11	Tax Expense:					
(a)	Current tax		202.77	312.82	167.14	65.80
(b)	Deferred Tax		3.64	13.71	3.08	9.87
	Net Current Tax Expenses		206.41	326.53	170.23	75.67
<b>12</b>	<b>Profit/(Loss) for the Year (10-11)</b>		<b>613.82</b>	<b>942.49</b>	<b>510.70</b>	<b>189.91</b>
13	Weighted Average Number of Shares after considering Bonus and Right Issue of Shares		11,064,002	10,002,616	9,992,000	9,992,000
<b>14</b>	<b>Earnings per equity shares (Face Value of Rs. 10 each)</b>					
i.	Basic		5.55	9.42	5.11	1.90
ii.	Diluted		5.55	9.42	5.11	1.90

**RESTATED CASH FLOW STATEMENT**

(Amount in Rs. Lakh)

PARTICULARS	Note No.	For the Period ended September 30,2024	For the Year ended March 31,		
			2024	2023	2022
<b>A) Cash Flow From Operating Activities :</b>					
Net Profit before tax		820.23	1,269.02	680.92	265.58
<b>Adjustment for :</b>					
Depreciation		142.70	235.66	174.91	159.60
Finance Cost		663.94	1,117.65	797.10	489.93
Provision of Gratuity & Leave Encashment		5.51	4.35	6.17	1.15
Interest Income		(5.35)	(36.12)	(30.76)	(26.33)
Loss on Sale of Fixed Assets		-	-	0.34	-
<b>Operating profit before working capital changes</b>		<b>1,627.03</b>	<b>2,590.57</b>	<b>1,628.70</b>	<b>889.93</b>
Changes in Working Capital					
(Increase)/Decrease in Inventory		(3,373.06)	190.55	(3,347.00)	(1,017.43)
(Increase)/Decrease in Trade Receivables		810.36	(2,512.88)	389.77	(43.02)
(Increase)/Decrease in Short Term Loans & Advances		(347.11)	(72.55)	(12.80)	501.53
(Increase)/Decrease in Other Current Assets		(8.26)	174.09	(439.36)	(43.54)
Increase/(Decrease) in Trade Payables		1,485.25	188.81	3,159.48	736.81
Increase/(Decrease) in Other Current Liabilities		(317.62)	286.44	97.05	456.34
Increase/(Decrease) in Short Term Provisions		3.00	5.40	1.50	1.00
<b>Cash generated from operations</b>		<b>(120.41)</b>	<b>850.44</b>	<b>1,477.34</b>	<b>1,481.62</b>
Less:- Income Taxes paid		(98.43)	(211.00)	(131.18)	(58.87)
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>(218.83)</b>	<b>639.44</b>	<b>1,346.16</b>	<b>1,422.75</b>
<b>B) Cash Flow From Investing Activities :</b>					
Purchase of Fixed Assets including of CWIP (Net of sale proceeds, if any)		(384.94)	(1,074.49)	(447.68)	(248.10)
Sale proceeds of Fixed Assets		-	-	13.66	-
Increase/(Decrease) in Long Term Loans and Advances		(185.27)	(470.84)	6.07	(1.00)
Increase/(Decrease) in Other Non Current Assets		(242.08)	(109.97)	(91.35)	17.07
Interest Income		5.35	36.12	30.76	26.33
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(806.94)</b>	<b>(1,619.18)</b>	<b>(488.55)</b>	<b>(205.71)</b>
<b>C) Cash Flow From Financing Activities :</b>					
Proceeds from Issue of Share Capital		16.65	38.86	-	-
Proceeds from Issue of Security Premium		224.82	524.58	-	-
Proceeds from Long Term Borrowing		267.78	-	668.56	-
Repayment of Long Term Borrowing			(239.99)		(766.88)
Net Increase/(Decrease) in Short Term Borrowing		1,388.93	1,371.56	108.24	409.66
Interest Paid		(663.94)	(1,117.65)	(797.10)	(489.93)
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>1,234.24</b>	<b>577.35</b>	<b>(20.30)</b>	<b>(847.15)</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>(A+B+C)</b>	<b>208.46</b>	<b>(402.39)</b>	<b>837.31</b>	<b>369.89</b>
<b>Cash equivalents at the beginning of the year</b>		<b>940.57</b>	<b>1,342.96</b>	<b>505.66</b>	<b>135.76</b>
<b>Cash equivalents at the end of the year</b>		<b>1,149.04</b>	<b>940.57</b>	<b>1,342.96</b>	<b>505.66</b>

**Notes:**

<b>1. Component of Cash and Cash equivalents</b>	<b>For the Period ended September 30,2024</b>	<b>For the Year ended March 31,</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
Cash on hand	4.95	0.41	1.47	7.29
Balance With banks	0.56	63.60	3.12	0.12
Fixed Deposits	1,143.54	876.57	1,338.38	498.25
<b>Total</b>	<b>1,149.04</b>	<b>940.57</b>	<b>1,342.96</b>	<b>505.66</b>

2. Cash flows are reported using the indirect method whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

## GENERAL INFORMATION

### Brief Summary:

Our Company was incorporated as “Karbon Steelmart Private Limited” on April 21, 2011, under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by Registrar of Companies, Mumbai, Maharashtra. Further, pursuant to special resolution passed by the shareholders at the Extra-Ordinary General Meeting held on January 15, 2022, the name of our Company was changed from Karbon Steelmart Private Limited” to “Karbonsteel Engineering Private Limited” and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Mumbai, Maharashtra, on March 02, 2022. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on May 09, 2024 and the name of our Company was changed from “Karbonsteel Engineering Private Limited” to “Karbo nsteel Engineering Limited” vide fresh certificate of incorporation dated June 24, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U74120MH2011PLC216558.

For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 179 of this Draft Red Herring Prospectus.

<b>Registered Office</b>	B-8; Ratnadeep Cosmopolitan CHS Ltd, 140-141 S.V. Road, Nr. Shoppers Stop, Andheri (W), Mumbai, Maharashtra, India-400058. <b>Tel. No.:</b> +91-22-61872821 <b>Email:</b> <a href="mailto:info@karbonsteel.com">info@karbonsteel.com</a> <b>Website:</b> <a href="https://www.karbonsteel.com/">https://www.karbonsteel.com/</a> <b>CIN:</b> U74120MH2011PLC216558 <b>Registration Number:</b> 216558
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### Address of the Registrar of Companies:

Our Company is registered with the Registrar of Companies, Maharashtra situated at the following address:

**Registrar of Companies, Maharashtra**  
100, Everest, Marine Drive Mumbai-400002  
**Phone:** 022-22812627  
**Email:** [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)  
**Website:** [www.mca.gov.in](http://www.mca.gov.in)

### Board of Directors:

Set forth below are the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

Sr. No	Name of Director	Designation	DIN	Address
1	Shrenik Kirit Shah	Chairman & Managing Director	02070901	301/302 Vijaya Apartments, 3 <sup>rd</sup> Floor, Bajaj Road, Vile Parle (West), Mumbai, Maharashtra-400056
2	Mittal Shrenik Shah	Whole Time Director	07057998	301/302 Vijaya Apartments, 3 <sup>rd</sup> Floor, Bajaj Road, Vile Parle (West), Mumbai, Maharashtra-400056
3	Saurabh Bhansali	Non-Executive Director	06588520	22, Laxmi Market, Beawar, Ajmer, Beawar, Rajasthan -305901.
4	Mihen Jyotindra Halani	Independent Director	07063249	A 904, Alta Monte, Western Express Highway, Near Shantaram Talav Kurar Village Malad West, Mumbai, Maharashtra – 400097.
5	Sunil Kathariya	Independent Director	07155856	1 <sup>st</sup> Main, 6 <sup>th</sup> cross, Gandhi Colony Hospet, Vijaynagar, Ballari, Karnataka-583201

For further details in relation to our Directors, please refer to chapter titled **“Our Management”** on page 182 of this Draft Red Herring Prospectus.

<b>Chief Financial Officer</b>	<b>Company Secretary and Compliance Officer</b>
<p>Ganesh Shripati Bhandary  <b>Karbonsteel Engineering Limited</b>  <b>Address:</b> B-8; Ratnadeep Cosmopolitan CHS Ltd, 140-141 S.V. Road, Nr. Shoppers Stop, Andheri (W), Mumbai, Maharashtra, India-400058.  <b>Tel. No.:</b> +91-22-61872821  <b>Email:</b> <a href="mailto:cfo@karbonsteel.com">cfo@karbonsteel.com</a></p>	<p>Jankhana VasANJI Gala  <b>Karbonsteel Engineering Limited</b>  <b>Address:</b> B-8; Ratnadeep Cosmopolitan CHS Ltd, 140-141 S.V. Road, Nr. Shoppers Stop, Andheri (W), Mumbai, Maharashtra, India-400058.  <b>Tel. No.:</b> +91-22-61872821  <b>Email:</b> <a href="mailto:cs@karbonsteel.com">cs@karbonsteel.com</a></p>

### **Investor 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, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances relating to the offer other than the 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. The Bidders should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

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

For all offer related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager.

### **Details of Key Intermediaries pertaining to this Offer and Our Company:**

<p><b>Book Running Lead Manager to the Offer</b>  <b>Seren Capital Private Limited</b>  <b>Address:</b> Office no. 601 to 605, Raylon Arcade, Kondivita, J.B. Nagar, Mumbai, Mumbai, Maharashtra, India, 400059.  <b>Tel No.:</b> +91-22-46011058  <b>Email:</b> <a href="mailto:info@serencapital.in">info@serencapital.in</a>  <b>Investor Grievance Email:</b> <a href="mailto:investors@serencapital.in">investors@serencapital.in</a>  <b>Website:</b> <a href="https://serencapital.in/">https://serencapital.in/</a>  <b>Contact Person:</b> Ankit Maheshwari/Akshita Agarwal  <b>SEBI Reg. No.:</b> INM000013156</p>	<p><b>Legal Advisors to the Offer</b>  <b>Factum Advisors</b>  <b>Address:</b> 4, Mohan Kunj, JF Road, Dadar (E), Mumbai - 400014  <b>Tel No.:</b> +91-90-2929-1919  <b>Email:</b> <a href="mailto:deepak@factumadvisors.com">deepak@factumadvisors.com</a>  <b>Contact Person:</b> Deepak Suresh Jain</p>
<p><b>Registrar to the Offer</b>  <b>Maashitla Securities Private Limited</b>  <b>Address:</b> 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, Delhi -110034, India.  <b>Telephone:</b> 011- 47581432  <b>Email id:</b> <a href="mailto:investor.ipo@maashitla.com">investor.ipo@maashitla.com</a>  <b>Investor Grievance Email:</b> <a href="mailto:investor.ipo@maashitla.com">investor.ipo@maashitla.com</a>  <b>Website:</b> <a href="http://www.maashitla.com">www.maashitla.com</a>  <b>Contact Person:</b> Mr. Mukul Agrawal  <b>SEBI Registration Number:</b> INR000004370</p>	<p><b>Statutory Auditors</b>  <b>Rao &amp; Shyam</b>  <b>Chartered Accountants,</b>  <b>Address:</b> Office No 42, 4th Floor Kalpataru Avenue, Akurli Road, Kandivali East, Mumbai-40010, Maharashtra, India.  <b>Tel No.:</b> +91-9930112910  <b>Email:</b> <a href="mailto:vibhor@raoandshyam.com">vibhor@raoandshyam.com</a>  <b>Firm Registration No.:</b> 006186S  <b>Contact Person:</b> Vibhor Kala  <b>Peer Review Certificate No.:</b> 013279</p>
<p><b>Bankers to the Company</b></p>	<p><b>Syndicate Member*</b></p>

<b>HDFC Bank Limited</b> <b>Address:</b> 7 <sup>th</sup> Floor, Alpha Building, Lodha I- Think Techno Campus, Near Railway station Road, Kanjurmarg East, Mumbai, Maharashtra-400042 <b>Telephone No.:</b> 022-30752606 <b>Email Id:</b> <a href="mailto:Abhiram.Choudhary@hdfcbank.com">Abhiram.Choudhary@hdfcbank.com</a> <b>Website:</b> <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> <b>Contact Person:</b> Abhiram Alok Choudhary	[●]
<b>Bankers to the Offer /Refund Banker/ Sponsor Bank*</b>	
[●]	

*\*The Bankers to the Offer, Refund Bank, Sponsor Bank and Syndicate Member shall be appointed prior to filing of Red herring Prospectus.*

### Designated Intermediaries:

#### Self-Certified Syndicate Banks (SCSB's)

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>; and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>  
Investors are requested to refer the SEBI website for updated list of SCSBs and their 33 designated branches.

#### Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

#### Syndicate SCSB Branches

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, individual investors who applies for minimum application size applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

#### Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

#### Registrar and Share Transfer Agents

The list of the Registrar to Offer and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

#### Collecting Depository Participants

The list of the Collecting Depository Participants (CDPs) eligible to accept Bid-cum-Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Brokers to the Offer**

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

### **Expert Opinion**

Except for (i) the Installed Capacity and Actual Capacity Utilization Certificate issued by the Independent Chartered Engineer, (ii) the Independent Chartered Accountant Certificates issued in connection with this Offer, and (iii) the certificates provided in the sections titled “Restated Financial Statements” and “Statement of Special Tax Benefits” on pages 202 and 106, respectively, of this Draft Red Herring Prospectus by the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be interpreted as defined under the U.S. Securities Act of 1933.

### **Inter-se Allocation of Responsibilities**

Seren Capital Private Limited being the sole Book Running Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Offer. Hence, a statement of inter se allocation of responsibilities is not required.

### **Appraisal and Monitoring Agency**

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Offer size (excluding offer for sale) is up to ₹ 5,000 Lakh. Since the Offer size (excluding offer for sale) is below ₹ 5,000 Lakh, our Company has not appointed any monitoring agency for this Offer. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Offer.

### **Green Shoe Option**

No Green Shoe Option is applicable for this Offer.

### **Credit Rating**

As this is Offer of Equity Shares, there is no credit rating for the Offer.

### **IPO Grading**

Since the Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

### **Trustees**

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

### **Debenture Trustees**

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

### **Filing of Offer Documents with the Designated Stock Exchange/SEBI/ROC**

The Draft Red Herring Prospectus is being filed with SME Platform of BSE Limited, Phiroze Jeejeebhoy tower, Dalal Street, Mumbai 400001, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR)



Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

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

### **Book Building Process**

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

- Our Company
- The Book Running Lead Manager in this case being **Seren Capital Private Limited**,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager; The Registrar to the Offer, in this case being the **Maashitla Securities Private Limited**;
- The Escrow Collection Banks/ Bankers to the Offer and;
- The Designated Intermediaries and Sponsor bank

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

The Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 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 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 and not less than 35% of the Net Offer shall be available for allocation to individual investors who applies for minimum application size, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders may participate in the Offer through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Offer. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Individual investors who applies for minimum application size 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. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to valid Bids being received at or above the Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for individual investors who applies for minimum application size Portion where allotment to each individual investors who applies for minimum application size shall not be less than the minimum bid lot, subject to availability of Equity Shares in individual investors who applies for minimum application size Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, individual investors who applies for minimum application size applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “**Offer Procedure**” beginning on page 309. of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “**Offer Procedure**” on page 309 of this Draft Red Herring Prospectus.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares of face value of Rs. 10 each and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

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

#### Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “**Offer Procedure**” on page 309 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.

- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### **Bid/ Offer Program:**

<b>Event</b>	<b>Indicative Dates</b>
Bid/ Offer Opening Date <sup>(1)</sup>	[●]
Bid/ Offer Closing Date <sup>(2)</sup>	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	[●]
Credit of Equity Shares to Demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

<sup>(1)</sup> Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI (ICDR) Regulations.

<sup>(2)</sup> Our Company in consultation with the BRLM, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer closing Date, in accordance with the SEBI (ICDR) Regulations.

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

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Offer Period (except for the Bid/ Offer Closing Date). On the Bid/ Offer Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for individual investors who applies for minimum application size and non-institutional Bidders. The time for applying for individual investors who applies for minimum application size on Bid/ Offer Closing Date maybe extended in consultation with the BRLM, RTA and BSE taking into account the total number of applications received up to the closure of timings.

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

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

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

#### **Withdrawal of the Offer**

Our Company in consultation with the BRLM, reserve the right to not to proceed with Offer at any time before the Bid/ Offer Opening Date without assigning any reason thereof.

If our Company withdraws the Offer anytime after the Bid/ Offer Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Offer Closing Date, providing reasons for not proceeding with the Offer shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Offer after the Bid/ Offer Closing Date and subsequently decides to proceed with Offer of the Equity Shares, our Company will have to file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

### Underwriting

The Company and the Book Running Lead Manager to the Offer hereby confirm that the Offer will be 100% Underwritten by the underwriter [●].

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company, Selling Shareholder, BRLM and Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriterx	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Offer Size Underwritten
[●]	[●]	[●]	[●]

\*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, [●] in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

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

### Change in Auditors during the last three (3) years

Except as stated below, there have been no changes in our Company's auditors in the last three (3) years:

Details of Statutory Auditor	Date of Change	Reason of Change
<b>V.M. Shah &amp; Co.</b> <b>Chartered Accountants,</b> <b>Address:</b> 103, Radha Apartment, Near Radha Mandir, Waghawadi Road, Bhavnagar-364002 <b>Email:</b> vmshahandco@gmail.com <b>Firm Registration No.:</b> 109826W <b>Contact Person:</b> Vikas. M. Shah <b>Membership No:</b> 031495	December 31, 2020 (Appointment)	Appointment for the FY 2020 till FY 2025.
<b>V.M. Shah &amp; Co.</b> <b>Chartered Accountants,</b> <b>Address:</b> 103, Radha Apartment,	February 23,2024	

Near Radha Mandir, Waghawadi Road, Bhavnagar-364002 <b>Email:</b> vmshahandco@gmail.com <b>Firm Registration No.:</b> 109826W <b>Contact Person:</b> Vikas. M. Shah <b>Membership No:</b> 031495	(Resignation)	Resignation due to pre-occupation in other assignments.
<b>Rao and Shyam Chartered Accountants,</b> <b>Address:</b> Office No 42, 4th Floor Kalpataru Avenue, Akurli Road, Kandivali East, Mumbai-400101, Maharashtra, India. <b>Tel No.:</b> +91-9930112910 <b>Email:</b> mumabi@randsca.com <b>Firm Registration No.:</b> 006186S <b>Contact Person:</b> Vibhor Kala <b>Membership No:</b> 143553	March 19,2024 (Appointment in case of casual vacancy)	Appointment as Statutory Auditors of the Company under section 139 (2) of Companies Act 2013 in case of casual vacancy for the period April 01, 2023 to March 31, 2024.
<b>Rao and Shyam Chartered Accountants,</b> <b>Address:</b> 45/502, Evershine Millenium Paradise, Thakur Village, Kandivali EastMumbai-400101, Maharashtra, India. <b>Tel No.:</b> +91-9930112910 <b>Email:</b> mumabi@randsca.com <b>Firm Registration No.:</b> 006186S <b>Contact Person:</b> Vibhor Kala <b>Membership No:</b> 143553	September 30, 2024 (Appointment)	Appointment as Statutory Auditor for the FY 2024 till FY 2029

#### Details of the Market Making arrangement for this Offer

Our Company and the BRLM has entered into Market Making Agreement dated [●] with the following Market Maker, to fulfill the obligations of Market Making for this Offer:

<b>Name</b>	[●]
<b>Correspondence Address</b>	[●]
<b>Tel No.</b>	[●]
<b>E-mail</b>	[●]
<b>Website</b>	[●]
<b>Contact Person</b>	[●]
<b>SEBI Registration No.</b>	[●]
<b>Market Maker Registration No.</b>	[●]

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

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

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

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

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the BSE SME and SEBI from time to time.
- The minimum depth of the quote shall be ₹ 1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to Offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of BSE (in this case currently the minimum trading lot size is [●] equity shares; however the same may be changed by the SME platform of BSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Offer Size. Any Equity Shares allotted to Market Maker under this Offer over and above 25% of Offer Size would not be taken in to consideration of computing the threshold of 25% of Offer Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Offer Size, the Market Maker will resume providing 2 way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market-for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.

- **Risk containment measures and monitoring for Market Makers:** BSE SME will have all margins, which are applicable on BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified

guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

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

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

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

The following spread will be applicable on the SME platform:

S. No.	Market Price Slab (in Rs.) Proposed Spread (in % to sale price)	Market Price Slab (in Rs.) Proposed Spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

➤ Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

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

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

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

## CAPITAL STRUCTURE

The Share capital of our company as at the date of this Draft Red Herring Prospectus is set forth below:

(₹ in Lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Offer Price
A	<b>Authorized Share Capital</b> 1,50,00,000 Equity Shares having Face Value of ₹10/- each	1500.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Offer</b> 1,11,02,222 Equity Shares having Face Value of ₹10/- each	1110.22	-
C	<b>Present Offer in terms of this Draft Red Herring Prospectus*</b> Up to 37,30,000 Equity Shares having Face Value of ₹ 10/-each at a price of ₹ [●] per share	373.00	[●]
	<b>Consisting of</b>		
	Fresh Issue of up to 30,40,000 Equity Shares of face value of ₹ 10/- each at a Premium of ₹ [●] per share	304.00	[●]
	**Offer for sale of up to 6,90,000 Equity Shares of face value of ₹ 10/- each at a Premium of ₹ [●] per share	69.00	[●]
	<b>Which comprises of:</b>		
D	<b>Reservation for Market Maker Portion</b> Up to [●] Equity Shares of face value of ₹ 10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	<b>Net Offer to Public</b> Net Offer to Public of [●] Equity Shares of face value of ₹ 10/- each at a price of ₹ [●] per Equity Share to the Public	[●]	[●]
	<b>Of which:</b>		
	At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to individual investors who applies for minimum application size	[●]	[●]
	At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	Not more than [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds.	[●]	
F	<b>Issued, Subscribed and Paid-up Equity Share Capital after the Offer</b> [●] Equity Shares of face value of face value of ₹ 10/- each	[●]	
G	<b>Securities Premium Account</b>		
	Before the Offer (as on date of this Draft Red Herring Prospectus)	364.92	
	After the Offer	[●]	

\*The Present Offer of up to 37,30,000 Equity Shares of face value of ₹ 10/- each in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated February 1, 2025 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on February 27, 2025.

\*\*The Offer for Sale has been authorized by the Promoter Selling Shareholders by authorization letter dated February 28, 2025.

Sr. No	Name of the Promoter Selling Shareholders	No. of Equity Shares offered (of face value of ₹ 10/- each)	% of the pre-Offer paid-up Equity Share capital
1.	Shrenik Kirit Shah	4,14,000	3.73
2.	Mittal Shrenik Shah	2,76,000	2.49
	<b>Total</b>	<b>6,90,000</b>	<b>6.21</b>

Allocation to all categories shall be made on a proportionate basis subject to valid Applications received. Under subscription, if any, in any of the categories (except for the QIB Portion), would be allowed to be met with spill-over from any of the other categories. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.



### Classes of Shares:

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

### NOTES TO THE CAPITAL STRUCTURE:

#### 1. Changes in Authorized Equity Share Capital of our Company:

Sr. No.	Particulars	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital (₹ in lakhs)	Date of Meeting	Whether AGM/ EGM
1.	On Incorporation	90,000	10/-	9.00	On Incorporation	N.A.
2.	Increase in the authorized share capital of the Company from ₹9.00 Lakh to ₹50.00 Lakh	5,00,000	10/-	50.00	June 27, 2011	EGM
3.	Increase in the authorized share capital of the Company from ₹50.00 Lakh to ₹100.00 Lakhs	10,00,000	10/-	100.00	November 12, 2011	EGM
4.	Increase in the authorized share capital of the Company from ₹100.00 Lakh to ₹175.00 Lakhs	17,50,000	10/-	175.00	March 08, 2013	EGM
5.	Increase in the authorized share capital of the Company from ₹175.00 Lakh to ₹205.00 Lakhs	20,50,000	10/-	205.00	February 16, 2015	EGM
6.	Increase in the authorized share capital of the Company from ₹205.00 Lakh to ₹500.00 Lakhs	50,00,000	10/-	500.00	February 23, 2018	EGM
7.	Increase in the authorized share capital of the Company from ₹500.00 Lakh to ₹1500.00 Lakhs	1,50,00,000	10/-	1500.00	February 01, 2024	EGM

#### 2. Equity Share Capital History of our Company:

a) The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid up Capital (₹)
Upon Incorporation	10,000	10/-	10/-	Cash	Subscription to MOA <sup>(i)</sup>	10,000	-	1,00,000
August 22, 2011	4,90,000	10/-	10/-	Cash	Further Issue <sup>(ii)</sup>	5,00,000	-	50,00,000

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid up Capital (₹)
November 21, 2011	5,00,000	10/-	20/-	Cash	Further Issue (iii)	10,00,000	50,00,000	1,00,00,000
March 28, 2013	5,00,000	10/-	15 /-	Cash	Further Issue (iv)	15,00,000	75,00,000	1,50,00,000
May 17, 2013	1,000	10/-	15/-	Cash	Further Issue (v)	15,01,000	75,05,000	1,50,10,000
March 27, 2015	5,31,000	10/-	28/-	Cash	Preferential allotment (vi)	20,32,000	1,70,63,000	2,03,20,000
November 26, 2018	29,64,000	10/-	10 /-	Cash	Private Placement (vii)	49,96,000	1,70,63,000	4,99,60,000
March 27, 2024	3,88,578	10/-	145 /-	Cash	Preferential Allotment (viii)	53,84,578	6,95,21,030	5,38,45,780
April 22, 2024	1,66,533	10/-	145/-	Cash	Preferential Allotment (ix)	55,51,111	9,20,02,985	5,55,11,110
December 09, 2024	55,51,111	10/-	NA	Other than cash	Bonus Issue in the ratio of 1:1 (x)	11,102,222	3,64,91,875	1,11,022,220

All the above-mentioned shares are fully paid up since the date of allotment.

- (i) Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of ₹ 10/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Kirit Shantilal Shah	9,900
2.	Jitendra Shantilal Shah	100
	<b>Total</b>	<b>10,000</b>

- (ii) Allotment of 4,90,000 Equity Shares of Face Value of ₹ 10/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Kirit Shantilal Shah	4,10,000
2.	Smitaben Kirit Shah	80,000
	<b>Total</b>	<b>4,90,000</b>

- (iii) Allotment of 5,00,000 Equity Shares of Face Value of ₹ 10/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Smitaben Kirit shah	2,50,000
2.	Kirit Shah HUF	25000
3.	Shrenik Kirit Shah	1,25,000
4.	Kirit Shantilal Shah	1,00,000
	<b>Total</b>	<b>5,00,000</b>

- (iv) Allotment of 5,00,000 Equity Shares of Face Value of ₹ 10/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Shrenik Kirit Shah	5,00,000
	<b>Total</b>	<b>5,00,000</b>

- (v) Allotment of 1,000 Equity Shares of Face Value of ₹ 10/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Mittal Shrenik Shah	1,000
	<b>Total</b>	<b>1,000</b>

- (vi) Allotment of 5,31,000 Equity Shares of Face Value of ₹ 10/- each on Preferential basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Shrenik Kirit Shah	1, 53,000
2.	Kirit Shantilal Shah	2,16,000
3.	Mittal Shrenik Shah	54,000
4.	Smitaben Kirit Shah	1,08,000
	<b>Total</b>	<b>5,31,000</b>

(vii) Allotment of 29,64,000 Equity Shares of Face Value of ₹ 10/- each on Private Placement Basis of Shares as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Shrenik Kirit Shah	3,30,000
2.	Smitaben Kirit Shah	3,30,000
3.	Mittal Shrenik Shah	3,30,000
4.	Satish Krishnalal Thakkar	4,95,000
5.	Darshana Satish Thakkar	4,95,000
6.	Bhavin K Shah	4,92,000
7.	Sapna Bhavin Shah	4,92,000
	<b>Total</b>	<b>29,64,000</b>

(viii) Allotment of 3,88,578 Equity Shares of Face Value of ₹ 10/- each on Preferential basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Sandeep Bhandari	34,500
2.	Pooja Parsh Chheda	31,650
3.	Ammishi Saarthak Kothaari	31,650
4.	Neeta Hemant Ashar	27,000
5.	Manish Mittal HUF	23,600
6.	Akilandeswari Selvamurthy	20,650
7.	Hemalatha Umedmal Golecha	20,400
8.	Shagun Capital Venture	20,000
9.	Hirachand Padma Jain	19,000
10.	Vasanji Vershi Nagda	16,728
11.	Dhara Rajesh Mamania	16,725
12.	Radhika Soni	16,725
13.	Shankarlal Devendra	15,000
14.	Rajindra Valsalan	10,350
15.	Vummidi Amarendran	10,350
16.	Pankaj Mahendra Doshi	8,100
17.	Suresh Kumar Nikitha	7,500
18.	Jayesh Jain	7,500
19.	Thiyagarajan Velayutham	6,900
20.	Deepa Ganesh	6,900
21.	Narayana Achari Dhanalakshmi	6,870
22.	Ekta Bijoykumar More	6,870
23.	Capacious Wealth Management LLP	6,870
24.	Venkata Nagaraju Padala	6,870
25.	Lenin Krishnamoorthy Balamanikandan	6,870
26.	Ammit Vira	3,000
	<b>Total</b>	<b>3,88,578</b>

(ix) Allotment of 1,66,533 Equity Shares of Face Value of ₹ 10/- each on preferential basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	G Prakashchand Baid HUF	34,500
2.	Gunavanth Kumar HUF	34,500
3.	Gothamchand A	34,500
4.	Singhvi Heritage LLP	10,516
5.	Malav Prakash Shah	10,516
6.	Kavita Jain	7,001
7.	R S Financial Solutions	7,000

8.	Prashant Mishra	7,000
9.	Akash Kumar Sohanraj	7,000
10.	A G Mehta HUF	7,000
11.	Technopolis Innovations LLP	7,000
	<b>Total</b>	<b>1,66,533</b>

(x) Bonus issue of 55,51,111 Equity Shares of Face Value of ₹ 10/-each in the ratio of 1:1 i.e one Bonus Equity Share for every One (1) Equity Share held by shareholders:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Shrenik Kirit Shah	27,03,120
2.	Mittal Shrenik Shah	10,53,080
3.	Darshana S Thakkar	9,90,000
4.	Bhavin K Shah	1,49,880
5.	Smita Kirit Shah	99,920
6.	Sandeep Bhandari	34,500
7.	G Prakashchand Baid HUF	34,500
8.	Gunavanth Kumar HUF	34,500
9.	Gothamchand A	34,500
10.	Pooja Paras Chheda	31,650
11.	Ammishi Saarthak Kothaari	31,650
12.	Neeta Hemant Ashar	27,000
13.	Manish Mittal HUF	23,600
14.	Akilandswari Selvamurthy	20,650
15.	Hemalatha Umedmal Golecha	20,400
16.	Shagun Capital Venture	20,000
17.	Hirachand Padma Jain	19,000
18.	Vasanji Vershi Nagda	16,728
19.	Dhara Mamnia	16,725
20.	Radhika Soni	16,725
21.	Shankarlal Devendra	15,000
22.	Singhvi Heritage LLP	10,516
23.	Malav Prakash Shah	10,516
24.	Rajindra Valsalan	10,350
25.	Vummidi Amarendran	10,350
26.	Pankaj Mahendra Doshi	8,100
27.	Suresh Kumar Nikitha	7,500
28.	Jayesh Jain	7,500
29.	Kavita Jain	7,001
30.	R S Financial Solutions	7,000
31.	Prashant Mishra	7,000
32.	Akash Kumar Sohanraj	7,000
33.	A G Mehta HUF	7,000
34.	Technopolis Innovation LLP	7,000
35.	Thiyagarajan Velayutham	6,900
36.	Deepa Ganesh	6,900
37.	Narayan Achari Dhanalaskhmi	6,870
38.	Ekta Bijoykumar More	6,870
39.	Capacious Wealth Management LLP	6,870
40.	Venkata Nagaraju Padala	6,870
41.	Lenin Krishnamoorthy Balamanikandan	6,870
42.	Ammit Vira	3,000
	<b>Total</b>	<b>55,51,111</b>

b) As of Draft Red Herring Prospectus, our Company does not have any Preference Share Capital.

3. Except as mentioned below, the Company has not issued any Equity Share in the last two years preceding the date of the Draft Red Herring Prospectus.

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
March 27, 2024	3,88,578	10.00	145	Preferential Allotment	Infusion of Funds in the Company	Shagun Capital Venture	20,000
						Hirachand Padma Jain	19,000
						Suresh Kumar Nikitha	7,500
						Jayesh Jain	7,500
						Shankarlal Devendra	15,000
						Akilandeswari Selvamurthy	20,650
						Narayana Achari	6,870
						Dhanalakshmi	
						Ekta Bijoykumar More	6,870
						Capacious Wealth Management LLP	6,870
						Venkata Nagaraju Padala	6,870
						Lenin Krishnamoorthy	6,870
						Balamanikandan	
						Sandeep Bhandari	34,500
						Hemalatha Umedmal Golecha	20,400
						Thiyagaranjan Velayutham	6,900
						Deepa Ganesh	6,900
						Rajindra Valsalan	10,350
						Vummidi Amarendran	10,350
						Pooja Parsh Chheda	31,650
						Ammishi Saarthak Kothaari	31,650
						Neeta Hemant Ashar	27,000
						Vasanji Vershi Nagda	16,728
Manish Mittal HUF	23,600						
Dhara Rajesh Mamania	16,725						
Radhika Soni	16,725						
Pankaj Mahendra Doshi	8,100						
Ammit Vira	3,000						
	<b>TOTAL</b>	<b>3,88,578</b>					
April 22, 2024	1,66,533	10.00	145	Preferential Allotment	Infusion of funds in the Company	G Prakashchand Baid HUF	34,500
						Gunavanth Kumar HUF	34,500
						Gothamchand A	34,500
						Kavita Jain	7,001
						Singhvi Heritage LLP	10,516
						Malav Prakash Shah	10,516
						R S Financial Solutions	7,000
						Prashant Mishra	7,000
						Akash Kumar Sohanraj	7,000
						A G Mehta HUF	7,000
						Technopolis Innovations LLP	7,000
							<b>TOTAL</b>
December 09, 2024	55,51,111	10.00	NA	Bonus Issue in ratio of 1:1	Capitalization of Reserves & Surplus	Shrenik Kirit Shah	27,03,120
						Smita Kirit Shah	99,920
						Mittal Shrenik Shah	10,53,080
						Darshana S Thakkar	9,90,000
						Bhavin K Shah	1,49,880
						Shagun Capital Venture	20,000
						Hirachand Padma Jain	19,000
						Suresh Kumar Nikitha	7,500
						Jayesh Jain	7,500
						Shankarlal Devendra	15,000
Akilandswari Selvamurthy	20,650						

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
						Narayan Achari	6,870
						Dhanalaskhmi	6,870
						Ekta Bijoykumar More	6,870
						Capacious Wealth Management LLP	6,870
						Venkata Nagaraju Padala	6,870
						Lenin Krishnamoorthy	6,870
						Balamanikandan	6,870
						Sandeep Bhandari	34,500
						Hemalatha Umedmal Golecha	20,400
						Thiyagarajan Velayutham	6,900
						Deepa Ganesh	6,900
						Rajindra Valsalan	10,350
						Vummidi Amarendran	10,350
						Pooja Paras Chheda	31,650
						Ammishi Saarthak Kothaari	31,650
						Neeta Hemant Ashar	27,000
						Vasanji Vershi Nagda	16,728
						Manish Mittal HUF	23,600
						Dhara Mamnia	16,725
						Radhika Soni	16,725
						Pankaj Mahendra Doshi	8,100
						Ammit Vira	3,000
						G Prakashchand Baid HUF	34,500
						Gunavanth Kumar HUF	34,500
						Gothamchand A	34,500
						Kavita Jain	7,001
						Singhvi Heritage LLP	10,516
						Malav Prakash Shah	10,516
						R S Financial Solutions	7,000
						Prashant Mishra	7,000
						Akash Kumar Sohanraj	7,000
						A G Mehta HUF	7,000
						Technopolis Innovation LLP	7,000
						<b>TOTAL</b>	<b>55,51,111</b>

**4. Issue of Equity Shares for consideration other than cash:**

Except as mentioned in Point 2 (x) above, we have not issued Equity Shares for consideration other than cash.

- No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
- Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
- Except for bonus issue made on December 09, 2024 and Preferential allotment made on April 22, 2024 and March 27, 2024 in Point 3 above, our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Draft Red Herring Prospectus.
- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

**9. Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as on the date of this Draft Red Herring Prospectus:

**I - Our Shareholding Pattern:-**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares of face value of ₹ 10/- each held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares of face value of ₹ 10/- each held in dematerialized form	
								No of Voting Rights					Total as a % of (A+B+C)	No.	As a % of total Shares held (b)	No.		As a % of total Shares held (b)
								Class Equity Shares of ₹10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX			X	XI=VII+X	XII	XIII	XIV			
(A)	Promoters & Promoter Group	4	80,12,000	-	-	80,12,000	72.17	80,12,000	-	80,12,000	72.17	-	72.17	-	-	80,12,000		
(B)	Public	38	30,90,222	-	-	30,90,222	27.83	30,90,222	-	30,90,222	27.83	-	27.83	-	-	30,90,222		
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>42</b>	<b>1,11,02,222</b>	<b>-</b>	<b>-</b>	<b>1,11,02,222</b>	<b>100.00</b>	<b>1,11,02,222</b>	<b>-</b>	<b>1,11,02,222</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>1,11,02,222</b>		

\*The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

**Notes:**

- As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.
- We have only one class of Equity Shares of face value of ₹ 10/- each.
- We have entered into tripartite agreement dated April 16, 2024 and April 26, 2024 with CDSL & NSDL respectively.
- Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of the BSE before commencement of trading of such Equity Shares.

**10. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-**

a) As on the date of filing of this Draft Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Offer paid up Share Capital
1.	Shrenik Kirit Shah	54,06,240	48.70
2.	Mittal Shrenik Shah	21,06,160	18.97
3.	Darshana Satish Thakkar	19,80,000	17.83
4.	Bhavin Kiritbhai Shah	2,99,760	2.70
5.	Smitaben Kirit Shah	1,99,840	1.80
	<b>Total</b>	<b>99,92,000</b>	<b>90.00</b>

b) Ten days prior to the date of filing of this Draft Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Offer paid up Share Capital
1.	Shrenik Kirit Shah	54,06,240	48.70
2.	Mittal Shrenik Shah	21,06,160	18.97
3.	Darshana Satish Thakkar	19,80,000	17.83
4.	Bhavin Kiritbhai Shah	2,99,760	2.70
5.	Smitaben Kirit Shah	1,99,840	1.80
	<b>Total</b>	<b>99,92,000</b>	<b>90.00</b>

c) One Year prior to the date of filing of this Draft Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Offer paid up Share Capital
1.	Shrenik Kirit Shah	26,78,020	53.60
2.	Mittal Shrenik Shah	10,53,080	21.08
3.	Darshana Satish Thakkar	9,90,000	19.81
4.	Bhavin Kiritbhai Shah	1,49,880	3.00
5.	Smitaben Kirit Shah	99,920	2.00
6.	Kirti Shantilal Shah HUF	25,000	0.50
	<b>Total</b>	<b>49,95,990</b>	<b>99.99</b>

\*Details of shares held on 27<sup>th</sup> March, 2024 and percentage held has been calculated based on the paid-up capital of our Company as on 27<sup>th</sup> March, 2024.

d) Two Years prior to the date of filing of this Draft Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 1000 each)	% Pre-Offer paid up Share Capital
1.	Shrenik Kirit Shah	18,43,900	36.91
2.	Mittal Shrenik Shah	3,85,000	7.71
3.	Darshana Satish Thakkar	4,95,000	9.91
4.	Bhavin Kiritbhai Shah	4,92,000	9.84



5.	Smitaben Kirit Shah	7,68,000	15.37
6.	Kirti Shantilal Shah HUF	25,000	0.5
7.	Satish Kishanlal Thakkar	4,95,000	9.91
8.	Sapna Bhavin Shah	4,92,000	9.84
	<b>Total</b>	<b>49,95,900</b>	<b>99.99</b>

\*Details of shares held on 27<sup>th</sup> March, 2023 and percentage held has been calculated based on the paid-up capital of our Company as on 27<sup>th</sup> March, 2023.

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.
12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Offer . Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split/ consolidation of the denomination of Equity Shares. However, our Company may further issue Equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.
13. **Capital Build-up in respect of Shareholding of our Promoters**

As on the date of this Draft Red Herring Prospectus, Our Promoters, Shrenik Kirit Shah and Mittal Shrenik Shah collectively holds 75,12,400 Equity Shares having Face value of Rs. 10 each of our Company. None of the Equity Shares held by our Promoters is subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre- Offer Shareholding %	Post- Offer Shareholding %
<b>Shrenik Kirit Shah</b>							
November 21, 2011	1,25,000	10	20	Cash	Further Issue	1.12	[●]
March 28, 2013	5,00,000	10	15	Cash	Further Issue	4.50	[●]
March 27, 2015	1,53,000	10	28	Cash	Preferential Allotment	1.38	[●]
November 26, 2018	3,30,000	10	10	Cash	Private Placement	2.97	[●]
February 24, 2023	7,35,900	10	NA	NA	Acquisition of shares by way of Transmission <sup>(a)</sup>	6.63	[●]
February 16, 2024	8,34,120	10	NA	Other than Cash	Acquisition of Shares by way of Gift <sup>(b)</sup>	7.51	[●]

June 20, 2024	25,000	10	NA	Other than Cash	Acquisition of Shares by way of Gift <sup>(c)</sup>	0.22	[●]
June 20, 2024	100	10	145	Cash	Acquisition of shares by way of Transfer	Negligible	[●]
December 09, 2024	27,03,120	10	NA	Other than Cash	Bonus Issue in the ratio of 1:1	24.35	[●]
<b>Total (A)</b>	<b>54,06,240</b>					<b>48.70</b>	<b>[●]</b>
<b>Mittal Shrenik Shah</b>							
May 17, 2013	1,000	10	15	Cash	Further Issue	0.01	[●]
March 27, 2015	54,000	10	28	Cash	Preferential allotment	0.49	[●]
November 26, 2018	3,30,000	10	10	Cash	Private Placement	2.97	[●]
February 10, 2024	6,68,080	10	NA	NA	Acquisition of Shares by way of Gift <sup>(d)</sup>	6.02	[●]
December 09, 2024	10,53,080	10	NA	Other than Cash	Bonus Issue in the ratio of 1:1	9.49	
<b>Total (B)</b>	<b>21,06,160</b>					<b>18.98</b>	<b>[●]</b>
<b>Grand Total</b>	<b>75,12,400</b>					<b>67.68</b>	<b>[●]</b>

Note: None of the Shares has been pledged by our Promoters.

- (a) Details of Acquisition by Shrenik Kirit Shah by way of Transmission of 7,35,900 equity shares having Face value of Rs. 10 each: .

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	February 24, 2023	Kirit Shantilal Shah	7,35,900
		<b>Total</b>	<b>7,35,900</b>

- (b) Details of Acquisition by Shrenik Kirit Shah by way of Transfer of 8,34,120 equity shares having Face value of Rs. 10 each.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	February 16, 2024	Bhavin Kirit Shah	8,34,120
		<b>Total</b>	<b>8,34,120</b>

- (c) Details of Acquisition by Shrenik Kirit Shah by way of Transfer of 25000 equity shares having Face value of Rs. 10 each.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	June 20, 2024	Kirti Shantilal Shah HUF	25000
		<b>Total</b>	<b>25000</b>

- (d) Details of Acquisition by Shrenik Kirit Shah by way of Transfer of 100 equity shares having Face value of Rs. 10 each.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	June 20, 2024	Virendra Ship Recyclers LLP	100
		<b>Total</b>	<b>100</b>

- (e) Details of Acquisition by Mittal Shrenik Shah by way of Transfer of 100 equity shares having Face value of Rs. 10 each.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	February 10 ,2024	Smitaben Kirit Shah	6,68,080
		<b>Total</b>	<b>6,68,080</b>

14. The average cost of acquisition or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held (Face value of Rs. 10 each)	Average cost of Acquisition (in ₹)
1.	Shrenik Kirit Shah	54,06,240	3.37
2.	Mittal Shrenik Shah	21,06,160	2.29

15. Shareholding of Promoters & Promoter Group and Selling Shareholders

Following are the details of pre and post Offer shareholding of persons belonging to the category “Promoters and Promoter Group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters (A)</b>				
1.	Shrenik Kirit Shah (Selling Shareholder)	54,06,240	48.70	54,06,240	[•]
2.	Mittal Shrenik Shah (Selling Shareholder)	21,06,160	18.98	21,06,160	[•]
	<b>Sub Total (A)</b>	<b>75,12,400</b>	<b>67.68</b>	<b>75,12,400</b>	<b>[•]</b>
	<b>Promoter Group (B)</b>				
4.	Smitaben Kirit Shah	1,99,840	1.80	1,99,840	[•]
5.	Bhavin Kirit Shah	2,99,760	2.69	2,99,760	[•]
	<b>Sub Total (B)</b>	<b>4,99,600</b>	<b>4.50</b>	<b>4,99,600</b>	<b>[•]</b>
	<b>Total (A) + (B)</b>	<b>80,12,000</b>	<b>72.17</b>	<b>80,12,000</b>	<b>[•]</b>

16. Except as provided below, no Equity Shares were acquired/ purchased/ sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Date of Allotment/ Transfer	Name of Shareholder	No. of Equity Share (Face value of Rs. 10 each)	% of Pre issue Capital	Allotment/ Acquire/ Transfer	Category of Allottees (Promoters/ Promoter Group/ Director)
September 03, 2024	Shrenik Kirit Shah	100	Negligible	Acquisition by way of Transfer	Promoter & Director

17. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

18. Details of Promoters’ Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post Issue capital held by our Promoters shall be considered as Promoter’s Contribution (“Promoters Contribution”) and shall

be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Offer. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 75,12,400 Equity Shares having Face value of Rs. 10 each constituting [●] % of the Post - Offered, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoter, Shrenik Kirit Shah and Mittal Shrenik Shah have given written consent to include 28,50,000 Equity Shares having Face value of Rs. 10 each held by him and subscribed by him as part of Promoters Contribution constituting [●] % of the post offer Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the offer.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Offer Shareholding %	Lock in Period
<b>Shrenik Kirit Shah</b>						
December 09, 2024	27,00,000	10	Nil	Bonus Issue	[●]	3 years
<b>Mittal Shrenik Shah</b>						
December 09, 2024	1,50,000	10	Nil	Bonus Issue	[●]	3 years
<b>Total</b>	<b>28,50,000</b>				[●]	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "Promoter" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Offer

The entire pre-issue shareholding of the Promoters(except for shares to be offered in the Offer for Sale), in excess of the Minimum Promoters' Contribution, will be subject to a lock-in period as below:-

- 50% of the shareholding (i.e. 19,86,200 shares having Face value of Rs. 10 each) held by the Promoters, in excess of minimum promoters' contribution, shall be locked in for two years from the date of allotment in this Initial Public Offer and
- remaining 50% of the shareholding (i.e. 19,86,200 shares having Face value of Rs. 10 each) held by the Promoters, in excess of minimum promoters' contribution, shall be locked in for one year from the date of allotment in this Initial Public Offer.

Further, 4,99,600 equity shares having Face value of Rs. 10 each as held by the Promoter Group members and 30,90,222 equity shares having Face value of Rs. 10 each as held by the public shareholders shall be locked in for a period of one year from the date of allotment in this Issue.

**Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018**

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	capitalization of intangible assets is involved in such transaction	
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being Issued to public in the initial public Issue	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237(1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the Issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the Ratio of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### **Other requirements in respect of lock-in:**

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Offer.
2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the Promoter Group or a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees

for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

19. Neither, we nor our Promoters, Directors and the BRLM to this Offer have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
20. As on the date of this Draft Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire Offer price in respect of the Offer is payable on application, all the successful applicants will be allotted fully paid-up Equity Shares.
21. The BRLM i.e. Seren Capital Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus.
22. As on the date of this Draft Red Herring Prospectus, we do not have any Employees Stock Option Scheme/ Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed Offer. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
23. We have 42 (Forty Two) shareholders as on the date of filing of this Draft Red Herring Prospectus.
24. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
25. Our Company has not raised any bridge loan against the proceeds of the Offer.
26. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
27. We hereby confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares Issued have been listed or application money unblocked on account of failure of Offer.
28. An over-subscription to the extent of 1% of the Offer, subject to the maximum post offer paid up capital of Rs. 25 Cr., can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 1% of the Offer, as a result of which, the post-offer paid up capital after the offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3-year lock- in shall be suitably increased; so as to ensure that 20% of the post offer paid-up capital is locked in.
29. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
30. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
31. There are no Equity Shares against which depository receipts have been issued.
32. Other than the Equity Shares, there is no other class of securities issued by our Company.
33. There are no safety net arrangements for this public offer.
34. As per RBI regulations, OCBs are not allowed to participate in this Offer.

35. Our Promoters and Promoter Group will not participate in this Offer.
36. This Offer is being made through Book Building Process.
37. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
38. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Offer is being made for at least 25% of the post-offer paid-up Equity Shares Share capital of our Company. Further, this Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
39. No person connected with the offer shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus with the Registrar of companies and the Offer Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to 30,40,000 Equity Shares of face value of ₹10 each, aggregating up to ₹[●] Lakhs by our Company and an Offer for Sale of up to 6,90,000 Equity Shares of face value of ₹[●] each aggregating up to ₹[●] Lakhs by the Selling Shareholders.

### **Offer for Sale**

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Each of the selling Shareholders will be entitled to the respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses and relevant taxes thereon. Other than the listing fees for the Offer, all cost, fees and expenses in respect of the Offer will be shared amongst our Company and Selling Shareholders, respectively, in proportion to the proceeds received for the Fresh issue and their respective portion of Offered Shares, as may be applicable, upon the successful completion of the Offer.

### **Fresh Issue**

Our Company proposes to utilize the funds which are being raised through the Fresh Issue, up to ₹ [●] lakhs, after deducting the Offer related expenses to the extent payable by our Company with respect to the Fresh Issue, towards funding the following objects:

1. Funding of capital expenditure towards expansion of existing Umbergaon facility through construction of new sheds;
2. Repayment of a portion of certain borrowings availed by our Company;
3. Utilization towards working capital requirements; and
4. General corporate purposes.

In addition, we expect to achieve the benefit of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's visibility and brand name amongst our existing and potential customers and creation of a public market for the Equity Shares in India. The main objects clause and matters necessary for furtherance of the main objects clause as set out in the Memorandum of Association enables our Company: (i) to undertake our existing business activities; and (ii) to undertake the proposed activities for which the funds are being raised by us pursuant to the Fresh Issue.

### **Net Proceeds**

The details of the Net Proceeds are set forth below:

<b>Particulars</b>	<b>Amount (₹ in Lakhs)</b>
Gross Proceeds from the Fresh Issue	[●]
Less: Issue related expenses in relation to Issue*	[●]
Net Proceeds	[●]

\*Except for the Listing fees, which will be borne by our Company, all other expenses relating to the Offer as mentioned above will be borne by our Company and the Selling Shareholders in proportion to the Equity Shares contributed / issued in the offer.

### **Proposed deployment of Net Proceeds**

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

<b>S. No.</b>	<b>Particulars</b>	<b>Amount (₹ in Lakhs)</b>
1.	Funding of capital expenditure towards expansion of existing Umbergaon facility through construction of new sheds	1122.18
2.	Repayment of a portion of certain borrowings availed by our Company	307.54



3.	To meet the Working Capital requirements	2300.00
4.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

### Means of Finance

The fund requirements for the Objects above are proposed to be entirely funded from the Net Proceeds and hence, no amount is proposed to be raised through any other means of finance. We intend to fund the entire cost from the Net Proceeds and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Offer Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 25 of this Draft Red Herring Prospectus.

### Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

#### 1. Funding of capital expenditure towards expansion of existing Umbergaon facility through construction of new sheds:

We are a structural engineering and fabrication company engaged primarily in the design, fabrication and assembly of heavy and precision steel structures, customized to meet clients' requirements across various industrial and infrastructure segments. Our product portfolio includes heavy steel fabricated structures, precision steel structures, steel bridge structures, and pre-engineered buildings. We operate through two manufacturing facilities located at Village Daheri, Near Coastal Road, Taluka Umbergaon, District Valsad, Gujarat, and Village Donvat, Opposite Renuka Sugar, Taluka Khalapur, District Raigad, Maharashtra.

The India Structural Steel Fabrication Market is expected to experience a steady growth driven by several key factors, including increasing demand from the manufacturing sector, the rise in preference for pre-engineered buildings (PEB), and strong government initiatives focused on infrastructure development. The manufacturing sector's boom has created a steady demand for structural steel, while the growing adoption of pre-engineered buildings—due to their cost efficiency, reduced construction time, and environmental benefits—has further bolstered the market. Additionally, government programs such as Make in India, smart cities, Production-Linked Incentive (PLI) Scheme, and green building initiatives are expected to provide substantial growth opportunities. (Source: D&B Report)

From FY 2022 onwards, steel structural consumption has steadily increased from 7,067 thousand tonnes to 10,221 thousand tons in FY 2024, signaling a recovery in industrial activities. The most significant growth occurred in 2023-

24, where consumption surged to 10,221 thousand tonnes recording 24% y-o-y increase in FY 2024 against 16% and 8% growth in the previous two years, respectively. This data indicates a clear upward trend in the consumption of structural steel aligning with the country's ongoing infrastructure development and industrial expansion initiatives and driving the demand for structural steel industry in India. (Source: D&B Report)

In line with these industry trends and to strengthen our position in the market, we are planning to build two new sheds, on the open land area of our existing manufacturing facility at Umbergaon, Valsad, Gujarat, which will be used in following ways:

### **Proposed Shed 1**

*(Location: Plot No 7 to 20, Survey No. 2034/Paiki 1/7 to 2034/Paiki 1/20, OHM Industrial Infrastructure Park Dahri, Near Coastal Road, Dahri, Taluka- Umbergaon, District Valsad, Gujarat – 396171)*

As part of our strategy to strengthen our presence in the railway infrastructure segment, we propose to establish a dedicated manufacturing shed at our Umbergaon facility to focus exclusively on railway projects. This shed will be utilized for the fabrication of Foot Over Bridges (FOBs), Road Over Bridges (ROBs), and steel bridge girders, with provisions for raw material storage, processing, fabrication, assembly, and dispatch within a designated area. By developing dedicated infrastructure for railway projects, we aim to enhance our participation in this segment and align our capacities with future opportunities in India's railway infrastructure sector.

### **Proposed Shed 2**

*(Location: Plot No 32 to 44, Survey No. 1945, OHM Industrial Infrastructure Park Dahri, Near Coastal Road, Dahri, Taluka- Umbergaon, District Valsad, Gujarat – 396171)*

This shed has been proposed to increase the production capacity and also aims to reduce handling costs and other expenses by streamlining the fabrication process in a more efficient manner. It will feature a double-bay structure, allowing a straight-line manufacturing process—integrating raw material storage, processing, fabrication, painting, and direct dispatch of finished goods. This setup will streamline operations, minimize intermediate handling and enhance efficiency, enabling us to cater to larger and more complex fabrication projects.

From FY 2021 to FY 2026, the union budget has significantly ramped up its allocation toward railway sector. The total outlay provided for Capital Expenditure in Budget Estimate 2025-26 of INR 2,652 billion. The Gross Budgetary Support for Railways in FY 2025-26 stands at INR 2,520 billion, which has reduced in compare of previous year, however the budget has significantly rise from the level of INR 1,122 billion in FY 2021. The railway will continue to utilize the money in essential infrastructure projects like rail track expansion, rolling stock procurement, electrification, signalling improvements, and station modernisation. The Government also provided for INR 100 billion from extra budgetary resource to meet its expenses & modernize. The total outlay also includes Nirbhaya fund of INR 2 billion and INR 30 billion for internal resources. (Source: D&B Report)

Railway sector improvement is a major driver of structural steel demand. The expansion of railway networks increases the structural steel demand as railway bridges and stations require substantial amounts of structural steel like beams, columns, and slabs to ensure stability and earthquake resistance. Indirectly, the growth in railway projects stimulates related sectors like logistics, warehousing, and manufacturing hubs near railway stations, further boosting the demand for structural steel. Urbanization along railway lines also leads to the development of commercial buildings, residential complexes, and public infrastructure, all of which depend on structural steel. Furthermore, specific types of railway projects, such as high-speed rail or dedicated freight corridors, may necessitate specialized structural steel with higher strength or corrosion resistance driving the overall demand for structural steel. (Source: D&B Report)

As of September 30, 2024, our Umbergaon unit has been operating on an optimum capacity of 94.52%, while the Maharashtra unit had a capacity utilization of 59.93%, as certified by an Independent Chartered Engineer, Akhilesh Pandit, through its certificate dated December 02, 2024. Upon completion of this expansion project, the installed production capacity will be increased from existing capacity of 26,400 Metric Tons Per Annum (MTPA) to 38,400 Metric Tons Per Annum (MTPA) as reported by Chartered Engineer, Sameer Rasane, in his Project report dated March 19, 2025. We believe that this expansion will enable us to secure new orders from existing and potential customers, capitalize on emerging market opportunities and drive revenue growth.

To achieve the aforementioned objectives, the Board, in its meeting held on March 05, 2025, approved the said expansion plans.

## Estimated Proposed Project Cost

The total estimated cost of the proposed construction of two new manufacturing sheds is ₹ 1341.42 lakhs, as per the Project Report dated March 19, 2025, issued by Sameer Rasane, Chartered Engineer. Our Company proposes to utilize an amount of up to ₹1122.18 lakhs from the Net Proceeds for funding capital expenditure requirements of our Company towards expansion of existing manufacturing Facility and construction of office building.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Proposed Project as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated project cost comprises the following:

*(Rs. In Lakhs)*

Sr. No.	Particulars#	Estimated Cost	Funds deployed from internal accruals	To be met from Offer proceeds
1	Factory Building	721.17	-	721.17
2	Plant & Machinery	385.51	48.38	337.13
3	Electrical work	170.86	170.86	0
4	Contingency#	63.88	-	63.88
	<b>Total cost</b>	<b>1341.42</b>	<b>219.24</b>	<b>1122.18</b>

# Our Company has allocated a contingency amount of 5% of the project cost i.e. ₹ 63.88 lakhs from the net proceeds to cover potential expenses arising from increases in machinery costs (if any), associated transportation & installation charges and expense related to furniture and fixtures and other utilities.

### Break - up of the estimated cost

#### *Civil works for shed construction*

The new sheds will be constructed on Plot No. 7 to 20, Survey No. 2034/Paiki 1/7 to 2034/Paiki 1/20 OHM Industrial Infrastructure Park Dahri, Near Coastal Road, Dahri, Taluka-Umbergaon, District Valsad, Gujarat – 396171 (Shed 1) and Plot No. 32 to 44, Survey No. 1945 (Shed 2), OHM Industrial Infrastructure Park Dahri, Near Coastal Road, Dahri, Taluka-Umbergaon, District Valsad, Gujarat – 396171, covering approximately 17,752.50 sq. meters. We have acquired the above land parcels on lease, for further details please refer “*Our Business-Immoveable Property*” on page 162. Shed 1 will focus exclusively on railway infrastructure projects, including Foot Over Bridges (FOBs), Road Over Bridges (ROBs), and steel bridge girders however, Shed 2 will feature a double-bay structure to streamline fabrication processes from raw material storage to dispatch, enhancing production efficiency.

The cost for shed construction will include PEB Structuring & civil work cost as detailed below:

*(Rs. In Lakhs)*

S. No	Particulars	Amount	GST 18%	Total cost
1	Raw Material (Refer Note 1 below)	448.10	80.66	528.76
2	Labour for Fabrication and Erection (Refer Note 2 below)	163.06	29.35	192.41
	<b>Total Project Cost</b>	<b>611.16</b>	<b>110.01</b>	<b>721.17</b>

#### Note 1 – Details of raw materials to be used for construction of shed:-

*(Rs. In Lakhs)*

Material	Vendor Name	Shed 1	Shed 2	GST	Total
Steel Plates for fabrication (PL 6, PL 8, PL 10, PL 12, PL 16 & PL 25)	Quotation dated February 27, 2025, from DM Sons Metal Private Limited (valid for 120 Days from 25)	76.92	89.14	29.89	195.95

	the date of quotation i.e. till June 25, 2025)				
Angles for support structure (ISA 65X65X6, ISA 75X75X6 & ISMC 100)	Quotation dated February 27, 2025, from Shri Siddarth Industries (valid for 120 Days from the date of quotation i.e. till June 25, 2025)	10.06	11.94	3.96	25.96
Roofing & Cladding Materials (GI Purline, Sag Rod, Roof Sheeting 0.50mm, Wall Sheeting 0.50mm, Gutter + Flashing + Downtake & Turbovents)	Quotation dated February 11, 2025, from Jalaram Industries (valid for 120 Days from the date of quotation i.e. till June 09, 2025)	113.57	146.47	46.81	306.85
<b>Total</b>		<b>200.55</b>	<b>247.55</b>	<b>80.66</b>	<b>528.76</b>

**Note 2 – Details of Labour work for Fabrication and Erection**

(Rs. In Lakhs)

S.no.	Particular	Quotation Detail	Amount
1.	Fabrication of steel structure with Consumables & painting with material.	Quotation dated February 13, 2025, from R-tech Engineering (valid for 120 Days from the date of quotation i.e. till June 11, 2025)	80.21
2.	Erection work of shed		82.85
3.	GST 18%		29.35
<b>Total</b>			<b>192.41</b>

**Notes:**

- We have considered the above quotation for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier may vary. Further, the estimated cost and related fund requirements have not been appraised by any bank or financial institution. In case of any shortfall of funds, the same shall be met through internal accruals/borrowings.
- The above quotation received from the vendor is valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with such vendor and there can be no assurance that the same vendor would be engaged to eventually initiate the civil construction work.

**Electrical Work:**

To support the electrical requirements of our new manufacturing sheds, we will be undertaking the procurement and installation of key electrical components, including distribution transformers, switchgear, HT and LT cabling, control panels, cable termination kits, earthing systems, and other essential electrical accessories. This infrastructure is designed to ensure a stable, efficient, and safe power distribution network, enhancing operational reliability and productivity. A detailed breakdown of the estimated cost for electrical work and related accessories, which are planned to be funded from the net Offer proceeds, is provided below.

(Rs. in lakhs)

Sr. No	Particulars	Quotation details	Shed 1	Shed 2	GST 18%	Total cost
1.	Complete Electrical Materials Supply & Accessories (including Transformers, Panels, HT & LT Cables, Cable Termination Kits, Cable Trays, Earthing System, Plug Sockets, MCBs, DBs, Junction Boxes, Glands,	Quotation dated February 25, 2025 from Gurukripa Electronics (valid for 120 Days from the date of quotation i.e. till June 24, 2025)	62.96	58.53	21.87	143.36

	Lugs, Fasteners, and Miscellaneous Items required for full Power Distribution, Protection, and Connectivity Setup)				
2.	Complete Electrical work and fittings	11.95	11.35	4.20	27.50
<b>Total</b>		<b>74.91</b>	<b>69.88</b>	<b>26.06</b>	<b>170.86</b>

**Notes:**

- a) We have considered the above quotation for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier may vary. Further, the estimated cost and related fund requirements have not been appraised by any bank or financial institution. In case of any shortfall of funds, the same shall be met through internal accruals/borrowings.
- b) The above quotation received from the vendor is valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with such vendor and there can be no assurance that the same vendor would be engaged to eventually initiate the electrical work.

**Purchase of New Machinery**

A detailed breakup of the estimated cost of plant and machineries which are proposed to be funded from the net offer proceeds is set forth below:

(Rs. In Lakhs)

S. No	Machinery Details	Qty	Quotation details	Quotation Amount	GST 18% @	Total Amount
1.	25 Ton Double Girder Goliath Crane 32Mtrs. Span x 72m Bay Length	1	Quotation dated February 5, 2025 from DK Enterprises (quotation valid till 120 days from date of quotation)	100.21	18.04	118.25
2.	25 Ton Double Girder Goliath Crane 32 Mtrs. Span x 127 m Bay Length	1	Quotation dated February 5, 2025 from DK Enterprises (quotation valid till 120 days from date of quotation)	100.77	18.14	118.91
3.	25 Ton Double Girder Goliath Crane 21Mtrs. Span x 222 m Bay Length	1	Quotation dated February 5, 2025 from DK Enterprises (quotation valid till 120 days from date of quotation)	84.72	15.25	99.97
4.	Shape cut easy CNC cutting system with effective cutting size of 5000 x 26500 with one no Harris torch & Torch height controller.	1	Quotation dated February 27, 2025 from Warpp engineers (quotation valid till 120 days from date of quotation)	23.00	4.14	27.14

5.	MIG Welding Machine 400 AMPS AWO	30	Quotation dated February 28, 2025 from (quotation valid till 120 days from date of quotation)	18.00	3.24	21.24
<b>Total</b>				<b>326.70</b>	<b>58.81</b>	<b>385.51</b>

**Notes:**

- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary. Further, the estimated cost and related fund requirements have not been appraised by any bank or financial institution. In case of any shortfall of funds, the same shall be met through internal accruals/borrowings.
- All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.
- We are not acquiring any second-hand machinery.
- The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of Packing & Forwarding, Transportation, Transit Insurance, Octroi / Entry tax if any etc. Such cost escalation would be met out of our internal accruals.

**Means of finance of the project**

The total estimated cost for the proposed manufacturing unit is ₹ 1,341.42 lakhs. We intend to fund the cost of the project as follows:

(Rs. In Lakhs)

Sr. No.	Particulars#	Estimated Cost	Funds deployed from internal accruals	To be met from Offer proceeds
1	Factory Building	721.17	-	721.17
2	Plant & Machinery	385.51	48.38	337.13
3	Electric Charges	170.86	170.86	-
4	Contingency#	63.88	-	63.88
	<b>Total cost</b>	<b>1341.42</b>	<b>219.24</b>	<b>1122.18</b>

*Proposed schedule of implementation of the Proposed Project*

The proposed schedule of activities in respect of the Proposed Project are as follows:

Particulars	Estimated date of commencement	Estimated date of completion
Civil Foundation Work	July 2025	August 2025
Fabrication and erection work	September 2025	November 2025
Roof sheeting, Ridges and flashing	November 2025	December 2025
Electrical connections	December 2025	January 2026
Plant and Machinery	January 2026	February 2026
Trial run	February 2026	February 2026

*Government approvals*

In relation to the proposed project, we will require to apply and obtain certain approvals as provided in the table below.

Sr. No.	List of Major Approvals	Stage at which approvals are required
1.	Lease deed for project land	Done
2.	N.A. Order for Industrial Use	Done
3.	Approval for the building plans for the proposed factory from the Office of Town Planner, Valsad	Prior commencement of construction
4.	Approval of the factory layout from Directorate of Industrial Safety and Health	Done
6.	CTE (Consent to Establishment) from Gujrat Pollution Control Board	Prior commencement of construction
7.	Building Completion Certificate from Town Planning department, Valsad	Before the commissioning of the factory operations
8.	Consent to Operate from Gujarat Pollution Control Board	Before the commissioning of the factory operations

**Power and water** - The requirements for the power will be met from the local state electricity board. The requirement for water will be met from external sources.

## 2. Repayment of a portion of certain borrowings availed by our Company

Our Company has entered into certain financing arrangements from time to time with banks and financial institutions. For Disclosure of our Company's secured and unsecured borrowings as on September 30, 2024, please refer to chapter titled "*Statement of Financial Indebtedness*" beginning on page 259.

Our Company proposes to utilise an estimated amount of ₹307.54 lakhs towards repayment of term loan to HDFC Bank, ICICI Bank and IDFC Bank.

Given the nature of the borrowing and the terms of its repayment or pre-payment, the aggregate outstanding amounts under these borrowings shall vary from time to time and our Company shall, in accordance with the relevant repayment schedule, repay or refinance the existing borrowing or avail of additional credit facilities. If at the time of Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down, then our Company may utilise the Net Proceeds for part or full pre-payment / repayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company and details of such borrowings will be included in the Red Herring Prospectus. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or pre-payment of certain of our borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹307.54 lakhs. Further, our Company shall pay the prepayment charges, if any, on the loans identified below, out of the portion of Net Proceeds earmarked for this Object. In the event the Net Proceeds are insufficient for payment of pre-payment penalty or accrued interest, as applicable, such payment shall be made from the internal accruals of our Company.

We believe that such repayment will help reduce our outstanding indebtedness, debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The details of the borrowings availed by our Company, which are proposed to be fully or partially repaid or pre-paid from the Net Proceeds is mentioned below:

<i>(Rs. In Lakhs)</i>									
S. No.	Name of the	Nature of the borrowing	Sanctioned Amount	Amount Outstanding	Rate of	Repayment Date/Schedule	Purpose for which	Amount to be repaid	Prepayment conditions

	lender		(Rs in Lakhs)	ng as at 28 <sup>th</sup> Feb (Rs in Lakhs)	interest (%)		the loan was sanctioned	from the Offer proceeds (Rs. in Lakhs)	
1	IDFC	Business loan	100.00	79.55	14.00 %	To be repaid in 18 monthly installments of Rs 6.19 lakhs	Business Purpose	52.61	Refer Note 1
2	HDFC	Construction Equipment Non-Infra	250.00	194.08	9.31%	To be repaid in 60 monthly installments of Rs 5.07lakhs	Vehicle loan	175.52	Refer Note 2
3	ICICI	Personal Loan	100.00	91.39	15.10 %	To be repaid in 36 monthly installments of Rs 3.49 lakhs month	Business Purpose	79.41	Refer Note 3
<b>Total</b>								<b>307.54</b>	

Note 1: The foreclosure charges are calculated at 5% on outstanding principal.

Note 2: The foreclosure/prepayment charges are calculated at 2.36% on outstanding principal

Note 3: 3% of the outstanding POS plus GST on closure within 12 months and Zero FC after 12 EMIs. Zero after first EMI is paid, st MSE classification, and exposure is below or equal to 50 lac (only for Business Loans)

Note 4: The details included in the above table have been certified by GMCS & Co, Independent Chartered Accountants, pursuant to their certificate dated March 25, 2025.

Note 5: Our Statutory Auditors by way of their certificate dated March 21, 2025 have confirmed that the borrowings specified above has been utilized for the purposes availed, as per the sanction letters/loan agreements or any other required documents issued by the Banks.

### 3 Working Capital requirements

With the expansion of the business company will be in the need of additional working capital requirements. We fund a majority of our working capital requirements in the ordinary course of business from banking facilities and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements.

Our Company proposes to utilize ₹ 2300.00 lakhs of the Net Proceeds in FY 2025-26 towards our Company's working capital requirements (as per detail given below). The balance portion of our Company working capital requirement shall be met from the working capital facilities availed from the banks and internal accruals. The incremental and



proposed working capital requirements and key assumptions with respect to the determination of the same are mentioned below:

(Rs. In Lakhs)

Particulars	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2023-24	Apr.'Sept. '24	F.Y. 2024-25(Estimated)	F.Y. 2025-26 (Provisional)
<b>Current Assets</b>						
Inventories	4,898.87	8,245.86	8,055.31	11,428.37	9,234.33	11,418.84
Trade receivables	2,559.31	2,169.53	4,682.41	3,872.05	5,895.12	7,855.24
Short-Term Loans And Advances	6.57	19.37	91.92	439.03	913.74	957.96
Other Current Assets	102.19	541.55	367.46	375.72	1,031.65	1,092.07
<b>Total Current Assets(A)</b>	<b>7,566.93</b>	<b>10,976.32</b>	<b>13,197.11</b>	<b>16,115.18</b>	<b>17,074.84</b>	<b>21,324.11</b>
<b>Current Liabilities</b>						
Trade Payables	3,223.97	6,383.45	6,572.26	8,057.51	8,512.55	10,489.62
Other Current Liabilities	38.86	135.91	422.35	104.73	736.89	766.37
Short-Term Provisions	40.85	78.89	186.36	293.98	176.85	191.59
<b>Total Current Liabilities(B)</b>	<b>3,303.67</b>	<b>6,598.25</b>	<b>7,180.98</b>	<b>8,456.23</b>	<b>9,426.29</b>	<b>11,447.58</b>
<b>Total Working Capital Requirement(A-B)</b>	<b>4,263.26</b>	<b>4,378.07</b>	<b>6,016.13</b>	<b>7,658.95</b>	<b>7,648.55</b>	<b>9,876.53</b>
<b>Funding Pattern:</b>						
<b>Internal Accruals (Including Bank Borrowing)</b>	<b>4,263.26</b>	<b>4,378.07</b>	<b>6,016.13</b>	<b>7,658.95</b>	<b>7,648.55</b>	<b>7,576.53</b>
<b>Issue Proceeds</b>						<b>2,300.00</b>

#### Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for six months period ended September 30, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, as well as projections for financial year ended March 31, 2025.

Particulars	FY22 R	FY23 R	FY 24 R	Sept 30, 2024	FY25 E	FY26 P
Inventory days	272	272	187	313	159	150
Debtors days	105	51	78	67	73	75
Creditors days	155	162	155	146	127	120

#### **Justification:**

<b>Inventories</b>	<p>Due to the operational nature of the company and the typical duration of project cycles, inventory days have historically ranged from 187 to 272 days over FY 22 to FY 24, reflecting the six-month delivery period required for new projects. For the six-month period ended September 2024, inventory holding days extended to 313, influenced by multiple ongoing projects and seasonal factors. In particular, the monsoon season in Maharashtra, which lasts until September, often delays dispatches due to logistical challenges associated with transporting heavy materials.</p> <p>Looking ahead to FY 2025-26, the company anticipates a reduction in inventory days to approximately 150, driven by improved inventory management strategies and better alignment with operational requirements and market conditions.</p>
<b>Debtors</b>	<p>Historically, our trade receivables holding days have ranged from 51 to 105 days between FY 2022 to FY 2024, with an average close to 75 days when considering the period from FY 2021 to Six month period ended, September 2024. This range aligns closely with industry norms, where debtor days typically range between two to three months. For FY 2025-26, we anticipate maintaining a debtors cycle of approximately 75 days, consistent with our past trends and strategic financial management. This approach ensures we remain aligned with industry practices while effectively managing our credit terms to support sustained business operations and revenue growth.</p>
<b>Creditors</b>	<p>The creditor days reflect the company's liquidity management strategy and its relationship with suppliers. Historically, our trade payable holding days have ranged from 155 to 162 days from FY 2022 to FY 2024, with an average close to 154 days when considering the period from FY 2021 to Six month period ended, September 2024. The subsequent stabilization and gradual decrease in creditor days from FY24 through to FY26 indicate a shift towards a more aggressive payment strategy to enhance supplier confidence and secure better pricing and volume discounts. Such strategic adjustments in the payment cycles contribute to strengthening supplier relationships and leveraging early payment discounts, thereby supporting a supply chain dynamic and reinforcing our credit standing in the industry.</p>

#### Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Offer Proceeds is as under:

(Rs. In Lakhs)

S. No.	Particulars	Estimated Amount to be deployed and utilized in F.Y. 25-26
1.	Funding of capital expenditure towards expansion of existing Umbergaon facility through construction of new sheds	1122.18
2.	Repayment of a portion of certain borrowings availed by our Company	307.54
3.	To meet the Working Capital requirements	2300.00
4.	General Corporate Purpose	[●]
	<b>Total</b>	[●]

#### e) General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of ₹ [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Draft Red Herring Prospectus/ Prospectus, shall not exceed 15% of the amount raised by our Company through this Issue or Rs. 10 crores, whichever is less.

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

(Rs. In Lakhs)

Activity	(₹ in Lakh)	As a % of Estimates Issue Expenses	As a % of Issue Size
Book Running Lead Manger Fees (including underwriting commission and all other fees by whatever name called)	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Statutory Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others (Commission/processing fee for SCSBs, Sponsor Bank and Banker(s) to the Issue and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price. Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.

(2) Selling commission payable to the SCSBs on the portion for Individual investors who applies for minimum application size. Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows

Portion for Individual investors who applies for minimum application size *	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.10% 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 SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.

(3) No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Individual investors who applies for minimum application size and Non-Institutional Bidders which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Individual investors who	₹ 10 per valid Bid cum Application Form (plus applicable taxes)
--------------------------------------	---

<i>applies for minimum application size</i>	
<i>Portion for Non-Institutional Bidders</i>	<i>₹ 10 per valid Bid cum Application Form (plus applicable taxes)</i>

*Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹1 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis.*

- (4) *The processing fees for applications made by Individual investors who applies for minimum application size using the UPI Mechanism would be as follows:*

<i>Members of the Syndicate/ RTAs/ CDPs (uploading charges)</i>	<i>₹ 10 per valid application (plus applicable taxes)</i>
<i>Sponsor Bank</i>	<i>₹ 6 per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, other agreements and other applicable laws.</i>

*\*For each valid application by respective Sponsor Bank*

*Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by Individual investors who applies for minimum application size (2 lots), Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.*

- (5) *Selling commission on the portion for Individual investors who applies for minimum application size and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:*

<i>Portion for Individual investors who applies for minimum application size</i>	<i>0.10% of the Amount Allotted* (plus applicable taxes)</i>
<i>Portion for Non-Institutional Bidders</i>	<i>0.10% of the Amount Allotted* (plus applicable taxes)</i>

*\*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

*Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by Individual investors who applies for minimum application size using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.*

*Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for Individual investors who applies for minimum application size and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:*

<i>Portion for Individual investors who applies for minimum application size *</i>	<i>₹10 per valid application (plus applicable taxes)</i>
<i>Portion for Non-Institutional Bidders*</i>	<i>₹10 per valid application (plus applicable taxes)</i>

*\* Based on valid applications*

*Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed ₹ 1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds ₹ 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.*

*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. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for Individual investors who applies for minimum application size and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.*

*The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/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.

### **Monitoring of Utilisation of Funds**

As the size of the Issue will not exceed ₹ 5,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Offer Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

Further, in accordance with Regulation 262(5), in an issue where the issuer is not required to appoint a monitoring agency, the issuer shall submit a certificate from the statutory auditor for the utilization of the money raised through the public issue (excluding the offer for sale by selling shareholders) to the SME exchange(s) while filing the financial results, until the offer proceeds are fully utilized. We will compile this information accordingly.

Additionally, as per Regulation 262(6), if working capital is one of the Objects of the Offer and the amount raised for the said object exceeds five crore rupees, the issuer shall submit a certificate from the statutory auditor to the SME exchange(s) while filing the quarterly financial results for the use of funds as working capital in the same format as disclosed in the offer document, until the proceeds raised for the said object are fully utilized. We will compile this information accordingly.

### **Appraisal**

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in the DRHP, Red Herring Prospectus and the Prospectus are based on our current business plan, management estimates, prevailing market conditions and other commercial considerations. However, such fund requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail reviewing the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### **Bridge Financing Facilities**

As on the date of the Draft Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Interim Use of Proceeds**

Pending utilization of the Offer proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, 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. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

### **Other confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel or Senior Management Personnel or Selling Shareholders in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our directors or key managerial personnel or Senior Management Personnel or Selling Shareholders except in the normal course of business and in compliance with the applicable laws.

## **BASIS FOR OFFER PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 25, 147 and 202 respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

The Offer Price will be determined by our Company and promoter selling shareholders in consultation with the BRLM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Offer Price is ₹ [●] times of the face value.

### **QUALITATIVE FACTORS**

We believe the following business strengths allow us to successfully compete in the industry:

- a) Capabilities to execute large-scale industrial and infrastructure projects
- b) Strong Order Book
- c) In-House manufacturing and testing capabilities
- d) Strong relationship with customers
- e) Experienced Promoters with strong management team having domain knowledge

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 147 of this Draft Red Herring Prospectus.

### **QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 202 of this Draft Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

#### **1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):**

As per the Restated Financial Statements:

<b>Sr. No</b>	<b>F.Y.</b>	<b>Basis &amp; Diluted (₹)</b>	<b>Weights</b>
1.	Financial Year ending March 31, 2024	9.42	3
2.	Financial Year ending March 31, 2023	5.11	2
3.	Financial Year ending March 31, 2022	1.90	1
	<b>Weighted Average</b>	<b>6.73</b>	<b>6</b>
	For 6 months period ended September 30, 2024	<b>5.55</b>	

**Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹10.00.
- iii. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with **Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.**

- v. *Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period*
- vi. *Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.*

**2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up:**

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2024	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

Industry P/E Ratio*	(P/E) Ratio
Highest	23.49
Lowest	13.90
<b>Average</b>	<b>18.70</b>

*\*We have mentioned listed peer which falls in the similar line of business as of our Company for broad comparison purpose, however there is a distinction in the product portfolio between our company and those of our selected peer i.e. Atmascio Limited and Goodluck India Limited.*

**Note:**

- i) The P/E ratio of peers has been computed by dividing Market price as on March 13, 2025 with EPS for the F.Y. 2023-24.

**3. Return on Net worth (RoNW)**

Sr. No	Period	RONW	Weights
1.	F.Y. ending March 31, 2024	21.52%	3
2.	F.Y. ending March 31, 2023	17.77%	2
3.	F.Y. ending March 31, 2022	8.04%	1
	<b>Weighted Average</b>	<b>18.02%</b>	<b>6</b>
	For 6 months period ended September 30, 2024	<b>11.73%</b>	

**Note:**

- i. *The figures disclosed above are based on the Restated Financial Statements of the Company.*
- ii. *The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year*
- iii. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*

**4. Net Asset Value (NAV) per Equity Share:**

Sr. No	NAV Per Equity Share	(Amount in ₹)
1.	As at March 31, 2024	43.78
2.	As at September 30, 2024	47.31



	After the Offer	
	At the Floor Price	[●]
	At the Cap Price	[●]
	At the Offer Price*	[●]

\* Offer Price per Equity Share will be determined on conclusion of the Book Building Process

\*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective year.

**Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. NAV per share=Restated Net worth at the end of the year divided by weighted average number of equity shares outstanding at the end of the year
- iii. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- iv. Offer Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

**5. Comparison of Accounting Ratios with Industry Peers**

Name of Company	Current Market Price (₹)	Face Value	EPS(Basic/Diluted)	PE	RoNW (%)	Book Value (₹)	Total Revenue (₹ In lakhs)
Karbonsteel Engineering Limited	[●]	10.00	9.42	[●]	21.52%	43.78	21833.76
<b>Peer Group</b>							
Atmastco Limited	193.55	10.00	8.24	23.49	15.14%	54.42	22400.57
Goodluck India Limited	645.30	2.00	46.41	13.90	11.82%	393.75	352477.58

**Notes:**

- (i) Source – All the financial information for listed industry peer mentioned above is sourced from the Financial Results of the aforesaid companies for the year ended March 31, 2024 and stock exchange data dated March 13, 2025 to compute the corresponding financial ratios.
- (ii) For our Company, we have taken Current Market Price as the Offer price of equity share. Further, P/E Ratio is based on the current market price of the respective scrips.
- (iii) The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the F.Y. 2023-24.
- (iv) NAV per share is computed as the closing net worth divided by the weighted average number of paid-up equity shares as on March 31, 2024.
- (v) RoNW has been computed as net profit after tax divided by closing net worth.
- (vi) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- (vii) The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the offer price is [●] times the face value of equity share.

**6. Key Performance Indicators**

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 21, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by Rao & Shyam Chartered Accountants, by their certificate dated March 21, 2025.

The KPIs of our Company have been disclosed in the sections titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators**” on pages 147 and 267 respectively. We have described and defined the KPIs as applicable in “**Definitions and Abbreviations**” on page 1 of this DRHP.

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, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

#### Key performance indicators of our Company:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Apr.'24 to September'24	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	10,595.34	21,833.76	15,558.03	8,883.16
EBITDA <sup>(2)</sup>	1,152.88	1,791.08	1,091.62	618.65
EBITDA Margin <sup>(3)</sup>	10.88%	8.20%	7.02%	6.96%
PAT <sup>(4)</sup>	613.82	942.49	510.70	189.91
PAT Margin <sup>(5)</sup>	5.79%	4.32%	3.28%	2.14%
RoE(%) <sup>(6)</sup>	12.77%	25.99%	19.51%	8.35%
RoCE (%) <sup>(7)</sup>	7.95%	15.36%	12.21%	7.65%

#### Notes:

- (1) Revenue from operation means revenue from sale of products & services and other operating revenues  
(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income  
(3) ‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations  
(4) PAT is calculated as Profit before tax – Tax Expenses  
(5) ‘PAT Margin’ is calculated as PAT for the period/year divided by revenue from operations.  
(6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity  
(7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

#### Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.

PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE(%)	Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

**7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:**  
(₹ In Lakhs except percentages and ratios)

Key Financial Performance	ATMASTCO Limited				Goodluck India Limited			
	Apr.'24 to Sep.'24	FY 2023-24	FY 2022-23	FY 2021-22	Apr.'24 to Sep.'24	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	13,891.08	22,400.57	24,195.06	9,361.23	1,88,928.86	3,52,477.58	3,07,200.76	2,61,321.26
EBITDA <sup>(2)</sup>	2,514.56	3,476.82	2748.67	1399.14	14,601.26	27,274.07	19725.16	17646.61
EBITDA Margin (%) <sup>(3)</sup>	18.10%	15.52%	11.36%	14.95%	7.73%	7.74%	6.42%	6.75%
PAT <sup>(4)</sup>	1,422.48	1634.56	1277.50	323.00	8253.99	13,226.79	8780.09	7501.08
PAT Margin (%) <sup>(5)</sup>	10.24%	7.30%	5.28%	3.45%	4.37%	3.75%	2.86%	2.87%
RoE (%) <sup>(6)</sup>	12.36%	20.04%	26.19%	7.93%	7.02%	15.21%	16.17%	17.66%
RoCE (%) <sup>(7)</sup>	11.94%	17.32%	18.97%	12.87%	7.69%	14.17%	14.36%	14.59%

Notes:

<sup>(1)</sup> Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest - Other Income

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> PAT Margin is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus Long term borrowings and Short term borrowings+ deferred tax liability (net).

**8. Weighted average cost of acquisition**

- a) Price per share of our Company (as adjusted for corporate actions, including split) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue) during the eighteen 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 our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances").

The details of such Primary Issuances made by our Company is mentioned below:

Date of Allotment	No. of equity Shares having Face value of Rs. 10 each allotted	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
March 27, 2024	3,88,578	Rs. 145/-	Preferential Allotment	Cash	563.43
April 22, 2024	1,66,533	Rs. 145/-	Preferential Allotment	Cash	241.47

- b) **Price per share of our Company (as adjusted for corporate actions, including split) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving our Promoters, members of the Promoter Group, Selling Shareholder, or Shareholder(s) having the right to nominate Director(s) on our Board during the eighteen months preceding the date of filing of this Draft Red Herring Prospectus, where the 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 and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)**

There have been no Secondary Transactions of the Equity Shares or convertible securities of our Company during the eighteen 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 our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Based on the above transactions, below are the details of the weighted average cost of acquisition, as compared to the Floor Price and the Cap Price:

Weighted average cost of acquisition & Issue price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price* (i.e. ₹ [●])	Issue price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	145	[●]	[●]
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA	NA	NA

\* To be updated at Prospectus stage.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national daily newspaper and all editions of [●], a Hindi national daily newspaper and all edition of [●], a regional newspaper each with wide circulation where the registered office of the company is situated.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company and Promoter Selling Shareholder in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above-mentioned information along with “*Our Business*”, “*Risk Factors*” and “*Restated Financial Statements*” on page 147, 25 and 202 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “*Risk Factors*” or any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,

**The Board of Directors**  
**Karbonsteel Engineering Limited,**  
B-8, Ratandeeep Cosmopolitan CHS Ltd,  
140-141, Swami Vivekanand Road,  
Adjacent to Shoppers Stop,  
Andheri West, Mumbai,  
Maharashtra 400058

And

**Seren Capital Private Limited**  
601 to 605, Raylon Arcade, Kondivita,  
J.B. Nagar, Mumbai-400059

(Seren Capital Private Limited referred to as the “Book Running Lead Manager” or the “BRLM”)

**Re: Statement of Possible Special Tax Benefit (‘the Statement’) available to Karbonsteel Engineering Limited, and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the ‘Regulations’)**

**Dear Sirs,**

We hereby confirm that the enclosed annexure, prepared by **Rao & Shyam**, are the statutory auditors of Karbonsteel Engineering Limited states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’) as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits depends upon fulfilling such conditions, which are based on the business imperatives the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and hence it is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor advising the investor whether to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any event subsequent to its issue, which may have a material effect on the discussions herein.

We do not express any opinion or provide any assurance as to whether:

- the Company or its Shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing of the benefits, where applicable have been/would be met.

The contents of this annexure 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 and the provisions of the tax laws.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct. The enclosed Annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent. Signed in terms of our separate report of even date.

#### **Annexure to the statement of possible Tax Benefits**

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961, presently forced in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

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

#### **1. Special Tax Benefits available to the Company under the Act:**

The Company is not entitled to any Special tax benefits under the Act.

#### **2. Special Tax Benefits available to the shareholders of the Company**

The Shareholders of the company are not entitled to any Special tax benefits under the Act.

#### **Notes:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

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 updating the views consequent to such changes. We do not assume responsibility to updating the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

Signed in terms of our separate report of even date.

Yours faithfully,

**Rao & Shyam**  
**FRN: 006186S**

**CA Vibhor Kala**  
**Partner**  
**Membership No.: 143553**  
**UDIN: 25143553BMOZJR7017**  
**Date: 21<sup>st</sup> March 2025**  
**Place: Mumbai**

## **SECTION V – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled 'Industry Report for Structural Steel dated March 21, 2025 (the "D&B Report") prepared and issued by Dun & Bradstreet Information Services India Private Limited ("D&B"), which has been commissioned by and paid for by our Company exclusively in connection with the Issue for the purposes of confirming our understanding of the industry in which we operate. Neither we, nor the BRLM, nor any other person connected with the Issue has independently verified any third-party statistical, financial and other industry information in the D&B Report. 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. The data included herein includes excerpts from the D&B Report and may have been re-ordered by us for the purposes of presentation. For further details and risks in relation to the D&B Report, see "Risk Factors –Internal Risks –Certain sections of this Draft Red Herring Prospectus disclose information from industry report commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 45. The D&B Report will form part of the material documents for inspection and will be available on the website of our Company at [www.karbonsteel.com/](http://www.karbonsteel.com/) from the date of filing of this Draft Red Herring Prospectus until the Issue Closing Date.*

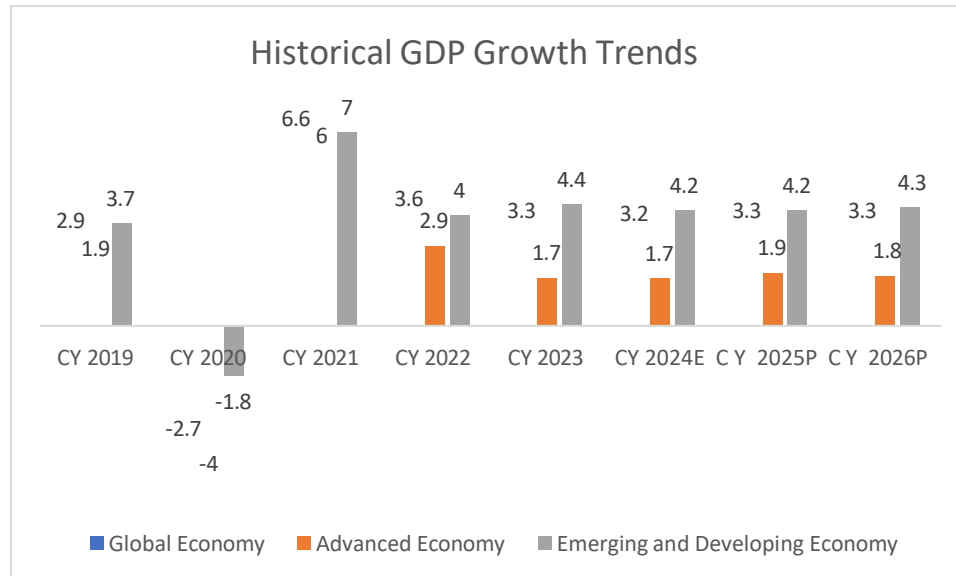
### **GLOBAL OVERVIEW**

The global economy, which grew by 3.3% in 2023, is expected to record a sluggish growth of 3.2% in 2024 before rising modestly to 3.3% in 2025. Between 2021-2022, global banks were carrying a historically high debt burden after COVID-19. Central banks took tight monetary measures to control inflation and spike in commodity prices. Russia's war with Ukraine further affected the global supply chains and inflated the prices of energy and other food items. These factors coupled with war-related economic sanctions impacted the economic activities in Europe. Any further escalation in the war may further affect the rebound of the economy in Europe.

While China, the largest manufacturing hub of world, was facing a crisis in the real estate sector and prices of properties were declining between 2020 - 2023, with the reopening of the economy, consumer demand is picking up again. The Chinese Government took several steps to help the real estate sector including cracking down on debt-ridden developers, announcing stimulus for the sector and measures to encourage the completion and delivery of unfinished real estate projects. The sector is now witnessing investments from developers and demand from buyers.

The year 2024 continued to remain a challenging year marked by uncertainties and transformative shifts. Numerous factors such as high inflation in many economies despite central bank effort to curb inflation, continuing energy market volatility driven by geopolitical tensions particularly in Ukraine and Middle East, and the re-election of Donald Trump as US President extended uncertainty around the trade policies as well as overall global economic growth. High inflation and rising borrowing costs affected the private consumption on one hand while fiscal consolidation impacted the government consumption on the other hand. As a result, global GDP growth is estimated to grow by 3.2% in CY 2024 as compared to 3.3% in CY 2023.

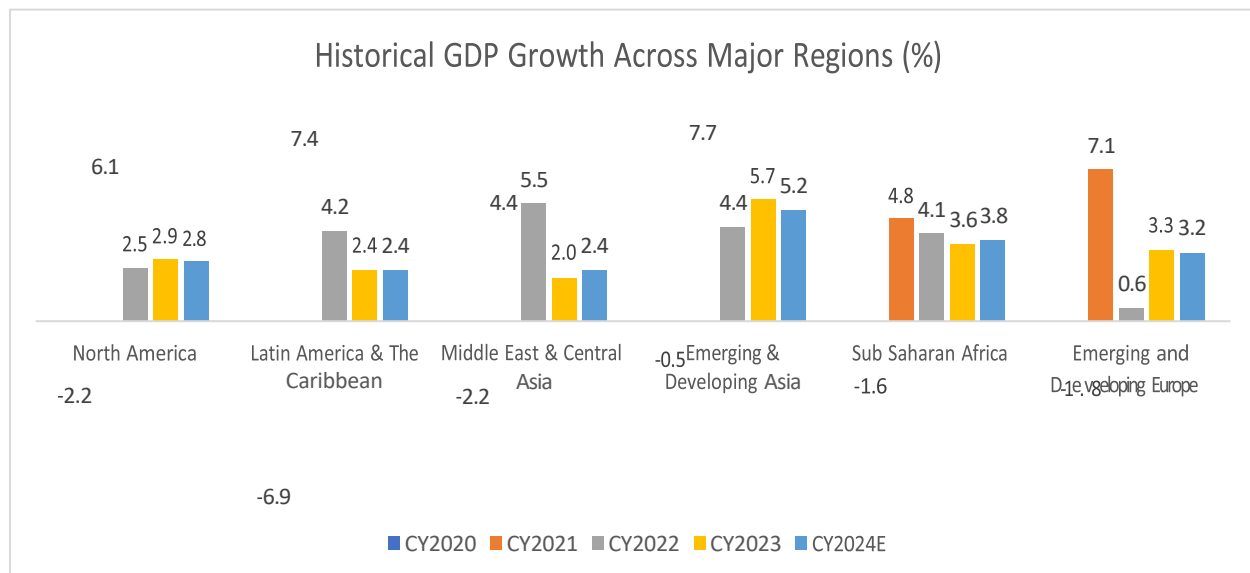




Source – IMF Global GDP Forecast Release January 2025

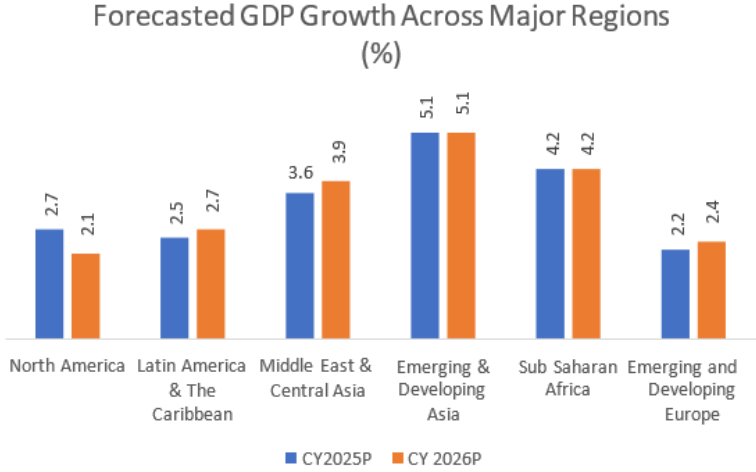
*Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)*

GDP growth of major regions including Emerging and Developing Europe, Latin America & The Caribbean, Middle East & Central Asia, and Sub-Saharan Africa, were showing signs of slow growth and recession between 2020 – 2023, but leaving Latin America & The Caribbean, 2024 is expected to show resilience and growth. Meanwhile, GDP growth in Emerging and Developing Asia (India, China, Indonesia, Malaysia, etc.) is expected to decrease from 5.2% in CY 2024 to 5.1% in CY 2025, while in the North America, it is expected to decrease from 2.8% in CY 2024 to 2.7% in CY 2025.



Source-IMF World Economic Outlook January 2025 update.

Except for Emerging and Developing Asia, Emerging and Developing Europe and North America, all other regions are expected to record an increase in GDP growth rate in CY 2025 as compared to CY 2024. Further, growth in the United States is expected to come down at 2.7% in CY 2025 due to lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labor markets slowing aggregate demand. India and China saw greater-than-anticipated growth in 2023 due to heightened government spending and robust domestic demand, respectively. Sub-Saharan Africa's expected growth in 2024 is attributed to the diminishing negative impacts of previous weather shocks and gradual improvements in supply issues



*Source-IMF, OECD, and World Bank, D&B Estimates*

As 2025 begins, there is some uncertainty due to the likely shift in policy following numerous elections around the world. New policies could lead to new trajectories for inflation, borrowing costs, and currency values, as well as trade flows, capital flows, and costs of production. Meanwhile, governments and central banks continue to navigate a balance between a desire to suppress inflation and a goal to boost growth.

Real GDP in advanced economies is projected to grow 1.9% in 2025, up from 1.7% in 2024. In the US, economic activity is expected to remain robust, supported by solid income and productivity, even as real GDP growth slips from 2.8% in 2024 to 2.1% in 2025. In Europe, steady income growth and falling interest rates should drive stronger consumer spending growth and a modest recovery in investment. Real GDP growth in Japan is likely to rebound toward 1.1% driven by a gradual acceleration in real wages and consumer spending. Additionally, real GDP growth in mainland China slowing to 4.6% in 2025 as structural property sector and demographic challenges will restrain economic activity despite fiscal and monetary policy support. India should remain a bright spot, with real GDP growth expected at 6.5%, driven by public investment and strong domestic demand. Latin America is expected to see a mildly stronger expansion, despite a notable slowdown in growth in Brazil.

The emerging markets that have advantageous locations and preferential trade agreements across major blocs will grow. India, Saudi Arabia, Mexico, Brazil, the United Arab Emirates and Southeast Asian economies will benefit from maintaining or developing strong trade and investment relations across geopolitical blocs. India will continue to foster trade and investment ties across geopolitical divides while being a critical driver of South-South trade. Southeast Asia is likely to remain the top destination for foreign investment among emerging markets. In the US, protectionist measures will be used in a transactional manner to extract trade, immigration, drug traffic control, defense spending and other political concessions from trading partners. We anticipate targeted tariffs on trading partners. However, we note that a scenario factoring 60% tariffs on Chinese imports and a 10% universal tariff on all imports from other US trading partners (assuming proportional retaliation against US exports) would reduce global GDP by 1.4% after two years, with GDP in the US, mainland China, Mexico and Canada reduced by 2.0% to 3.0%.

In Europe, the European Commission will also make increasing use of trade-defensive tools such as tariffs and step up scrutiny of foreign direct investments in strategic sectors. And, in emerging countries, this trend will increasingly manifest in resource nationalism, as governments from Mexico to Indonesia seek greater state involvement in the resources sector or higher value-added process to occur domestically.

Global inflation is expected to decline steadily, to 4.2% in 2025 and to 3.5% in 2026 still somewhat higher than the 3.1% pace in 2019. In advanced economies, where inflation surged to multidecade highs following the pandemic, price pressures are expected to moderate but remain uneven. Wage cost pressures, potential tariffs and limited innovation undermining global competitiveness in some sectors are likely to persist across European economies and the UK. In the US, we expect the moderating trend in inflation will remain in place through early 2025, though it could then change as deregulation, potential immigration restrictions and tariffs lead to a renewed inflation impulse. In contrast to President-elect Trump’s first term, these inflationary pressures would come in a new paradigm defined by fragile supply conditions, elevated geopolitical tensions and structural upside risks to inflation. Geopolitical tensions such as the wars in Ukraine and the Middle East could further exacerbate inflation volatility, particularly in energy and agricultural commodities.

Mainland China will face a different macroeconomic challenge: the risk of deflation due to subdued consumer spending trends, cautious business investment and ongoing deleveraging in the property sector. This has prompted authorities to announce stimulus measures to prevent exacerbating deflationary pressures. Indeed, deflation could slow the economic recovery by delaying consumer purchases, eroding corporate revenues and worsening real debt burdens, particularly if property sector weakness and slowing exports continue to weigh on private sector confidence. Emerging markets will grapple with the challenge of curbing inflation while contending with fragile supply chains, volatile commodity prices and foreign exchange fluctuations. Several Asian emerging economies, including India and Indonesia, are better positioned to maintain price stability due to proactive fiscal measures and monetary prudence. The combination of a diversified supply base that mitigates reliance on external inputs and importing deflation from China should further support disinflation.

## INDIAN ECONOMY

In India, growth is expected to decelerate to 6.5% in FY 2024 from 8.2% in FY 2023, reflecting a slowdown in investment and weak manufacturing growth. However, services activity has been steady, while growth in the agricultural sector has recovered. Private consumption growth has remained resilient, primarily driven by improved rural incomes accompanied by a recovery of agricultural output. In contrast, higher inflation and slower credit growth have curbed consumption in urban areas.

Country	Real GDP Growth (CY 2023)	Estimated GDP Growth (CY 2024)	Projected GDP Growth (CY 2025)	Projected GDP Growth (CY 2026)
India	8.2%	6.5%	6.5%	6.5%
China	5.2%	4.8%	4.6%	4.5%
Russia	3.6%	3.8%	1.4%	1.2%
Brazil	3.2%	3.7%	2.2%	2.2%
United States	2.9%	2.8%	2.7%	2.1%
Japan	1.5%	-0.2%	1.1%	0.8%
Canada	1.5%	1.3%	2.0%	2.0%
France	1.1%	1.1%	0.8%	1.1%
Italy	0.7%	0.6%	0.7%	0.9%
South Africa	0.7%	0.8%	1.5%	1.6%
United Kingdom	0.3%	0.9%	1.6%	1.5%
Germany	-0.3%	-0.2%	0.3%	1.1%

*Source-IMF World Economic Outlook January 2025 update.*

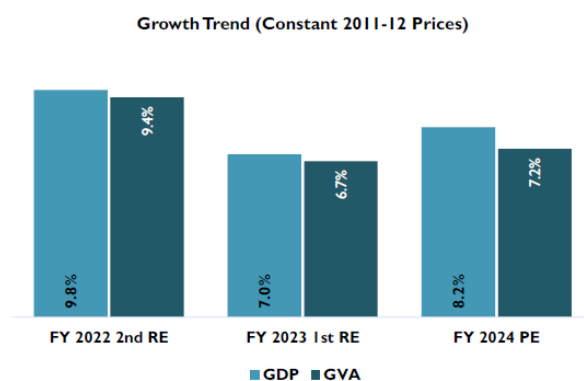
*Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South Africa). Countries have been arranged in descending order of GDP growth in 2023).*

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

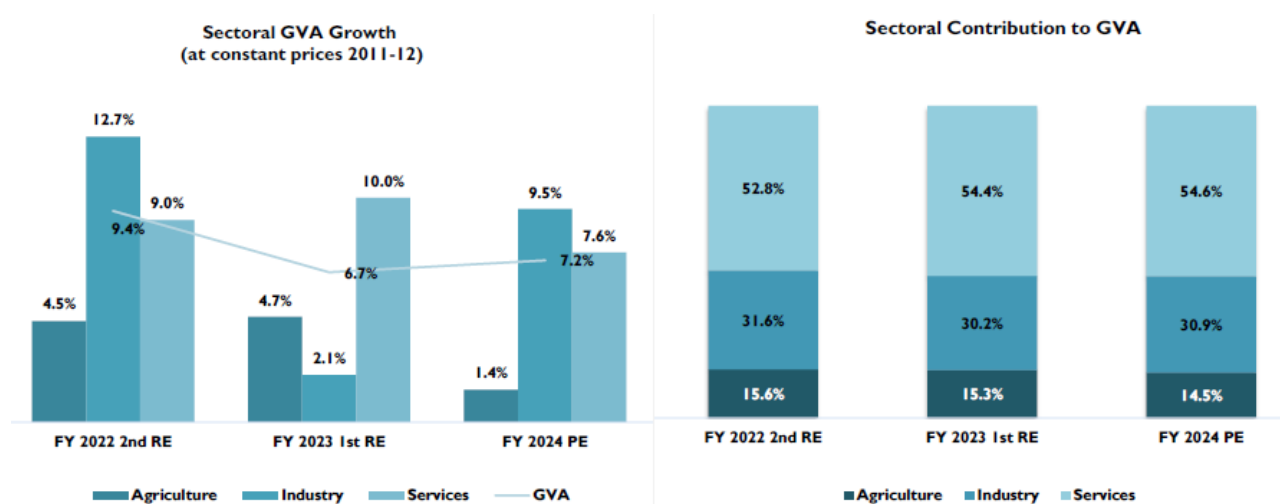
demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex (capital expenditure) 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 the central government increased by 11.1% increase in capital expenditure (budget estimates), to the tune of INR 11.11 trillion in the Union Budget 2024-2025 constituting 3.4% of the GDP. The improvement was accentuated further as the Budget 2025-2026 announced an 10% increase in capital expenditure, coupled with INR 1.5 trillion in interest-free loans to states. This has provided much-needed confidence to the private sector, and in turn, expected to attract the private investment.

As per the provisional estimates 2023-24, India's GDP in FY 2024 grew by 8.2% 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



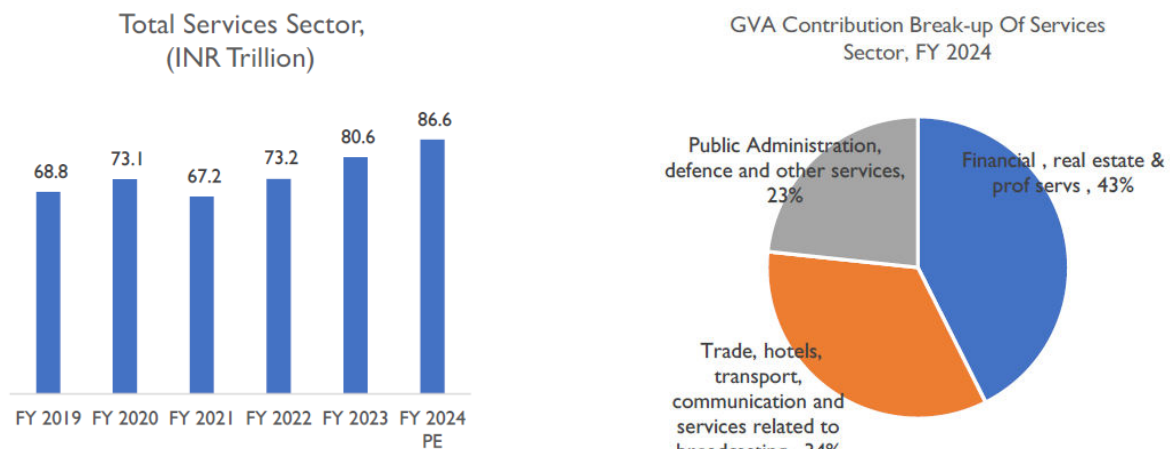
Source: Ministry of Statistics & Programme Implementation (MOSPI)

Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9.5% 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 and construction sector rose significantly and it registered a growth of 7.1%, 9.9% and 9.9% in FY 2024 against a y-o-y change 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 9.44% in the previous years.

Talking about the services sector's performance, with major relaxation in covid restriction, progress on COVID-19 vaccination and living with virus attitude, business in the service sector gradually returned to normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility returned to the pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen in FY 2023 and grow in FY 2024, although the growth hasn't shown substantial increases. In FY 2024, services sector grew by 7.6% against 10% y-o-y growth in the previous year.

### Expansion in Service Sector

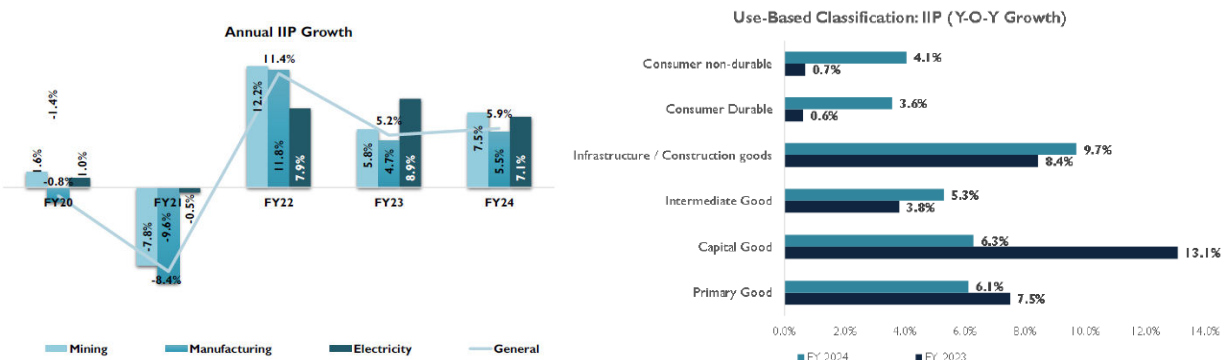
Services sector is a major contributor to the country's overall economic growth. In absolute terms, services sector GVA has increased from INR 68.78 trillion in FY 2019 to INR 86.6 trillion in FY 2024 (as per the provisional estimated), registering a CAGR of nearly 5%. Within Services sector, the GVA by financial, real estate and professional services-the largest contributing segment observed 6.3% CAGR while Public Administration, defence and other services<sup>1</sup> observed 4.5% CAGR and Trade, hotels, transport, communication, and services related to broadcasting witnessed 3.1% CAGR between FY 2019-24.



Sources: MOSPI, CMIE Economic Outlook and Dun & Bradstreet Research Estimates2F<sup>2</sup>

### IIP Growth

Industrial sector performance as measured by IIP index; in FY 2024 it is growing at 5.9% (against 5.2% in FY 2023). Previously IIP index exhibited temporary recovery in FY 2022 from the low of Covid induced slowdown in industrial growth during FY 2020 and FY 2021. Manufacturing index, with 77.6% weightage in overall index, grew by 5.5% in FY 2024 against 4.7% y-o-y growth in FY 2023 while mining sector index too grew by 7.5% in FY 2024 against 5.8% in the previous years. Mining & manufacturing both shown improvement according to previous except the Electricity sector Index, witnessed an improvement of 7.1% in FY 2024 against 8.9% in the previous year.



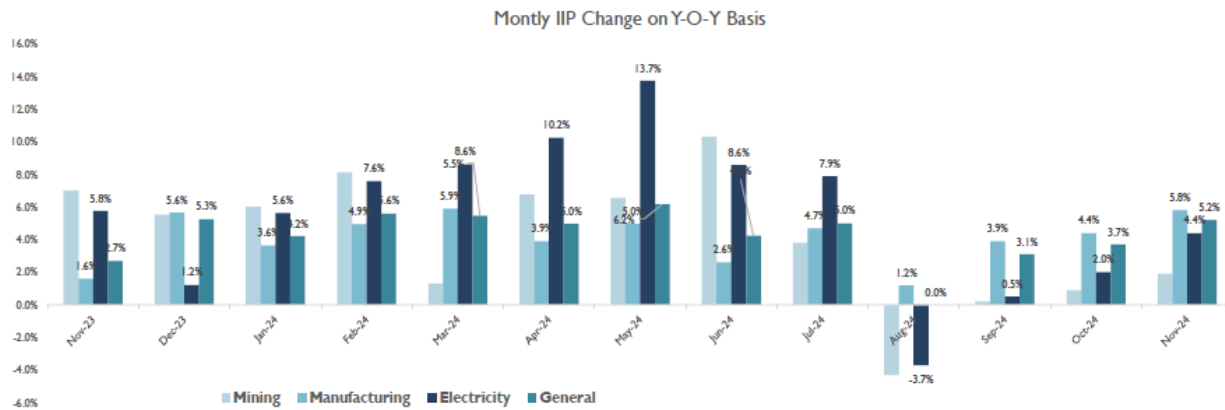
<sup>1</sup> Other services include Education, Health, Recreation, and other personal services.

<sup>2</sup> Projections as based on CMIE Growth rate till FY 2019 and FY 2030 is based on Dun & Bradstreet assumption.

Source: Ministry of Statistics & Programme Implementation (MOSPI)

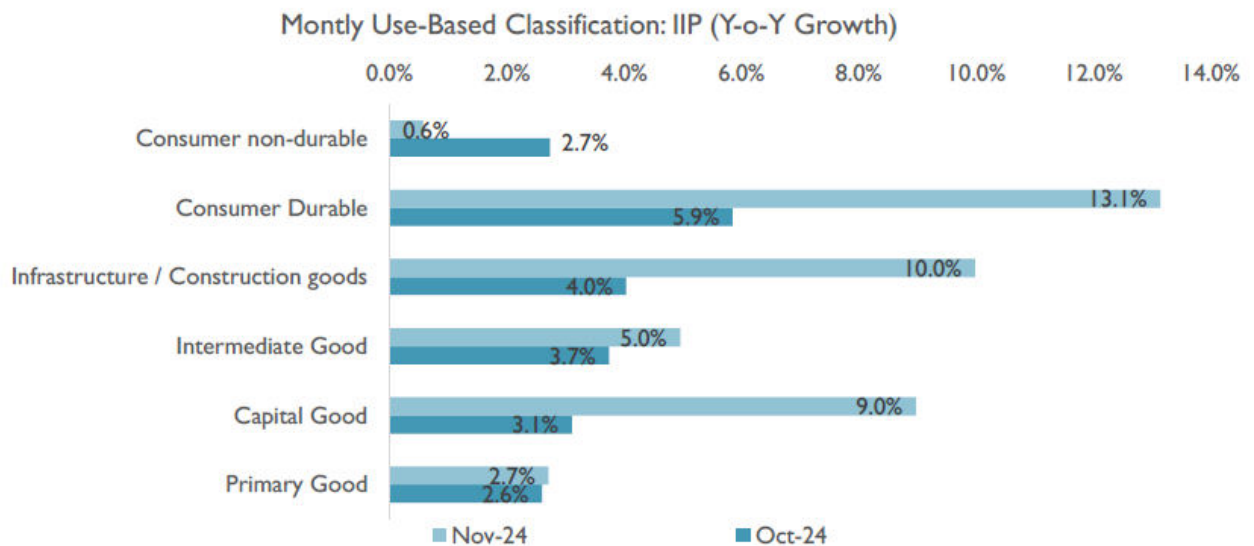
As per the use-based classification, most segments have shown growth for FY 2024 compared to FY 2023. Capital good and primary goods were segments which faced less growth as compared to previous year. The contracting IIP data points towards adverse operating business climate as global headwinds, high inflation, and monetary tightening cumulatively impacted the broader industrial sector performance. In contrast all the segments except the above two have shown growth.

### Monthly IIP Growth Trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

In the current fiscal FY 2025, the monthly IIP measured index has reported steady improvement over the last fiscal. Overall IIP index grew by 5.2% in November 2024 against 2.3% y-o-y growth observed in November 2023. However, the mining sector index growth slowed to 1.9% in November 2024, against 7.0% y-o-y growth in November 2023 while the manufacturing sector index exhibited substantial improvement and they grew by 5.8% in November 2024 against 1.6% in November 2023, respectively.



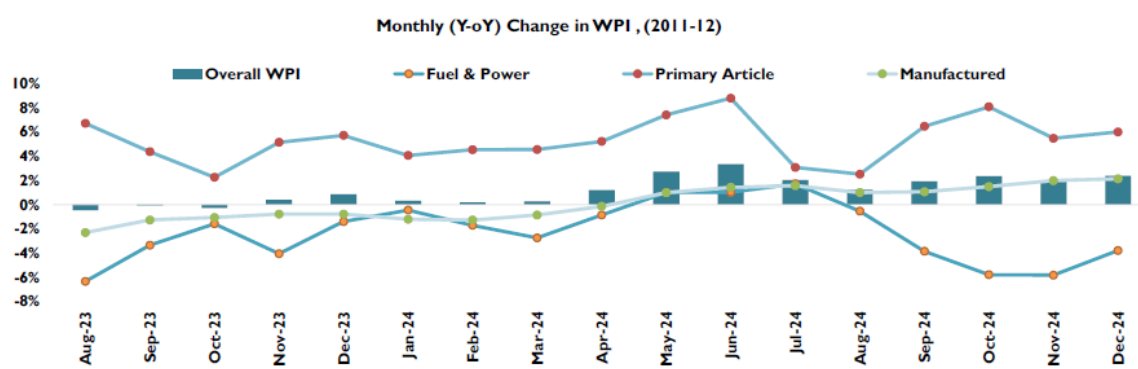
Sources: MOSPI

As per the use-based classification, growth in all segments excluding consumer non- durable increased in November 2024 as compared to the previous month. Growth in consumer non-durable segment slowed in November 2024 to 0.6% as against 2.7% in October 2024.

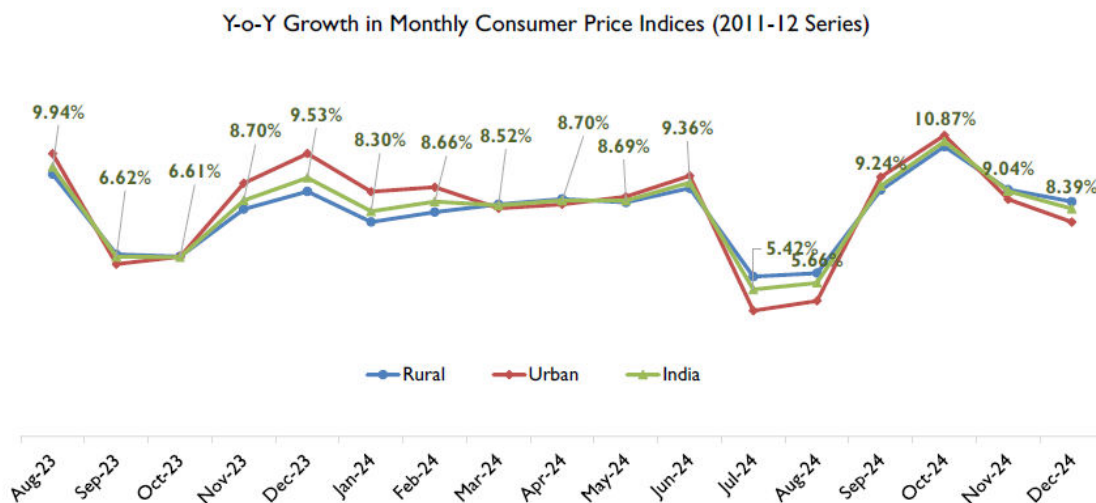
## Inflation Scenario

The inflation rate based on India's Wholesale Price Index (WPI) exhibited significant fluctuations across different sectors from August 2023 to December 2024. Overall WPI number measured 2.4% in December 2024. Positive rate of inflation in December 2024 is primarily due to increase in prices of food articles, manufacture of food products, other manufacturing, manufacture of textiles and non-food articles etc. By December 2024, Primary Articles WPI inflation moderated compared to October prices level but increase marginally compared to the previous month and measured 6.0%. The Price of food articles (-3.08%) and crude petroleum & natural gas (- 2.87%) decreased in December 2024 compared to the previous month i.e. November 2024. However, the Price of non-food articles grew by 2.53% and minerals by 0.48% in December 2024 as compared to November 2024.

Moreover, power & fuel, the index for this major group increased by 1.90% to 149.9 in December 2024 from 147.1 in the month of November 2024. Price of electricity (8.81%) and coal (0.07%) increased in December 2024. The price of mineral oils (-0.06%) decreased in December 2024 as compared to November 2024.



Source: MOSPI, Office of Economics Advisor.



Source: MOSPI, Office of Economic Advisor

Retail inflation rate (as measured by the Consumer Price Index) in India showed notable fluctuations between August 2023 and December 2024. Rural CPI inflation peaked at 9.67% in August 2023, declining to 8.65% in December 2024. Urban CPI inflation followed a similar trend, rising to 10.42% in August 2023 and then dropping to 7.90% in December 2024. Overall, the national CPI

inflation rate increased to 9.94% in August 2023 but moderated to 8.39% by December 2024, indicating a gradual easing of inflationary pressures across both rural and urban areas. CPI measured above 6% tolerance limit of the central bank since July 2023. As a part of an anti-inflationary measure, the RBI has hiked the repo rate by 250 bps since May 2022 to the current 6.5% while it has been holding the rate at 6.5% since 8 Feb 2023.

## **Growth Outlook**

India's H1 FY2024-25 GDP slowdown is cyclical, driven by credit tightening and delayed fiscal spending, but strong fundamentals should support growth in the second half of the fiscal year. Politically, the continuation of the National Democratic Alliance (NDA) government signals sustained reforms, with optimism around labor and land reforms. The government is also taking steps to control retail inflation by managing food prices and import duties. Retail inflation eased to 5.2% y/y in December, down from 5.5% in November as vegetable prices moderated following a bumper summer harvest and favorable monsoon. Still-high food prices and geopolitical tensions continue to pose risks to inflation and growth. High retail credit and rising unsecured loans signal consumption-driven borrowing, yet urban demand remains under pressure. Rural demand has shown resilience, benefitting from favorable monsoons, robust agricultural output and elevated food prices. The RBI's September economic review highlighted a contrasting trend in rural and urban consumption demand in H1 FY2024- 25, with rural demand remaining robust, while urban demand showed weakness.

On external front, the global business environment remains cautious, with geopolitical tensions, particularly in Gaza, posing potential risks to global stability. In mid-January 2025, the Indian rupee dropped below INR 86.6 USD, due to strong dollar demand from foreign banks, likely due to outflows from equities and the weakness in regional peers as the dollar strengthened. Rupee continued to face pressure due to sustained foreign fund outflows and the broad strength of the American currency in the overseas markets due to unabated dollar demand from oil importers and weak risk appetite

Looking ahead to 2025, India's projected GDP growth of 6.5% 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 2026, reflecting strong economic fundamentals and continued momentum.

This decent growth momentum in near term CY 2025 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 utilization and rising credit flow.

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 1st Feb 2024. The Union Budget for FY26, which takes a balanced approach to sustaining economic momentum. With a focus on stimulating demand, driving investment and ensuring inclusive development, the budget introduces measures such as tax relief, increased infrastructure spending and incentives for manufacturing and clean energy. These initiatives aim to accelerate growth while maintaining fiscal discipline, reinforcing India's long-term economic resilience. The expansion of tax relief i.e. zero tax liability for individuals earning up to INR 12 lacs annually under the new tax regime is expected to strengthen household finances and, consequently, boost consumption.

## **Structural Steel Industry**

The primary force behind industrialization in India is the usage of metals. Steel has traditionally occupied one of the top spots among metals. Steel production and consumption are frequently seen as measures of a country's economic development because it is both a raw material and an intermediary product. Steel sector has always been at the forefront of industrial progression and that is the foundation for any economy.



India is the world's second-largest producer of crude steel after China. The domestic availability of raw materials such as iron ore and cost-effective labor has driven rapid growth for the Indian steel sector. Consequently, the steel sector has been a major contributor to India's manufacturing & consuming output. The Indian steel industry is classified into three categories - major producers, main producers, and secondary producers. The Indian steel industry is modern, with state-of-the-art steel mills. Always strive for continuous modernization of older plants and upgrade to higher energy efficiency levels for better development.

In the previous, 10–12 years, India's steel sector has expanded significantly. Production has gained by 75% since 2008, while domestic steel needs have increased by almost 80%. Also, the capacity for producing steel has grown concurrently, and the rise has been largely organic.

The structural steel industry in India serves as a cornerstone of the nation's economic and infrastructural growth, playing a critical role across sectors like buildings, bridges, and large-scale construction. With over 1 lakh people employed and more than 5,000 predominantly SME fabricators, the industry boasts strong backward linkages to the steel sector. Significant technological advancements, such as automated cutting and welding, 3D modeling, and laser cutting, have enhanced efficiency, precision, and cost-effectiveness. The outlook is promising, driven by government initiatives like "Make in India," the adoption of green technologies, and Industry 4.0 integration. Additionally, the rising demand for pre-engineered buildings (PEBs) underscores the need for cost-efficient and rapid construction solutions, further propelling the industry's growth. As a dynamic and evolving sector, structural steel is poised to remain integral to India's progress.

### Overview of Structural Steel Engineering

Structural steel is a high-performance construction material specifically designed for use in the construction of buildings, bridges, and various other infrastructure projects where high strength-to-weight ratio is desired. It comes in various shapes such as I-beams, angles, channels, hollow structural sections (HSS), and plates, all of which are standardized to ensure uniformity in size, shape, chemical composition, and mechanical properties.

Structural steel is renowned for its strength-to-weight ratio, making it both strong and lightweight, a crucial characteristic for supporting large structures with minimal material use. It also exhibits excellent ductility, which allows it to bend and deform under stress without breaking, making it capable of withstanding bending, stretching, and other dynamic forces during construction and use.

This versatility makes structural steel indispensable in the construction of infrastructure, commercial buildings, and industrial facilities, offering strength, durability, and flexibility across diverse applications. The widespread use of steel is driven by its exceptional resilience, corrosion resistance, and ability to withstand dynamic forces such as wind, earthquakes, and heavy loads.

Structural Steel Products and Material used for Structural Steel

Structural steel products include plates, sheets, coils, I-beams, H-beams, angles, and hollow sections. Coatings such as galvanization and epoxy or polyurethane are applied to enhance durability and corrosion resistance.

STRUCTURAL STEEL PRODUCT	TYPES	USES
<b>Beams</b>	I Beams, Wide Flange Beams, HP Shaped Beams	Used in constructing bridges and steel- framed buildings to provide strong structural support.
<b>Channels</b>	J Channels, Hat Channels, U Channels, C Channels, Hemmed Channels	Used in construction, appliances, transportation, making signposts, and installing and fabricating windows and Doors Angles
<b>Angles</b>		Used in framing, trims, brackets, transmission towers, bridges, reactors, vessels, warehouses, and

		lifting & transportation machinery.
<b>Flats</b>		Applied in railway parts, hand tools, auto components, tin cans, press working, office goods, engineering industries, and white goods products.

Structural steel in India involves producing and assembling steel components for construction and industrial use, following Bureau of Indian Standards (BIS) guidelines for quality and safety. Common materials include IS 2062 grades like E250 for general construction and E350 or E410 for high-strength applications.

**Categories of Structural Steel**

**Heavy Structural Steel:** These are used in large-scale infrastructure projects, such as bridges, dams, communication towers, and power plants. These structures need to withstand significant loads, environmental stress, and dynamic forces. Steel’s ability to resist corrosion and handle heavy equipment loads makes it ideal for these applications.

- **Bridges:** Steel’s strength allows for long spans and can support heavy traffic loads while remaining lightweight.
- **Dams and Water Infrastructure:** Steel’s strength and corrosion resistance make it perfect for withstanding the immense pressure from water.
- **Power Plants:** Steel frameworks support heavy industrial machinery and provide durability against operational stresses.

**Medium Structural Steel:** This category includes applications like scaffolding, shutters, and partition walls in industrial, commercial, and residential buildings. These structures typically balance strength and versatility, offering stable support for moderate loads.

**Light Structural Steel:** Found in smaller-scale applications such as doors, windows, roofing, and furniture, light Structural Steel are often used in residential or light commercial buildings. These structures provide essential strength and security, though they are not as heavy-duty as medium or heavy Structural Steel.

**Other Specialized Structural Steel:** This category encompasses structures like electrical panels, steel frames for solar panels, and decorative elements. These specialized steel items provide functional and aesthetic benefits across various industries.

**Steel's Role in Sustainability**

Steel is one of the most sustainable materials used in construction. Due to its recyclability, over 90% of steel produced worldwide is recycled. This contributes to reducing waste and conserving natural resources. Steel’s life cycle is long, and it requires minimal maintenance when properly treated, further reducing its environmental footprint.

Technologies like electric arc furnaces (EAFs) help reduce carbon emissions in steel production by recycling scrap steel instead of using raw materials. These efforts are aligned with the construction industry's growing focus on sustainability.

**Steel in Seismic and Fire-Resistant Construction**

**Seismic Resistance:** Steel’s inherent ductility allows it to absorb and dissipate the energy generated by seismic forces, making it ideal for buildings in earthquake-prone areas. Innovations like seismic dampers and base isolators enhance Structural Steel' ability to resist the effects of earthquakes.

**Fire Resistance:** While steel has a high melting point, it can lose its strength under prolonged exposure to high temperatures. Fireproofing coatings and insulation are applied to Structural Steel to maintain their stability in case of a fire, ensuring safety and minimizing structural damage.

**Advancements in Steel Design and Technology**

Steel design continues to evolve with advances in fabrication and material science:

- **Tapered and Curved Steel Sections:** Innovations in forming techniques now allow engineers to create tapered and curved steel sections, enabling more complex and aesthetically pleasing structures.
- **Smart Structural Steel:** The integration of sensors into Structural Steel allows for real-time monitoring of parameters like temperature, stress, and vibrations. This “smart” steel can provide data that helps with predictive maintenance and structural health monitoring, enhancing safety and efficiency.
- **Prefabricated and Modular Steel:** Prefabrication has revolutionized the steel construction process. Steel components can be pre-engineered and fabricated in controlled environments, reducing on-site labor and construction time. This modular approach also ensures higher quality and fewer chances for error.

### Role of Structural Steel Firms

Structural Steel firms are critical in the construction industry, often working as subcontractors for larger EPC (Engineering, Procurement, and Construction) companies. They are responsible for the design, fabrication, and installation of steel components that form the backbone of a structure. These firms work closely with engineers, architects, and other construction professionals to ensure that Structural Steel meets the project’s safety, performance, and aesthetics specifications.

### Types of Steel Used in Structural Engineering and Different Steel Grades

In structural engineering, different types of steel are used depending on the properties required for specific applications, such as strength, flexibility, corrosion resistance, and durability. Steel can be categorized into several types, each with different grades based on their chemical composition, mechanical properties, and intended use.

Type of Steel	Carbon Content	Properties	Applications
Carbon Steel	Composed of Iron and Carbon	One of the most common types, cost-effective, and easy to fabricate. Composed of iron and carbon.	Structural components in construction, automotive industry, pipelines, shipbuilding,
- Low Carbon Steel (Mild Steel)	Up to 0.3% carbon	Good ductility, weldability, and machinability. Widely used in structural engineering.	Beams, columns, structural supports, general construction.
- Medium Carbon Steel	0.3% - 0.6% carbon	Balanced strength and ductility. Higher tensile strength than low carbon steel but less ductile.	Railway tracks, machinery parts, heavy-duty structural applications.
- High Carbon Steel	0.6% - 1.0% carbon	High hardness and tensile strength, but lower ductility, making it more brittle.	Tools, cutting tools, applications requiring wear resistance.
High-Strength Low-Alloy (HSLA) Steel		Alloyed with manganese, chromium, and nickel for improved strength, toughness, and corrosion resistance.	Structural shapes, plates, bridges.
Stainless Steel	Minimum 10.5% chromium	Highly corrosion-resistant, with various alloy compositions for different properties.	Chemical plants, food processing, marine applications.
- Austenitic Stainless Steel	Contains nickel and chromium	Corrosion-resistant and non-magnetic. Widely used.	General industrial and structural applications.

Carbon Steel	Composed of Iron and Carbon	One of the most common types, cost-effective, and easy to fabricate. Composed of iron and carbon.	Structural components in construction, automotive industry, pipelines, shipbuilding.
- Ferritic Stainless Steel	Contains chromium and lower carbon	Magnetic, moderately resistant to corrosion.	Less corrosive environments than austenitic steel.
- Martensitic Stainless Steel	Higher carbon content	Can be heat-treated for high strength and hardness.	Applications requiring high strength, such as turbine blades, valves, and pumps.
Alloy Steel		Enhanced with elements like manganese, molybdenum, chromium, or vanadium for improved properties	Aerospace, automotive, high-performance machinery, and some construction applications.
Tool Steel		High-carbon steel known for hardness, wear resistance, and high temperature deformation resistance.	Tool manufacturing, moulds for casting, cutting tools.
Weathering Steel (Corten Steel)		Forms a stable rust-like appearance that protects against further corrosion, self-protecting.	Outdoor sculptures, architectural facades, bridges needing rustic aesthetics and corrosion resistance.

### Different Steel Grades:

Steel grades refer to the classification of steel based on its chemical composition, mechanical properties, and application. Here are some common steel grades used in structural engineering:

Steel Grade	Description	Properties	Applications
ASTM A36	A commonly used carbon steel grade for structural applications.	Good weldability and formability. Commonly used for beams, plates, and structural components.	General construction, bridges, and industrial applications.
ASTM A992	A high-strength low-alloy steel designed for structural shapes.	Excellent weldability and high strength. Typically used for rolled steel sections.	Wide-flange beams and columns in buildings and bridges.
ASTM A572	A high-strength low-alloy steel with excellent weldability and high tensile strength.	Available in several grades (Grade 42, 50, 55, 60, 65) based on strength.	Structural shapes and plates for bridges, buildings, and other heavy construction projects.
ASTM A240 (Stainless Steel)	Specifies stainless steel grades for flat-rolled products.	Resistance to corrosion and staining. Good strength and durability.	Structural components exposed to aggressive environments like chemical processing plants.
EN 10025 (European Steel Grades)	A European standard for hot-rolled structural steel.	Includes several grades: S235 (mild steel), S355 (high strength), and S460 (higher strength).	Structural steel components, from bridges to large buildings.

Weathering Steel (Corten Steel)	Typically classified under ASTM A588 or ASTM A242.	Corrosion-resistant and self-protecting, eliminating the need for painting.	Outdoor structures, sculptures, and bridges where a rustic appearance and corrosion resistance are desired.
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## Precision Fabricated Structural Steel

Precision Fabricated Structural Steel refers to steel frameworks or components that are carefully manufactured using advanced technologies to meet the specific requirements of structural projects. These structural steel components are fabricated with high precision to ensure optimal fit, strength, and durability. The manufacturing process guarantees that each steel part adheres to stringent quality standards, which is essential for large-scale construction projects, industrial facilities, and infrastructure developments.

### Key Aspects of Precision Fabricated Structural Steel

#### Advanced Design and Engineering

In structural steel engineering, the design and engineering phase is critical to ensuring precision and functionality. Structural steel components are meticulously designed using advanced tools like Computer-Aided Design (CAD) and Building Information Modeling (BIM). These tools enable the creation of detailed 3D models that allow engineers to identify potential issues early in the design process, improving coordination between teams. The ability to visualize the steel components and their integration ensures that each piece fits together correctly during the assembly, preventing errors that could arise on-site.

#### Fabrication Process

The fabrication of Structural Steel requires high levels of precision and efficiency. CNC (Computer Numerical Control) machinery is commonly used for cutting, drilling, and shaping steel components to exact specifications. Other advanced cutting methods, such as laser cutting and water jet cutting, allow for precise and intricate cuts, minimizing material waste and speeding up the fabrication process. Welding techniques, such as MIG (Metal Inert Gas) and TIG (Tungsten Inert Gas) welding, are employed to join steel parts with utmost accuracy, ensuring that welded joints are robust and reliable.

#### High Precision

Precision is one of the key features of fabricated Structural Steel. Every component is produced to tight tolerances, ensuring that the parts match the design specifications exactly. This high level of accuracy ensures that the steel components fit seamlessly during the assembly phase and guarantees that the entire structure will perform as intended under various loads. This precision is crucial in large-scale construction projects, where even small deviations can compromise the integrity and stability of the structure.

#### Quality Control

Quality control is integral to the fabrication process of structural steel. Each steel component undergoes rigorous dimensional inspections to ensure that it meets the required specifications. Additionally, non-destructive testing (NDT) methods like ultrasonic testing and magnetic particle testing are used to detect any internal flaws or weaknesses in the material. These inspections help to ensure the structural integrity of the components and prevent any potential issues that could arise during or after assembly, ultimately contributing to the safety and reliability of the finished structure.

#### Surface Treatment

Steel components are often subjected to surface treatments to enhance their durability and longevity, especially when exposed to harsh environmental conditions. Common surface treatments include galvanization, powder coating, and painting. These treatments offer protection against corrosion, which can weaken the material over time. For structures

in harsh climates or exposed to moisture, these protective coatings are essential to ensure the steel maintains its strength and appearance throughout its lifespan.

## Assembly and Construction

Once the steel components are fabricated with precision, they are transported to the construction site for assembly. The accuracy achieved during the fabrication process ensures a smoother, faster, and more efficient construction process. Since the components fit together seamlessly, fewer adjustments are required on-site, which speeds up the construction timeline and reduces the risk of errors. The precision also ensures that the final structure is stable and meets all design specifications, contributing to the overall safety and functionality of the building or infrastructure.

## Overview of Structural Steel Manufacturing Process

The process of fabricating and constructing structural steel involves several stages, each critical to ensuring the steel meets the required strength, functionality, durability and comply with safety standards. The following is a detailed overview of the key stages involved in the manufacturing process of structural steel:

### Design and Detailing

The manufacturing process begins with the design and detailing phase. Architects and engineers work together to create detailed blueprints and specifications that define the structural steel dimensions, load-bearing capacities, and alignment with safety standards. This phase involves:

- **Architectural and Structural Plans:** These plans define the overall design and layout of the structural steel, detailing aspects like floor plans, elevation views, and load analysis.
- **Computer-Aided Design (CAD) and Building Information Modeling (BIM):** Advanced CAD software and BIM tools help create 3D models, allowing for precise visualization and detection of design inconsistencies before fabrication. These tools optimize material usage and minimize errors during the construction phase.
- **Detailed Drawings:** CAD generates detailed drawings, such as shop drawings and fabrication drawings, that provide precise dimensions, material specifications, and weld or bolt placements, guiding the entire fabrication process.

### Material Procurement

Once the design is finalized, the next step is material procurement. Steel types and grades are selected based on the project's specifications, such as structural load-bearing capacity, resistance to environmental factors (e.g., corrosion resistance), and overall durability. This stage includes:

- **Material Selection:** The appropriate steel grades (e.g., carbon steel, alloy steel, stainless steel) are chosen based on their strength, flexibility, and corrosion resistance requirements for the project.
- **Supplier Coordination:** Materials are sourced from certified steel suppliers and manufacturers. Advanced software tools, like material management systems, ensure that the right materials are ordered in the correct quantities and are available on time.
- **Quality Control of Raw Materials:** Before procurement, each batch of steel is inspected for chemical composition and mechanical properties. This ensures that the material meets regulatory standards and the project's specifications.

### Cutting and Shaping

The steel components are fabricated into the required shapes and sizes using advanced machinery. The cutting and shaping process typically involves:

- **Cutting Methods:** Modern CNC (Computer Numerical Control) machines, such as laser cutting, plasma cutting, and waterjet cutting, are used for precise and efficient cutting of steel into required dimensions. These technologies offer high accuracy and are capable of handling complex shapes.
- **Drilling and Notching:** Holes are drilled into the steel to allow for bolting and assembly during the structure's construction. Notches and slots are cut where required, based on the design specifications.

- **Shape Formation:** Steel plates and sections are also formed into specific shapes like beams, columns, and braces. This is done using automated machinery that allows for complex profiles to be formed with high precision.

### Bending and Shaping

After the initial cutting, some steel components require bending to achieve the desired structural shape:

- **Bending Methods:** Steel is bent using specialized equipment such as press brakes or rolling machines. These processes allow the steel to be formed into curves or angular shapes to match design requirements.
- **Precision Bending:** The bending process must be highly accurate to ensure that components fit together precisely when assembled. Even slight misalignments can affect the overall structural integrity.

### Welding and Assembly

Once the steel components are cut, shaped, and bent, they are assembled into larger units:

- **Welding:** Various welding techniques such as MIG (Metal Inert Gas), TIG (Tungsten Inert Gas), and stick welding are used to join steel components. The choice of welding technique depends on factors like material thickness, structural requirements, and environmental conditions. Quality of welding is critical for ensuring strong, durable joints.
- **Bolting and Fastening:** Bolting may also be used to secure steel components, particularly in large Structural Steel where fast and reliable connections are needed. Bolted joints can be more easily adjusted during assembly compared to welded joints.
- **Assembly Process:** The components are assembled in sections or sub-assemblies in the fabrication shop. These sections are then pre-assembled into larger modules that will eventually be assembled on-site. In some cases, complex structural elements are prefabricated in the shop and only require minimal adjustments on-site.

### Quality Control and Inspection

Throughout the fabrication process, stringent quality control (QC) measures are followed to ensure that every component meets the specified standards:

- **Dimensional Inspections:** The dimensions of the fabricated steel components are carefully checked to ensure accuracy. Any discrepancies in size or shape can lead to issues during assembly or structural instability.
- **Weld Testing:** Non-destructive testing (NDT) methods like ultrasonic testing, magnetic particle testing, or X-ray inspections are performed to assess the quality of welds. These methods detect any hidden defects or weaknesses in the joints.
- **Material Testing:** Steel samples are tested for strength, hardness, and other mechanical properties to verify that they meet the requirements outlined in the design and material specifications.
- **Compliance with Codes:** All components must comply with relevant building codes and regulations, such as those outlined by the American Institute of Steel Construction (AISC) or the International Building Code (IBC).

### Surface Treatment and Finishing

To ensure the longevity and durability of the structural steel, surface treatments are applied to protect against environmental factors such as corrosion:

- **Surface Cleaning:** Techniques such as sandblasting, shot blasting, or chemical cleaning are used to remove impurities and prepare the steel surface for coating.
- **Coating Methods:** Steel components are coated with protective finishes like galvanization (zinc coating), epoxy coatings, or paint. These coatings provide a layer of protection against rust, corrosion, and weathering, especially for structures exposed to outdoor environments or harsh chemicals.
- **Aesthetic Finishing:** For architectural or visible parts of the structure, decorative finishes may be applied to improve the visual appeal of the steel. This could include powder coating or custom paint finishes.

### Transportation and Installation

Once fabrication and finishing are completed, the steel components are ready to be transported to the construction site. The logistics of this process are complex:

- **Transportation:** Steel components are carefully packed and shipped to the construction site, often requiring special transport vehicles to accommodate large and heavy loads. Components may be delivered in sections for easier handling.
- **Installation on Site:** On-site installation typically involves cranes and other lifting equipment to position the steel elements accurately. Assembly is carried out according to the design, with each component being bolted, welded, or fitted together as per the blueprints.
- **Safety and Coordination:** Installation requires careful planning and coordination, as the steel components need to be handled safely and efficiently. The installation crew works closely with engineers to ensure that the structure is erected in a controlled manner, reducing the risks associated with lifting and positioning heavy steel parts.

### Software Tools and Technology Integration

Throughout the entire steel manufacturing and construction process, various software tools play a vital role in ensuring efficiency, precision, and coordination:

- **3D BIM (Building Information Modeling):** BIM tools, like Autodesk's AEC Collection, allow for the creation of detailed 3D models that streamline the design, fabrication, and installation processes. These models help detect potential issues early on, optimize material usage, and reduce errors during construction.
- **CNC Machine Integration:** Software like MSUITE and ConstruSteel integrates directly with CNC machines for efficient control and precise fabrication. These tools enable automated cutting, drilling, and shaping of steel components, reducing human error and enhancing productivity.
- **Digital Task Management:** Software platforms help manage workflow, scheduling, and material tracking, allowing the project team to stay on top of timelines and ensure that each phase of the process progresses smoothly.

### Key Segments for the Structural Steel Industry

The structural steel industry in India is a crucial part of infrastructure and industrial development. As urbanization, industrialization, and technological advancements progress, the demand for high-performance Structural Steel continues to grow. Below is a detailed overview of the key applications for structural steel:

#### Construction Industry

The construction sector is the largest consumer of structural steel, covering residential, commercial, and large-scale infrastructure projects. Steel is used in high-rise buildings, metro rail networks, bridges, airport terminals, and prefabricated structures. The growing emphasis on green building practices and sustainable materials has also contributed to the demand for structural steel in eco-friendly projects.

- **Commercial Buildings**  
Structural steel plays a pivotal role in the construction of commercial buildings such as office complexes, retail centers, and high-rise skyscrapers. Steel's high strength-to-weight ratio allows for the efficient design of load-bearing frameworks, enabling the construction of taller, more resilient structures. Additionally, steel's durability makes it a suitable material for buildings requiring resistance to seismic activity and high wind loads. Its ability to support innovative architectural designs, including glass facades and open-floor concepts, makes it a preferred choice for commercial developments.
- **Residential Buildings**  
In residential construction, structural steel is used for framing, supporting foundations, and creating open floor plans in homes and multi-family units like apartments. Steel provides flexibility in design, enabling the construction of large, open spaces without the need for excessive interior columns or walls. It is also resistant to environmental factors such as termites, rot, and extreme weather conditions, ensuring the longevity and strength of the structure. Steel framing is particularly beneficial in areas prone to natural disasters like



earthquakes or hurricanes, where structural integrity is critical for occupant safety. Prefabricated steel components also allow for faster and more cost-effective construction.

- **Bridges**

Steel is a critical material in the construction of bridges due to its high tensile strength and ability to span long distances. Whether for highways, railways, or pedestrian footbridges, steel bridges can withstand heavy loads and harsh weather conditions, providing both functionality and safety. Steel allows for lighter, more efficient designs that require fewer supports, making it ideal for longer spans and more complex bridge constructions. Additionally, steel's resistance to corrosion is vital for bridges exposed to the elements, especially in coastal or industrial regions where moisture, salt, and pollutants can accelerate material degradation. Advanced protective coatings and galvanization further enhance steel's durability in bridge construction.

- **Transportation Infrastructure**

Steel is critical in the development of transportation infrastructure, including airports, railway stations, tunnels, and metro systems. Its ability to provide large, open spaces with minimal internal supports makes it ideal for large terminals, hangars, and transit hubs. Steel also provides the strength necessary to support bridges, overpasses, rail lines, and multi-level parking structures, contributing to the durability, safety, and longevity of transportation networks. In underground applications, steel-reinforced tunnel linings improve stability and resistance to geological pressures.

- **Sports Stadiums and Arenas**

Steel's ability to create large, open spaces is particularly useful in the construction of sports stadiums and arenas. Structural steel is used in the framework of expansive roof structures, allowing for wide spans without the need for internal columns that could obstruct views or seating arrangements. Its durability and ability to handle high loads make it the ideal material for supporting seating areas, scoreboards, lighting systems, and retractable roof structures. The flexibility of steel construction also enables the integration of modern, dynamic designs that enhance spectator comfort and safety, while also allowing for easy expansion or modification of existing stadiums.

## **Shipbuilding**

In the shipbuilding industry, structural steel forms the primary framework of ships, submarines, and other marine vessels. It is used to construct the hull, deck structures, and internal support frameworks, providing the strength necessary to withstand harsh marine environments. Steel's corrosion resistance is particularly important in shipbuilding, as it ensures that vessels remain durable and safe even when exposed to saltwater, humidity, and extreme weather conditions. Specialized marine-grade steel with added corrosion-resistant properties is commonly used to improve longevity and performance.

## **Manufacturing Sector and Industrial Facilities**

The manufacturing sector is one of the largest consumers of structural steel, driven by increased automation, foreign investments, and industrial expansion. Steel is used extensively in the construction of factories, manufacturing plants, industrial sheds, machinery frames, and equipment support structures, warehouses, and distribution centers. Structural Steel are also used to construct industrial pipelines,

storage tanks, and processing units for industries such as petroleum, chemicals, and food processing. Its fire resistance, durability, and adaptability make it the preferred choice for industrial applications requiring reliability and long-term performance. Structural Steel can also be quickly assembled and modified, ensuring flexibility for evolving industrial needs. The rise of smart factories and Industry 4.0 technologies has further increased the demand for precision-engineered steel frameworks in automated production plants.

## **Energy and Power Plants**

Steel plays a fundamental role in the construction of power generation plants, including coal, gas, nuclear, and renewable energy facilities. It is used in the fabrication of supporting structures, cooling towers, pressure vessels, and

transmission towers. Steel's ability to withstand extreme temperatures, pressures, and mechanical stress makes it suitable for demanding applications in energy production. Wind turbine towers, hydroelectric dams, and solar panel mounting systems are also heavily dependent on steel due to its superior load-bearing capacity and adaptability. As India moves towards sustainable energy solutions, the need for high-quality steel components in energy infrastructure is increasing.

### **Military and Defense Applications**

Structural steel is extensively used in military and defense infrastructure, including bunkers, hangars, naval bases, aircraft carriers, armored vehicles, and missile silos. Steel's high impact resistance and ability to be reinforced make it ideal for protective structures designed to withstand explosions, ballistics, and extreme conditions. Military-grade steel is engineered to offer enhanced durability, blast resistance, and corrosion protection, ensuring mission readiness in diverse operational environments.

### **Mining and Heavy Equipment Structures**

Steel plays a crucial role in the mining industry, where it is used in the construction of mining equipment, structural supports, and processing plants. Structural Steel such as conveyors, crushers, loaders, and storage silos are essential for handling raw materials. Steel's toughness and ability to resist abrasion and impact make it well-suited for mining operations, which involve heavy loads and harsh working conditions.

### **Prefabricated and Modular Construction**

Structural steel is widely used in prefabricated and modular construction, where components such as steel beams, columns, and trusses are manufactured off-site and then assembled on location. This approach significantly reduces construction time, labor costs, and material waste while maintaining high standards of quality and precision. Prefabricated steel buildings are commonly used for commercial, industrial, and emergency response structures, offering rapid deployment and reusability.

### **Oil & Gas Industry**

The oil and gas sector requires high-strength, corrosion-resistant steel for offshore rigs, refineries, storage tanks, and pipeline infrastructure. Steel is crucial for deep-sea drilling platforms, petrochemical plants, and LNG terminals, ensuring durability and safety under extreme operating conditions.

### **Logistics**

Structural steel is widely used in port terminals, multi-level parking facilities, and transportation hubs. With ongoing investments in dedicated freight corridors, high-speed rail projects, and metro expansion, Structural Steel are essential for safe and efficient logistics infrastructure.

### **Warehousing and E-Commerce**

The rapid growth of e-commerce and logistics has led to increased demand for warehousing and distribution centers. Steel is commonly used in pre-engineered buildings (PEBs), cold storage facilities, high-bay racking systems, and automated storage solutions. As India becomes a global logistics hub, the need for lightweight, high-strength Structural Steel continues to grow.

### **Defense and Aerospace**

In the defense and aerospace sectors, steel is used for naval warships, submarines, military bunkers, missile launch platforms, and aircraft hangars. Ballistic-grade steel provides additional protection for defense infrastructure, ensuring resilience in extreme conditions.

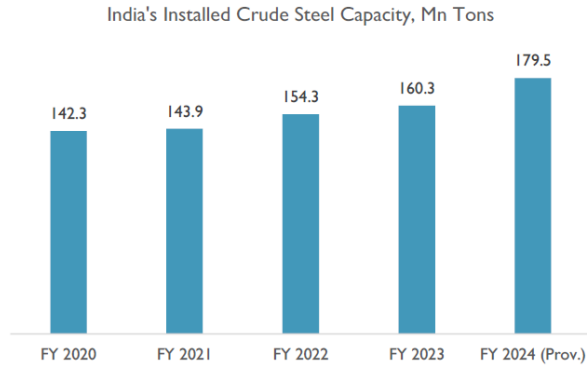
### **Technological Structural Steel:**

Technological structural steel refers to advanced steel materials and fabrication techniques used in the construction and engineering industries to create more efficient, durable, and innovative structural elements. It incorporates high-performance steel alloys and cutting-edge technologies, such as computer-aided design (CAD), automation, and advanced welding methods, to improve the precision, strength, and sustainability of Structural Steel. This type of steel is engineered to meet specific technological requirements, including higher resistance to environmental factors, increased load-bearing capacity, and greater flexibility in design. Structural steel is often employed in modern infrastructure projects, industrial facilities, and large-scale architectural designs, contributing to safer, more cost-effective, and energy-efficient buildings and structures.

Sectors	Application Area
Industrial Machinery & Heavy Equipment	Technological Structural Steel reinforce manufacturing plants, supporting cranes, conveyor belts, automated robotic systems, and heavy industrial machinery. These structures ensure load-bearing efficiency, durability, and vibration resistance in high-impact environments. Production lines, machinery, and other essential equipment in factories.
Storage Tanks and Pressure Vessels	Structural Steel are used in oil and gas storage tanks, cryogenic tanks, water reservoirs, and chemical processing plants. Their ability to withstand high pressure, temperature variations, and corrosion makes them essential for industrial storage solutions.
Energy Production & Renewable Energy Structures	Power Plant (for housing turbines, reactors, or cooling towers). The renewable energy sector uses steel in wind turbine towers, solar farm structures, and battery storage enclosures. As India invests in clean energy projects, the demand for structural steel in green infrastructure continues to rise.
Infrastructure:	Bridges, tunnels, and highways, where heavy machinery or transportation systems are involved.
Smart City Telecom and Infrastructure	As India develops smart cities and 5G networks, steel is used in telecommunication towers, urban transit hubs, and modular housing solutions. Steel's lightweight yet durable properties make it an ideal material for prefabricated urban infrastructure. Steel towers and masts to support antennas and communication equipment
Warehouses Facilities	Steel frameworks to create large, open spaces for organizing and storing goods
Automotive Industry:	Structural Steel for vehicle manufacturing plants, as well as in testing and research facilities.
Agricultural	Structural Steel for grain silos, greenhouses, and other agricultural systems that require strong and durable frameworks.

### Overview of the Overall Steel Sector in India

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%.



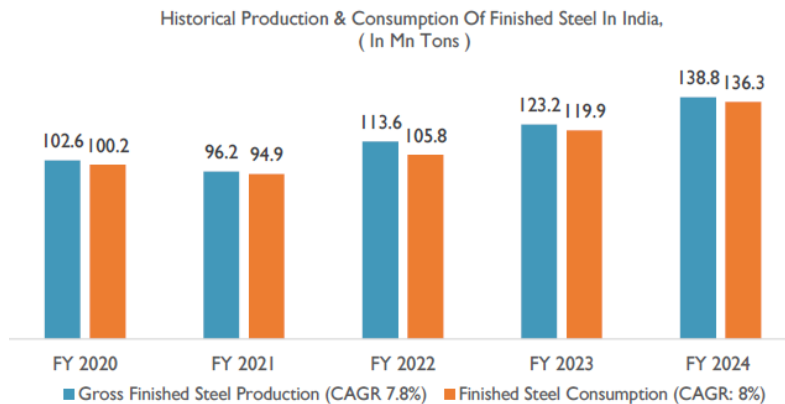
*Sources: CMIE Industry Outlook, Ministry of Steel*

### 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%.

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.



*Sources: CMIE Industry Outlook, Ministry of Steel*

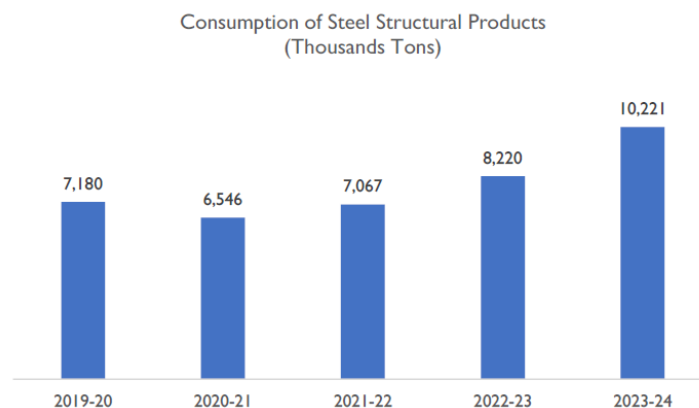
### Consumption Growth

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.

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 steel demand. 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.

### Current Scenario: Structural Steel in India<sup>3</sup>

The India Structural Steel Fabrication Market is expected to experience a steady growth driven by several key factors, including increasing demand from the manufacturing sector, the rise in preference for pre-engineered buildings (PEB), and strong government initiatives focused on infrastructure development. The manufacturing sector's boom has created a steady demand for structural steel, while the growing adoption of pre-engineered buildings—due to their cost efficiency, reduced construction time, and environmental benefits—has further bolstered the market. Additionally, government programs such as Make in India, smart cities, Production-Linked Incentive (PLI) Scheme, and green building initiatives are expected to provide substantial growth opportunities.



*Sources: CMIE Industry Outlook, Ministry of Steel*

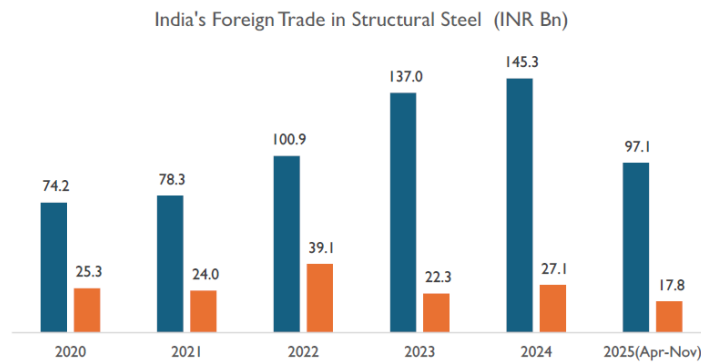
The consumption of steel structures has rebounded in the post-pandemic period after witnessing a decline of 9% in FY 2021. This dip can be attributed to the economic challenges brought on by the COVID-19 pandemic, which affected industrial production and demand across various sectors. From FY 2022 onwards, steel structural consumption has steadily increased from 7,067 thousand tonnes to 10,221 thousand tons in FY 2024, signaling a recovery in industrial activities. The most significant growth occurred in 2023-24, where consumption surged to 10,221 thousand tonnes recording 24% y-o-y increase in FY 2024 against 16% and 8% growth in the previous two years, respectively. This data indicates a clear upward trend in the consumption of structural steel aligning with the country's ongoing infrastructure development and industrial expansion initiatives and driving the demand for structural steel industry in India.

<sup>3</sup> Steel Structural which is composed of structural steel elements such as beams, columns, and trusses, connected by welding, bolting, or riveting is a framework or assembly of steel components that form the skeleton of a construction. Its consumption is used as a proxy to reflect the market growth of structural steel consumption.

However, the market faces challenges, particularly with rising steel prices, driven by the increase in coking coal costs, and stringent environmental regulations on steel manufacturing. Despite these challenges, the increasing demand for green buildings and sustainable construction methods, where PEBs are gaining popularity due to their recyclability and lower environmental impact, offers significant opportunities for growth. On supply side, the National Steel Policy (NSP) of 2017 aims to promote the development of India's steel industry, contributing to market growth by enhancing steel production quality and capacity. Furthermore, eastern India is set to play a key role in steel production, with projected capacity increases by 2030, which will also fuel the market. Technological advancements in Structural Steel and sustainability measures are helping improve product quality and reduce emissions. In conclusion, while challenges like raw material price fluctuations and regulatory pressures may impact the market, the overall outlook for the India structural steel fabrication market remains positive, with strong growth driven by the manufacturing sector, government initiatives, and the rising demand for pre-engineered, sustainable building solutions.

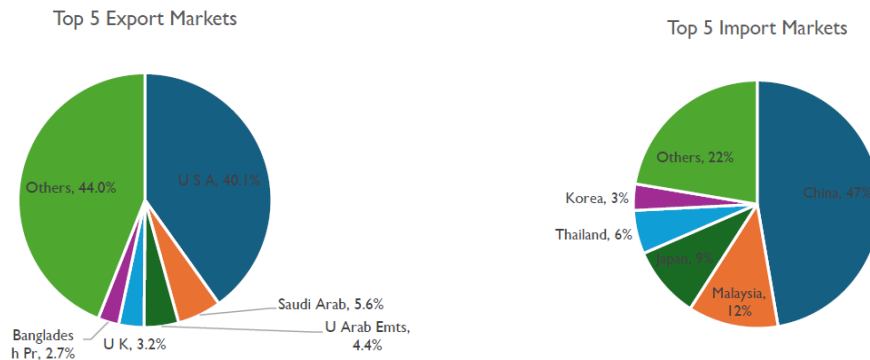
### Foreign Trade

India remained a net exporter of Structural Steel while both export and import recorded a growth in FY 2024.<sup>4</sup> Annual exports were INR 145.3 Bn in FY 2024. For 9M FY 2025, its export amounted INR 97.1 Bn. India's export of considered product has increased at CAGR of 18.3% between FY 2020-24 while in FY 2024 it registered annual 6.1% against 35.7% y-o-y growth. On import side, the total value of considered product imported to India increased to INR 27.1 billion in FY 2024. Actual import during 9M FY 2025 stood at INR 17.8 Bn. The value of imports increased at a CAGR of 2% during the given period.



Source: Ministry of Commerce

Nearly 56% of total export in FY 2024 came from five countries: USA, Saudi Arabia, UAE, UK and Bangladesh. USA emerged as India's the largest export market, accounting for nearly 40% of total value of export of the product during FY 2024.



<sup>4</sup> HS Code 7308: Structures (Excl Prefabricated Buildings Of Hdg No.9406) And Parts E.G. Bridges Roofs Doors Tubes Etc Used In Structures Of Iron.

Source: Ministry of Commerce

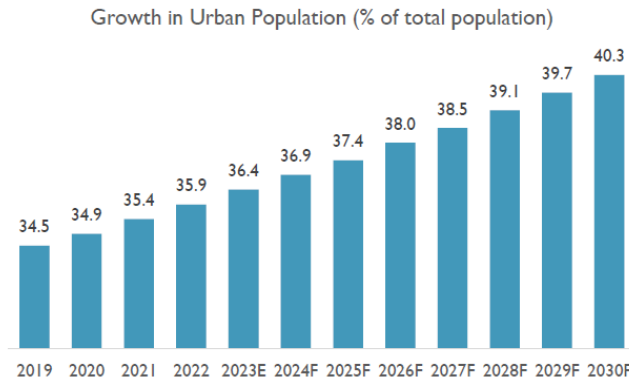
Approximately 78% of imports stemmed from the top 5 countries namely, China, Malaysia, Japan, Thailand and Korea. Other countries exporting the product to India accounted for 22% of the remaining share.

### Demand Drivers

Demand for structural steel products is directly influenced by the growth in the construction sector, the largest end use sector of the product which is supported by the population growth and urbanization and government spending and policy initiative.

### Increasing Urbanization

As per the handbook of urban statistics 2022, India's urban population has been on a steady rise, with urban dwellers accounting for over 469 million in 2021, is projected to soar to over 558 million by 2031 and further exceed to 600 million by 2036.



Source: World Bank,3 D&B Research and Estimates

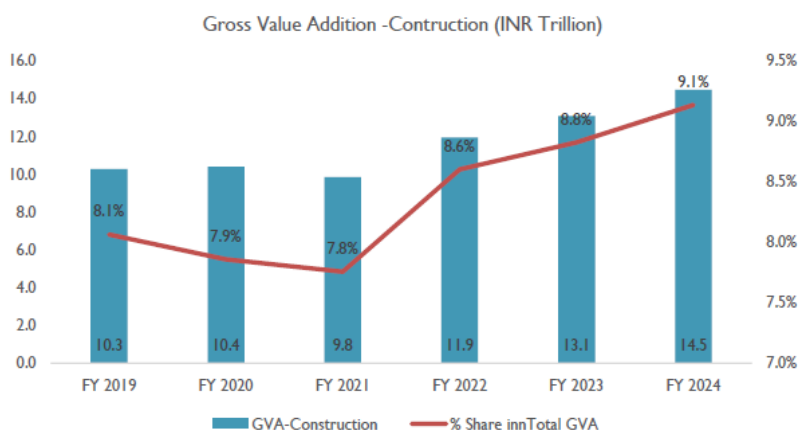
The share of urban population in total population has been quickly escalating. In 2019, 34.5% of the total population was urban. By 2023, this is estimated to have reached to 36.4%, showing an increment of 2.1% in a span of four years. The share of urban population is further forecasted to cross 40% by 2030. This increase in urban population is set to demand drastic changes in infrastructure development. Cities are a major driver for the construction industry. With cities expanding rapidly, there will be an increased need for improved housing, water supply, sewage systems, and electricity. Urban planning will need to account for higher population densities, necessitating the development of smart cities with integrated technology for efficient management of resources and services. The Smart Cities Mission targeted at 100 cities is aimed at improving the quality of life through modernized/ technology driven urban planning. This transformation will also require significant investment in public health, education, and recreational facilities to enhance the quality of urban living. The surge in urban population will also propel demand for improvement in multimodal transport infrastructure for freight and passenger travel requirement.

### Rising Construction Activity

The construction sector uses structural steel in several products due to its strength, durability, tensile strength, and low cost. In the construction sector, structural steel products are used in industrial construction, infrastructure construction as well as building construction. The quantity of structural steel products used in building construction (residential & commercial) is quite small compared to industrial and infrastructure construction consumption. A brief performance review of Indian construction sector demand scenario is presented below:

The construction sector is a key component of the Indian economy with linkages across more than 250+ sub sectors. Construction, the second largest economic activity in India (after agriculture) contributes around ~9.1% to the national GDP. Further, India is poised to become the third largest construction market in the next 2-3 years on the back of stable economic growth.

The construction sector's contribution to the national economy has steadily improved over the years. By FY 2024, it is estimated to account for nearly 9.1% of the national Gross Value Added (GVA). In actual terms, the GVA by the construction sector reached approximately INR 14.5 trillion in FY 2024.



Source: Ministry of Statistics & Programme Implementation (base year 2011-12)

As per National Account Statistics 2024, the output value of construction sector grew at 6.7% CAGR between FY 2018-23 while in term of contribution, other building and structures accounts which include non-residential building, road and bridges and institutional construction account for majority share contributing 82% of the total output value in FY 2023 and residential construction accounted for remaining 18% share.

Various Segment of the Construction Sector (INR Bn)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	CAGR
Dwellings, Other Buildings & Structures	25,871	27,987	28,661	27,373	33,052	36,434	7%
1.1 Residential (Dwellings)	5,112	5,833	5,565	5,189	5,789	6,476	5%
1.2 Other Buildings & Structures	20,759	22,154	23,096	22,185	27,263	29,959	8%
1.2.a. Non-Residential Buildings	11,045	11,956	11,435	10,939	14,938	15,608	7%
1.2.b. Roads & Bridges	2,014	1,991	2,267	2,227	2,299	2,586	5%
1.2.c. Other Structures & Land Improvements	7,701	8,207	9,394	9,018	10,025	11,765	9%
<b>Total Output of Construction sector</b>	<b>26,477</b>	<b>28,433</b>	<b>29,050</b>	<b>27,654</b>	<b>33,310</b>	<b>36,621</b>	<b>6.7%</b>
% share of Dwellings, Other Buildings & Structures in total construction output	98%	98%	99%	99%	99%	99%	-
<b>Total GVA of Construction Sector</b>	<b>9,643</b>	<b>10,268</b>	<b>10,434</b>	<b>9,954</b>	<b>11,935</b>	<b>13,063</b>	<b>6.3%</b>
<b>Construction GVA as a % of Construction Output</b>	<b>36.4%</b>	<b>36.1%</b>	<b>35.9%</b>	<b>36.0%</b>	<b>35.8%</b>	<b>35.7%</b>	-

Sources: National Account Statistics 2024 by MOSPI, Mineral Exploration & Plantation output has not been represented in this table as a line item while the total output value and GVA includes the same.

Increasing construction output is based on increased government spending on infrastructure. The government has identified infrastructure as a priority sector to bolster GDP growth. Various reforms have been introduced from time to time to attract investment in infrastructure. Infrastructure sector was opened to private participation post-liberalization in 1991 and currently up to 100% FDI under automatic route is allowed in most sectors/activities. Under this route, no permission from the Central Government is required for FDI inflow, but the same is subject to applicable laws/regulations, security and other conditions. However, participation was low due to high upfront capital investment, long gestation period, and uncertain returns in investment. Public Private Partnership (PPP) project mode was introduced to circumvent this hurdle.



Also, 100% FDI under automatic route is allowed in construction-development projects which would include development of townships, construction of residential/commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships.

India has emerged as a safe investment destination in the last decade. The construction (infrastructure) activities and construction development (townships, housing, built-up infrastructure, and construction- development projects) were amongst the ten largest FDI recipient sector ranking at 6th and 7th position. Between from Apr 2000 – September 2024, they cumulatively received INR 3,832.30 billion and their share in total FDI inflows stood at nearly 8.3% in the total cumulative FDI inflow in India (INR45,966 billion).

Segment	FY 2021 INR Bn	FY 2022 INR Bn	FY 2023 INR Bn	FY 2024 INR Bn	Cumulative FDI From Apr 2000- September 2024 INR Bn
Construction Development Townships, housing, built-up infrastructure, and construction- development projects	31.17	9.32	11.96	21.13	1,326.01
Construction (Infrastructure) Activities	582.40	241.78	135.88	350.76	2,506.29

### Structural Steel Demand Scenario in End user Industries

Structural Steel form the backbone of construction projects in India, playing a critical role in bridges, highways, railways, buildings, high-rise structures, and industrial facilities. The Indian government actively fosters growth in this sector through initiatives like the "Smart Cities Mission" and "Make in India," which aim to boost steel demand for modern urban and industrial development. Investments in metro rail systems, highway expansions, and urban infrastructure underline this commitment. Additionally, the National Steel Policy (NSP) 2017 targets increasing domestic steel consumption to 160 kilograms per capita by 2030, further supporting the sector's expansion and its role in nation-building.

### Infrastructure Construction in India

The infrastructure construction segment in India is a key driver of economic growth and national development. It encompasses the development and maintenance of essential infrastructure like roads, highways, railways, airports, ports, waterways, power plants, and irrigation systems. Major demand generating Government Initiative in Infrastructure sector

Multiple flagship scheme focusing the development of infrastructure construction creates immense good demand growth potential for structural steel. These are discussed below:

### National Infrastructure Pipeline (NIP)

If India is to become a USD 5 Trillion economy by 2027-28, 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.

In December 2019, an investment worth INR 102 trillion was announced by the government on infrastructure projects over the next five years under the National Infrastructure Pipeline (NIP). The task force on NIP increased this amount to INR.111 trillion in May 2020 from its initial projection of INR102 trillion which translate in per year spending of around INR 22 trillion. The National Infrastructure Pipeline aims to improve the ease of living for its citizen. National Infrastructure Pipeline will include projects in various sectors such as housing, safe drinking water, access to clean

and affordable energy, world-class educational institutes, healthcare for all, modern railway stations, airports, bus terminals, metro and railway transportation, logistics and warehousing, irrigation projects, etc.

The projects under NIP are classified as per their size and stage of development. The Centre (39%) and state (40%) are expected to have almost equal share in implementing the NIP in India, followed by the private sector (21%). The amount allocated under NIP will be spent on building highways, railway lines, ports and airports and other social and economic infrastructure.

Sub Sector	Amount to be invested between 2020-25 in INR Bn	% Share in Total Investment
Road	20,338	18.3%
Railway	13,676	12.3%
Aviation	1,434	1.3%
Urban Infrastructure	19,193	17.2%
Industrial Infrastructure	3,150	2.8%
Others	53,514	48.1%
Total	1,11,304	100%

Sources: NIP Presentation<sup>4F5</sup>

#### Sector-wise annual capital expenditure in key sectors.

Key Sector	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2020-25
Roads	3,326	3,833	3,570	2,528	2,408	3,327	20,338.2
Railways	1,334	2,625	3,088	2,738	2,212	1,679	13,675.6
Ports	134	181	206	159	77	100	1,211.9
Airports	187	217	248	213	254	51	1,434.5
Transport Infrastructure	4,980	6,855	7,112	5,638	4,951	5,157	366.6
Urban Infrastructure <sup>6</sup>	2,981.74	4,622.08	4,041.34	2,348.58	2171.64	1,598.62	19,192.7
Rural infrastructure	1,035.60	1,163.10	1,099.30	270.6	270.6	270.6	4,109.6
Water and sanitation	367.6	605	1,008.80	848.2	800	-	3,629.6
Total Rural Infrastructure	1,403.10	1,768.00	2,108.10	1,118.80	1,070.60	270.6	7739.15
Irrigation	1,144.60	2,006.20	1,756.70	1,373.60	1,152.80	704.7	8,944.7
Tourism	11	15.8	20.6	18.6	12	7.2	197.8
Digital communication	783.6	618.5	545.4	387.2	381.2	380.9	3,096.7

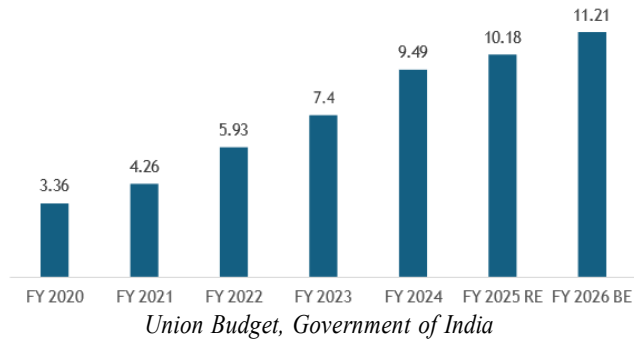
Growing infrastructure spending is vital for overall infrastructure development as it has a multiplier effect on overall economic growth. By allocating substantial funds to the development of roads, railways, airports, and urban infrastructure, the government stimulates economic growth and improves public facilities. This investment not only enhances connectivity but also creates a ripple effect, driving demand for various allied industry including structural steel.

5

[https://dea.gov.in/sites/default/files/Report%20of%20the%20Task%20Force%20National%20Infrastructure%20Pipeline%20NIP%29%20-%20volume-i\\_1.pdf](https://dea.gov.in/sites/default/files/Report%20of%20the%20Task%20Force%20National%20Infrastructure%20Pipeline%20NIP%29%20-%20volume-i_1.pdf)

<sup>6</sup> Atal Mission for Rejuvenation and Urban Transformation, Smart Cities, MRTS, Affordable Housing, Jal Jeevan Mission

Union Government's Budgetary Allocation for  
Capital Expenditure (in INR Trillion)



Key Sectors	FY'20	FY'21	FY'22	FY'23	FY'24	FY'25RE	FY'26B.E.	FY'26B.E.	FY'26B.E.
Railway	678.42	299.26	1,172.71	1,592.56	2,426.48	2,523.77	2,520.00	37.52%	-0.1%
Road & Bridget	707.14	922.94	1,167.88	2,104.96	2,698.65	2,588.53	2,591.18	39.77%	0.1%
Energy & Power	13.74	30.19	35.20	20.83	69.99	59.77	106.46	50.23%	78.1%
Water Transport	0.00	0.00	4.68	5.44	10.11	7.08	12.55	NM	77.3%
Irrigation	2.59	1.33	1.59	1.38	1.80	2.41	4.86	-8.75%	101.5%
Urban Development	37.13	17.21	43.60	67.99	44.70	61.75	49.91	4.75%	-19.2%
<b>Total of the above</b>	<b>1,439.02</b>	<b>1,270.92</b>	<b>2,425.65</b>	<b>3,793.17</b>	<b>5,251.74</b>	<b>5,243.31</b>	<b>5,284.96</b>	<b>38.22%</b>	<b>0.8%</b>

Sources: Union Budget, Government of India, y-o-y growth in FY 2026 is B.E. over RE, B.E is Budgeted Estimate and R.E. is revised estimates

Witnessing the CAGR growth of the budgetary allocation historically, construction of the road & highway, railway, energy and power and Urban Infrastructure has remained a focused area over the period FY 2020-24. While in Union Budget 2025-26, spending towards energy and power, water transport and Irrigation increased substantially over the previous year revised estimated. Substantial budgetary allocation for the development of roads, railways, airports, and urban infrastructure, the government stimulates economic growth and improves public facilities. Consequently, the government's focus on capex not only accelerates infrastructure development but also opens a plethora of opportunities for structural steel demand growth in India.

### Transport and Logistics

Logistic industry is a backbone of the economy, providing efficient and cost-effective transportation of good from the point of origin to that of consumption and a critical component to support economic growth. Initially focused on transportation, it now encompasses fleet operations, storage, warehousing, supply chain solutions, and value-added services. The sector provides livelihood to over 22 million people and improving the sector would have a cascading effect on the country's exports growth. Growth in volume of freight movement from major manufacturing segments such as cements, metals, retail, auto, textiles, pharma, and consumer goods, determine growth of logistics services. Major Highlight

- Indian freight and logistics market is estimated reach USD 317.26 billion in 2024F<sup>7</sup>.
- India successfully ascended from the 44th to the 38th position in the World Bank's Logistics Performance Index (LPI) 2023, demonstrating notable progress.

<sup>7</sup> LogiMAT India

- Logistic cost in India currently stands between 7.8-8.9% of GDP, intriguingly closer to a level seen in developed nations.

Transport Sector in India is a very extensive system comprising different modes of transport like roads, railways, aviation, inland waterways, shipping, and pipeline that facilitates easy and efficient movement of freight/cargo movement across the country. Transportation of goods takes place through various modes such as roadways, railways, waterways, airways. As per the transport in logistics, roads have the largest percentage share of 73% followed by rail (18%), water (5%), and air (5%).

Over the past nine years, the country has seen a significant expansion in its transportation infrastructure, reflecting a broader commitment to economic development. The Indian Railways has significantly upgraded its capacity, with new trains such as Vande Bharat and a dramatic increase in railway track construction from 1,452 km/year to 5,243 km/year. Air travel has also surged, with the number of airports planned to increase to 220 airports by 2025. Additionally, the government's focus on operationalizing 23 waterways by 2030 and developing 35 Multi-Modal Logistics Parks underscores its commitment to enhancing transportation infrastructure.

The transportation sector's growth is supported by substantial investments, with the Union government allocating 3.3% of the GDP towards infrastructure in FY24. The India Investment Grid (IIG) database highlights around INR 69 trillion worth of projects, predominantly in roads and highways, followed by railways and urban public transport. This massive expansion in modern transportation facilities such as airports, railways, and logistics parks require advance and sophisticated engineering driving the demand for structural steel industry.

### **Bridges & Girders:**

Steel plays an essential role in the construction of modern bridges, particularly in bridge girders, structural supports, and decks. Its use enables the creation of long-span, durable, and corrosion-resistant bridges, which are crucial for maintaining reliable and efficient transportation networks. The Indian government supports bridge construction through dedicated funding under national highway programs, facilitating the development of critical infrastructure across the country. Furthermore, partnerships with engineering firms help incorporate advanced fabrication techniques, ensuring bridges meet stringent standards of safety and performance. Over the past nine years, the country has seen a significant expansion in its transportation infrastructure, reflecting a broader commitment to economic development. The national highway network has expanded by 60% to 145,240 km, with ambitious plans to reach 200,000 km by 2025 which is expected to drive the structural steel consumption in the roads and highway segment.

### **Railways & RDSO**

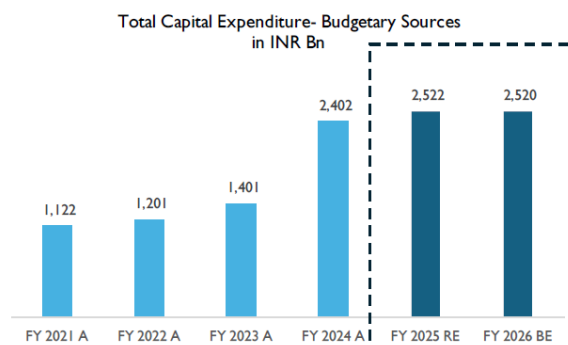
Steel is a cornerstone of railway infrastructure in India, being used in bridges, tracks, structural supports, and railway materials, with a particular emphasis on corrosion-resistant components. Structural Steel ensures the precision, quality, and durability of critical railway infrastructure, including rolling stock, facilitating the smooth operation of the national rail network. The Indian government plays an active role in the sector by collaborating with fabricators to modernize the railway system. It provides funding for network expansion, the development of high-speed corridors, and metro rail systems, further improving the efficiency and coverage of rail services.

The modernization of railway stations in India encompasses a wide range of initiatives aimed at enhancing infrastructure, amenities, and services to provide passengers with a world-class travel experience. This includes the construction of modern waiting halls, waiting rooms, restrooms, and passenger lounges equipped with amenities such as Wi-Fi connectivity, charging points, and digital display boards providing real-time information about train schedules and arrivals. Additionally, efforts are underway to improve accessibility for passengers with disabilities by installing ramps, elevators, and other facilities to ensure equitable access to railway services.

### **Increase in Railway Construction and Its Impact on Structural Steel demand**

From FY 2021 to FY 2026, the union budget has significantly ramped up its allocation toward railway sector. The total outlay provided for Capital Expenditure in Budget Estimate 2025-26 of INR 2,652 billion. The Gross Budgetary Support for Railways in FY 2025-26 stands at INR 2,520 billion, which has reduced in compare of previous year, however the budget has significantly rise from the level of INR 1,122 billion in FY 2021. The railway will continue to utilize the money in essential infrastructure projects like rail track expansion, rolling stock procurement,

electrification, signaling improvements, and station modernization. The Government also provided for INR 100 billion from extra budgetary resource to meet its expenses & modernize. The total outlay also includes Nirbhaya fund of INR 2 billion and INR 30 billion for internal resources.



Source: Union Budget, Expenditure Profile

Note: A – Actual Capex over the years and BE – Budgeted figures

Railway sector improvement is a major driver of structural steel demand. The expansion of railway networks increases the structural steel demand as railway bridges and stations require substantial amounts of structural steel like beams, columns, and slabs to ensure stability and earthquake resistance. Indirectly, the growth in railway projects stimulates related sectors like logistics, warehousing, and manufacturing hubs near railway stations, further boosting the demand for structural steel. Urbanization along railway lines also leads to the development of commercial buildings, residential complexes, and public infrastructure, all of which depend on structural steel. Furthermore, specific types of railway projects, such as high-speed rail or dedicated freight corridors, may necessitate specialized structural steel with higher strength or corrosion resistance driving the overall demand for structural steel.

### High-Rise Buildings and Data Centers

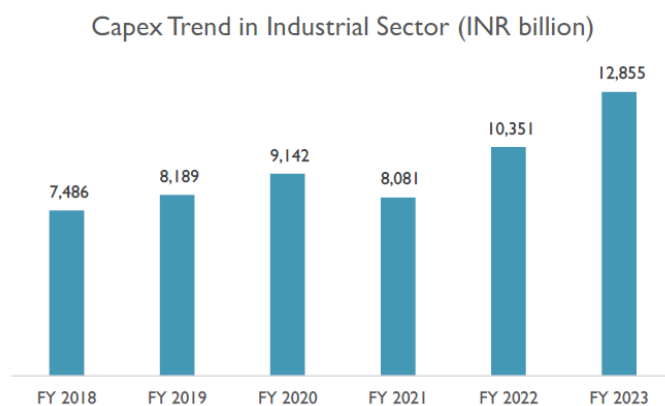
Steel is a fundamental material in constructing high-rise buildings, data centers, and industrial facilities. Its strength, flexibility, and scalability make it essential for modern, large-scale infrastructure projects. Structural Steel ensures that these buildings are not only safe and durable but also compliant with international standards. The government, through the Bureau of Indian Standards (BIS), sets guidelines for disaster-resistant and eco-friendly building designs, pushing for the use of advanced fabrication technologies in large-scale construction projects. This ensures that India's urban growth is supported by resilient, sustainable, and cutting-edge infrastructure.

India's data center market is poised for significant growth, with projections indicating an expansion from USD 4.5 billion in 2023 to USD 11.6 billion by 2032, according to the Economic Survey 2024-25. This growth represents a compound annual growth rate (CAGR) of 10.98%, underscoring the increasing demand for data storage and processing services in the country. Several factors are driving this surge, including the rapid digitization of industries, the rise of cloud computing, the expansion of e-commerce, and the growing need for secure data storage in sectors such as banking, healthcare, and government services. Additionally, the government's push for a digital economy, alongside policies like the Data Centre Policy and the recognition of data centers as critical infrastructure, is expected to further accelerate market growth. According to a report by CII-Colliers titled India's Data Centers, Oct 2023, India's data centre market, spread across 11.0 million sq ft with 819 MW of capacity is expected to double in size to 23 million sq ft by 2026 and attract nearly USD 10 billion in investment within the next three years. Factors such as growing digital public infrastructure, significant investments by large players in the sector, 5G rollout, and new applications of Artificial Intelligence (AI) coupled with data protection laws and state incentives are expected to support the growth of the data center industry in India.

### Industrial Construction

India's industrial landscape is undergoing a transformative journey, fueled by ambitious government initiatives like "Make in India" and rapid economic growth. Amidst this transformation, the industrial construction segment stands

as a key driver, laying the foundation for factories, power plants, logistics hubs, and other crucial infrastructure. This immense potential attracts both domestic and global players, leading to a vibrant and competitive landscape. Government spending on infrastructure development, rising automation in manufacturing, and expansion of sectors like chemicals, pharmaceuticals, and electronics fuel the demand for state-of-the-art industrial facilities are translating in rising construction activity in the industrial construction sector. The capex in industrial sector<sup>8</sup> measured in terms of GFCF has observed 11% CAGR growth, increasing from INR 7,486 billion to INR 12,855 billion.



*Sources: National Account Statistic 2024*

The China Plus One strategy is an approach adopted by companies and countries to diversify their supply chains away from excessive reliance on China as a manufacturing and sourcing hub. The strategy emerged as a response to various factors, including rising labor costs in China, geopolitical tensions, trade uncertainties, and the need to mitigate risks associated with being overly dependent on a single country for production and sourcing.

India, being one of the largest economies in the world and home to a vast workforce and diverse manufacturing capabilities, has been actively leveraging the China Plus One strategy to attract investments and businesses looking to diversify their supply chains away from China.

India's vision of becoming 'Atmanirbhar' (self-reliant) and enhancing its manufacturing capabilities and exports has led to significant efforts and investment in the form of Production Linked Incentives (PLI) schemes. An outlay of INR 1.97 trillion (over USD 26 billion) has been announced in Union Budget 2021- 22 for these schemes across 14 key manufacturing sectors from FY 2021-22. These PLI schemes are aimed at attracting companies looking to diversify their supply chains away from China. The incentives offered by the government, such as tax breaks and regulatory reforms, make India an attractive destination for businesses seeking to move their production from China to India. This proactive approach has further strengthened India's position as a preferred manufacturing base under the China Plus One strategy.

Additionally, The Indian government's commitment to creating a business-friendly environment has resulted in increased foreign direct investment (FDI) inflows in the country over the years. Since 2014- 2015, when FDI inflows stood at USD 45.15 billion, now have shown consistent growth reaching a record high of USD 84.84 billion in the financial year 2021-22. The government's pro-business reforms, coupled with investment incentives offered under the PLI schemes, have played a vital role in attracting foreign investments and businesses seeking alternatives to China. Moreover, India has signed 13 Free Trade Agreements (FTAs) and six Preferential Trade Agreements (PTAs) so far, with ongoing FTA negotiations with the U.K, Canada, and the European Union expected to conclude, potentially opening up further opportunities for businesses exploring the China Plus One strategy. However, global uncertainties in FY 2023 resulted in a temporary drop in FDI inflows to USD 70.97 billion. Nevertheless, India's proactive measures, investment incentives, and access to FTAs remain valuable drivers for businesses considering the China Plus One strategy.

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<sup>8</sup> GFCF in manufacturing taken as a proxy to reflect industrial sector construction.

Other factors that India leverages include its access to domestic market, where India's large and diverse consumer base provides significant opportunities for companies exploring the China Plus One strategy. By establishing a presence in India, companies can access and serve this vast market, offering a compelling reason for incorporating India in their diversification plans. The 'Atmanirbhar' vision also emphasizes boosting domestic manufacturing to cater to local demand, making India an appealing market for businesses aiming to tap into the country's consumption potential.

Another factor adding to this is India's location in South Asia, which makes it a strategic hub for companies looking to expand their operations beyond China. Its proximity to both the Indian subcontinent and Southeast Asian markets provides a unique advantage for businesses seeking to serve a wide geographical area. In addition to the geographical advantage and manufacturing capabilities, India's growing technology and innovation sectors are another significant draw for businesses diversifying their supply chains. With India increasingly investing in research and development (R&D) and innovation-oriented operations, companies have access to high-value opportunities to establish a presence in India and access its pool of skilled talent and cutting-edge research facilities.

Lastly, recognizing the importance of ease of doing business in attracting foreign investments, the Indian government has taken numerous steps to simplify regulations, reduce bureaucracy, and streamline approval processes. These efforts are aimed at creating a more business-friendly environment, making it easier for companies to set up and operate in India.

While significant progress has been made, challenges like inadequate infrastructure quality, skill gaps in the workforce, and limited access to financing remain concerns. The increasing integration of technologies like Building Information Modeling (BIM) and robotics is enhancing efficiency and reducing project timelines. Environmental considerations are gaining prominence, with green building practices and renewable energy solutions being incorporated into industrial construction projects.

### **Key Segments of the Industrial Construction**

- **Factory Buildings:** This segment forms the backbone, catering to diverse industries with customized production spaces. Prefabricated structures and green building technologies are gaining traction for their efficiency and sustainability.
- **Power Plants:** The growing demand for energy necessitates the construction of new power plants across various technologies, including thermal, renewable, and nuclear. Expertise in specialized construction techniques and safety protocols is crucial in this segment.
- **Chemical & Pharmaceutical Plants:** Stringent safety regulations and specialized construction materials characterize this segment. Expertise in handling hazardous materials and adhering to environmental norms is essential.
- **Refineries:** Construction of facilities for processing crude oil into usable products like gasoline, diesel, and petrochemicals. High safety standards due to the flammable nature of materials, robust containment systems to prevent leaks, and adherence to environmental regulations.

### **Regulatory Landscape**

The iron and steel industry plays a strategic position in the overall economic development. Therefore, the government has been taking sustained initiative every year towards the development of industry. There is no government-restricted production and sale of steel products, and this has immensely helped in the development of the domestic manufacturing sector. Foreign investment norms have helped the country attract global steel manufacturers who brought in improved manufacturing technology and processes. Currently 100% FDI under automatic route is allowed in the steel sector.

In India, the Ministry of Steel oversees policies related to steel production and usage. While specific guidelines on structural steel processes may not be detailed on their official website, the Bureau of Indian Standards (BIS) provides standards and codes that govern structural steel practices in the country.

The 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 plants and machinery in the 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 are 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:

- **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.
- **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.
- **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, ferroalloys, 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.
- **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. During 2012-2024 (till date), the Government notified 151 carbon steel, alloy steel, and stainless-steel products to make available quality steel for the sectors mainly in construction, infrastructure, automobile, and engineering 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, prefers 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. So far (till the end of 27th March 2023), the Policy has led to the procurement of Rs 34,808 Crore worth of steel which indicates increasing usage of domestic steel in government procurement thereby contributing to creating more job opportunities and strengthening the overall economy.

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.

## Threats And Challenges

The Structural Steel industry in India faces various challenges and threats that can significantly impact its growth, competitiveness, and sustainability. These challenges stem from both domestic and global factors. Below are the key threats and challenges specific to the Structural Steel sector in India:

### Raw Material Supply and Price Fluctuations

The cost of key raw materials such as iron ore, coal, and steel scrap can fluctuate significantly due to changes in global supply and demand, trade policies, and geopolitical tensions. The volatility in raw material prices affects production costs and profit margins for Structural Steel fabricators. India is reliant on imports for a significant portion of steel scrap and alloying materials, which makes the industry vulnerable to international supply chain disruptions, currency fluctuations, and trade restrictions.

### Competition from Low-Cost Producers

China, with its massive steel production capacity and lower manufacturing costs, is a significant threat to the Indian Structural Steel industry. The influx of cheap imports from countries like China can undercut prices in the domestic market, reducing demand for locally produced Structural Steel. The relatively higher cost of manufacturing in India, due to higher labor and energy costs, makes it challenging for Indian manufacturers to compete with global low-cost producers while maintaining quality.

### Skilled Labor Shortage

The Structural Steel industry in India suffers from a shortage of skilled labor, especially in advanced fabrication techniques, machinery operations, and digital tools for structural design and production. This shortage hampers productivity and can result in lower-quality products. With a significant gap in training and development, the sector requires greater investment in workforce development programs to meet the demand for technically skilled professionals adept at operating automated machinery, robotics, and modern fabrication techniques.

### Environmental Regulations and Sustainability

Structural Steel are energy-intensive and emit a substantial amount of carbon dioxide and other pollutants. As India moves towards increased environmental sustainability, the Structural Steel sector faces growing pressure to adhere to stricter environmental regulations. The transition to eco-friendly technologies, such as electric arc furnaces and low-emission production methods, necessitates significant investment, which may be difficult for smaller fabricators. Compliance with environmental standards can lead to increased operational costs, affecting the overall profitability of Structural Steel companies.

### Technological Advancements and Innovation

Many Structural Steel engineering companies in India still rely on traditional production methods, limiting efficiency and product quality. The adoption of automation, robotics, and digitalization remains relatively slow in comparison to other global steel manufacturing hubs. Without sufficient investment in R&D for product innovation and process improvements, the Indian Structural Steel industry risks losing its competitiveness on the global stage. As digitalization, advanced manufacturing, and smart technologies become the standard, Indian fabricators must catch up to maintain relevance.

## **Infrastructure Deficiencies**

Efficient transportation and logistics infrastructure are crucial for the smooth operation of the Structural Steel industry, yet India's infrastructure faces challenges. Problems like traffic congestion, inadequate road networks, and delayed shipping hinder the movement of raw materials and finished Structural Steel. The inadequate port infrastructure and rail network inefficiencies also contribute to increased costs and delivery delays, especially when dealing with bulk shipments or exporting Structural Steel abroad.

## **Fluctuating Domestic Demand**

The demand for Structural Steel in India is highly dependent on various sectors like construction, infrastructure, and automotive. Any downturn in these industries, particularly during economic slowdowns, can lead to reduced demand for steel products. The cyclical nature of steel demand makes it difficult for manufacturers to plan production and inventory effectively. Economic recessions or unforeseen disruptions, such as the COVID-19 pandemic, can severely impact demand, disrupting both domestic and export markets for Structural Steel components.

## **Financial Constraints**

While large steel manufacturers in India can access capital through loans or equity, smaller steel fabricators often face difficulties in securing affordable financing. Rising raw material prices, labor costs, and energy costs add additional pressure to the profit margins of fabricators. Smaller firms may struggle to raise the funds necessary to invest in modern machinery, skilled workforce development, or technological upgrades, thus limiting their ability to compete with larger, more established players in the market.

## **Government Policy and Regulatory Uncertainty**

While the Indian government has introduced several policies to support the steel industry (such as the National Steel Policy and Make in India), inconsistent or delayed policy implementation can create uncertainty in the business environment for Structural Steel manufacturers. Changes in trade policies, tariffs, and regulatory measures may affect the cost and availability of raw materials, as well as the export opportunities for Indian Structural Steel. Protectionist measures in other countries can also affect India's access to global markets, impacting the competitiveness of domestic manufacturers.

## **Geopolitical Risks**

Geopolitical tensions between major steel-producing countries like China, the U.S., and the EU can have a direct impact on global steel prices and trade flows. Any shifts in trade policies or tariff increases may disrupt India's ability to compete on the global market. Additionally, political instability in key regions (such as the Middle East) or global disruptions such as pandemics or natural disasters can create significant supply chain risks and further complicate the procurement of raw materials or delivery of Structural Steel products.

## **Supply Chain Disruptions**

The COVID-19 pandemic highlighted the vulnerability of global supply chains. Structural Steel companies in India rely on the timely delivery of raw materials and components to meet production deadlines. Any disruption in the supply chain, such as transport strikes, natural disasters, or pandemics, can delay production and delivery. Global shortages in essential materials like steel scrap or alloying agents during periods of high demand can lead to material shortages, impacting the manufacturing process and increasing overall costs.

## **High Energy Consumption and Costs**

Steel fabrication is an energy-intensive process, and the rising energy prices place significant pressure on the industry's profitability. India's reliance on fossil fuels for energy generation increases vulnerability to rising energy costs, further impacting operational costs for Structural Steel engineering companies. The industry requires significant investment in energy-efficient technologies and the adoption of renewable energy sources to reduce costs and meet global

sustainability standards. However, these steps are costly, and small players in the industry may struggle to make these transitions.

In conclusion, the steel structural industry in India faces a complex array of challenges that require a coordinated response from industry stakeholders, policymakers, and businesses themselves. Addressing these issues—particularly around raw material volatility, skilled labor shortages, and technological innovation—will be key to ensuring the sector's growth and competitiveness in the long run.

## **Competitive Landscape**

The Indian heavy Structural Steel industry is a vital segment of the country's infrastructure and industrial development, driven by rapid urbanization, large-scale infrastructure projects, and industrial expansion. This sector plays a crucial role in supporting key industries such as construction, power, oil and gas, refineries, transportation, and manufacturing. The market is characterized by a mix of established players, emerging companies, and expansion projects, creating a highly competitive environment. While Mumbai and Kolkata remain major hubs for heavy Structural Steel businesses, Chennai and other industrial regions also contribute significantly to the industry.

Despite the strong demand, the industry faces intense competition due to low entry barriers and the presence of numerous domestic and international players. Additionally, alternative materials such as aluminum and concrete pose a challenge in certain applications, driving the need for continuous innovation and material efficiency. Companies involved in heavy Structural Steel must navigate challenges such as fluctuating raw material prices, supply chain disruptions, and evolving environmental regulations.

However, the sector also presents significant growth opportunities, supported by government initiatives such as Make in India, Smart Cities Mission, and large-scale infrastructure projects like highways, metro rail, high-speed rail corridors, and renewable energy expansion. To remain competitive in this dynamic landscape, companies specializing in heavy Structural Steel must focus on advanced engineering solutions, precision manufacturing, and the integration of high-strength materials like E250, E350, E450, and Hardox steel. Investing in modern technology, automation, and sustainable practices will be key to ensuring efficiency, cost-effectiveness, and long-term success in the evolving Indian heavy Structural Steel industry.

## **Key Factors Shaping the Competition**

The competition in the Structural Steel market in India is influenced by several key factors, including rising demand for pre-engineered buildings, government initiatives for infrastructure development, and the increasing importance of green building construction. The competition in India's structural Structural Steel industry is influenced by several key factors:

- **Domestic Demand and Infrastructure Development:** The government's focus on infrastructure projects, including housing, electrification, and water supply, is expected to drive steel consumption. This surge in demand presents opportunities for the steel industry to expand its capacity and meet the growing needs of the construction sector. Mainly demand for pre-engineered buildings (PEB) is growing due to their cost benefits and reduced construction time compared to traditional models. PEBs are also more environmentally friendly, with steel production methods that reduce greenhouse gas emissions and components that are highly recyclable.
- **Import Competition:** The influx of inexpensive Chinese steel imports has intensified competition for Indian manufacturers. Chinese steel, often sold at lower prices, has led to reduced capacity utilization and financial challenges for local producers, particularly small and medium-sized mills.
- **Availability of Raw Materials:** India has abundant iron ore reserves, making it competitive in the global steel market. The easy availability of low-cost manpower also contributes to the competitiveness of the industry.
- **Technological Advancements:** Adopting advanced manufacturing technologies and automation is crucial for improving productivity and efficiency. Benchmarking against global standards can help Indian manufacturers enhance their competitiveness in the global market. Advancements in technology, such as CNC (Computer Numerical Control) fabrication and pre-engineered fabrication methods, enhance precision and efficiency. These innovations allow for faster production and higher quality, giving a competitive edge to companies that adopt them.

- **Policy and Regulatory Environment:** Government policies, including trade regulations, tariffs, and safety guidelines, significantly impact the steel industry's competitiveness. Adherence to safety standards and environmental regulations is essential for sustainable growth.
- **Market Dynamics and Export Opportunities:** The ability to tap into export markets and diversify product offerings can provide a competitive advantage. However, challenges such as fluctuating global demand and trade barriers can affect export performance.

Addressing these factors through strategic planning, technological innovation, and supportive policies is essential for enhancing the competitiveness of India's structural steel industry.

## **Growth forecast**

The growth forecast for structural steel is promising, driven by increasing demand in infrastructure development, commercial construction, and industrial projects. As economies around the world continue to expand, the need for durable, high-quality steel for buildings, bridges, and industrial facilities is expected to rise. Technological advancements in fabrication methods, such as the use of CAD, BIM, and CNC machinery, are also enhancing the precision and efficiency of production, further boosting the market. Additionally, the growing trend toward sustainable construction practices, including the use of corrosion-resistant and energy-efficient steel, is likely to contribute to the continued growth of the structural steel sector.

The Indian steel structural market is growing quickly as the country's economic growth and infrastructure development are rising. The demand for metal-fabricated products in India is expected to increase further due to the government's ambitious plans for infrastructure development. The rising demand for goods and services across various sectors in India, along with the global manufacturing companies' focus on diversifying their production under China plus one strategy by setting up their plants in countries like India, is expected to drive the Indian manufacturing sector. As of 2024, the Indian manufacturing sector has shown remarkable progress toward achieving its 2025 goals, driven by robust government initiatives, and growing domestic and global demand. Valued at approximately USD 447.46 billion in annual exports, the sector contributes around 17% to the nation's GDP, demonstrating steady growth in industrial production and infrastructure development. According to the Index of Industrial Production (IIP), the manufacturing index witnessed a 4.6% growth in mid-2024 compared to the same period in 2023, reflecting its consistent expansion. Looking ahead, the sector is projected to grow at a compound annual growth rate (CAGR) of 4.8% between 2025 and 2030, with its contribution to GDP expected to rise to 21% by 2030. Additionally, India is targeting USD 1 trillion in manufacturing exports by 2030, highlighting its aspiration to become a global manufacturing hub. This growth is supported by strategic government initiatives such as "Make in India" and Production-Linked Incentive (PLI) schemes, which continue to drive investments, enhance technology adoption, and expand manufacturing capacities across various industries. This growth in the manufacturing sector in India is likely to lead to more manufacturing facilities in the country, which is expected to increase demand in the market studied.

Driven by growth in priority industries and favorable mega-strategies, the Indian manufacturing industry has expanded into new regions and market segments. Building on the advantages of a skilled labor force and low labor costs, the manufacturing industry is also benefitting from higher capital expenditure and increased mergers and acquisitions (M&A) activity, resulting in an increase in manufacturing output and, hence, an increase in export contribution.

Considering the above development, heavy steel structural demand is expected to remain robust translating in increasing metal structured activity in the country to fulfill expanding demand from infrastructure projects and industrial projects. The expanding metal and manufacturing industries, expanding automotive and aerospace sectors, and rising R&D expenditures are expected to drive the Indian market for metal structural. The steel structural industry is also growing because of government policies that aid the industry.

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” 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 fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. Only to the extent explicitly indicated, industry and market data used in this section has been derived from the report titled ‘Industry Report for Structural Steel’ dated 21<sup>st</sup> March 2025 (the “D&B Report”), prepared and issued by Dun & Bradstreet Information Services India Private Limited (“D&B”), commissioned by and paid for by our Company. The D&B Report has been prepared and issued by D&B for the purpose of understanding the industry exclusively in connection with the Issue. In this section, a reference to the “Company” or “we”, “us” or “our” means Karbonsteel Engineering Limited.*

### OVERVIEW

We are a structural engineering and fabrication company engaged primarily in the design, fabrication and assembly of heavy and precision steel structures, customized to meet clients’ requirements across various industrial and infrastructure segments. We have delivered structural engineering and fabrication solutions in diverse sectors including steel plants, railway bridges, oil & gas plants, refineries, chemical plants and other industrial units. Our fabricated structures form an integral part of the construction, expansion or modernization of industrial and infrastructure projects, including industrial plants, high rise buildings, railway bridges and other large-scale developments.

Our structural engineering and fabrication solutions can broadly be classified into four verticals: -

**I. Heavy Steel Fabricated Structures** – We manufacture various type of heavy steel fabricated structures, including structural frameworks, steel columns, beams, crane girders, rafters, purlins, pipe racks, platforms, walkways, conveyor galleries, staircases, ladders and heavy-duty support structures, which are integral for construction, expansion or modernization of industrial plants and high-rise buildings, supporting both operational and structural requirements. Depending on project requirements, our scope generally begins with the procurement of specific graded steel, followed by fabrication processes such as cutting, drilling, bending, welding, machining, fit-up and assembly of steel structures. Once fabrication is complete, we carry out surface treatment and protective coatings, including shot blasting and painting, ensuring compliance with project specifications. To maintain precision and alignment, we also conduct quality inspections, trial assembly and match marking before finalizing the structures for dispatch. Upon completion, we oversee the loading, transportation and delivery of fabricated structures to project sites. In the last three financial years and the six-month period ended September 2024, revenue from heavy steel fabricated structures contributed 62.36% in Apr.'24 - Sept.'24, 72.24% in FY 2023-24, 61.95% in FY 2022-23 and 50.81% in FY 2021-22.

**II. Precision Fabricated Steel Structures or Technological Structures** - We manufacture various type of precision fabricated steel structures, including furnace support structures, intermediate accumulator towers, galvanized tubing handrails, welded/bolted steel structures etc. which are integral to industrial processing units and manufacturing facilities. These structures are designed to meet strict dimensional tolerances and quality requirements, ensuring compliance with project specifications. Depending on project requirements, our scope generally includes procurement of raw materials, fabrication, machining, assembly, dismantling, blasting, priming, painting, match marking, inspection and trial assembly. Upon completion, we oversee packing, loading and transportation of technological structures to project sites. In the last three financial years and the six-month period ended September 2024, this vertical contributed 32.18% in Apr.'24 - Sept.'24, 11.70% in FY 2023-24, 18.89% in FY 2022-23 and 0.83% in FY 2021-22 to our revenue.

**III. Steel Bridge Structures for High-Speed Rail Projects** - Over the past few years, the company has leveraged its skills, expertise, and extensive experience to expand into the manufacturing of steel bridge structures for high-speed rail projects. This includes the production of open web girders, built-up sections, and fabricated shutters for piers and pier caps, effectively implementing established technologies to meet project demands. These structures are essential

for railway infrastructure, supporting the construction of high-speed rail corridors and ensuring load-bearing strength, durability and compliance with engineering standards. Our scope of work includes procurement of raw steel as per project specifications, fabrication, cutting, drilling, welding, machining, fit-up, blasting, priming, painting, trial assembly and match marking. We conduct full-scale trial assemblies to verify alignment before final dispatch. In the last three financial years and the six-month period ended September 2024, this vertical contributed 3.84% in Apr.'24 - Sept.'24, 11.32% in FY 2023-24, 10.36% in FY 2022-23 and 0.00% in FY 2021-22 to our revenue.

**IV. Pre-Engineered Buildings** – We manufacture and supply Pre-Engineered Buildings (PEBs), which include built-up structural members, crane beams, steel columns, rafters, purlins, pipe racks, staircases, handrails, checker plates and roof gutters, as required and specified for each project. These structures are fabricated from hot-rolled or cold-formed sections, ensuring compliance with project specifications, dimensional accuracy and quality requirements. Our scope of work generally includes procurement of raw materials, fabrication, machining, assembly, trial fit-up, surface treatment (such as sand/shot blasting, priming and painting), final inspection and delivery to project site. In the last three financial years and the six-month period ended September 2024, this vertical contributed 1.48% in Apr.'24 - Sept.'24, 2.07% in FY 2023-24, 1.04% in FY 2022-23 and 0.00% in FY 2021-22 to our revenue.

Some of our esteemed customers include Arcelor Mittal Nippon Steel India Limited, Tata Projects Limited, John Cockerill India Limited, Ray Engineering Private Limited, JSW Severfield Structures Limited and Panametrics Engineering Private Limited. In the past, our company operated in both manufacturing and trading, with trading primarily involving steel products such as hot-rolled plates, mild steel plates, mild steel angles, mild steel rounds, and steel channels. However, over the years, we have strategically reduced our trading operations to focus on value-added manufacturing, resulting in trading revenue contributing only 0.14% of our total revenue in Apr.'24 - Sept.'24, compared to 2.67% in FY 2023-24, 7.76% in FY 2022-23, and 48.31% in FY 2021-22.

We have two manufacturing facilities located at (i) Umbergaon, District Valsad, Gujarat, and (ii) Khopoli, District Raigad, Maharashtra, dedicated to the manufacturing of heavy and precision steel fabricated structures, PEBs and steel bridge structures, with a combined installed capacity of 32,400 MT per annum. Our Umbergaon facility commenced operations in 2017, while our Raigad facility has been operational since 2014. Both manufacturing facilities are ISO 9001:2015 certified for Quality Management Systems and ISO 14001:2015 certified for Environmental Management Systems.

Our Umbergaon facility is located on a land parcel admeasuring approximately 8.56 lakh sq. ft (79,532 sq. meter), which includes a covered production area and open space for material storage and handling. Additionally, our manufacturing unit in Khopoli, Raigad, Maharashtra, is situated on a land area of over 56,084 sq. ft., also comprising a covered production area and open space for material storage and handling. Together, these facilities span approximately 9.12 lakh sq. ft.

A part of our manufacturing facility at Umbergaon Valsad, Gujarat, specifically Plot No. 17, Om Industrial Park, Near Coastal Road, GIDC, Umbergaon, Gujarat – 396171 is approved under RDSO (Research Designs and Standards Organization) under the Ministry of Railways, India, for the fabrication of steel bridge girders, including composite and other steel plate girders.

Our manufacturing process primarily relies on high-quality steel plates and sheets in various thicknesses and grades, including E250, E350, E450, Hardox, and Galvanized Steel, along with hot-rolled and galvanized coils, structural sections (I-beams, H-beams, RSJ, universal beams, angles, and hollow sections), and seamless and ERW pipes for structural integrity. Fabrication and assembly involve high-tensile, mild steel, and stainless-steel fasteners, including bolts, nuts, washers, and anchor bolts, while welding consumables such as SMAW electrodes, flux-cored wires, and shielding gases (Argon, CO<sub>2</sub>, specialized mixtures) ensure strong and durable joints.

The Indian steel structural market is growing quickly as the country's economic growth and infrastructure development are rising. Structural Steel form the backbone of construction projects in India, playing a critical role in bridges, highways, railways, buildings, high-rise structures, and industrial facilities. The Indian government actively fosters growth in this sector through initiatives like the "Smart Cities Mission" and "Make in India," which aim to boost steel demand for modern urban and industrial development. Investments in metro rail systems, highway expansions, and urban infrastructure underline this commitment. Additionally, the National Steel Policy (NSP) 2017

targets increasing domestic steel consumption to 160 kilograms per capita by 2030, further supporting the sector's expansion and its role in nation-building. (Source: D&B Report)

**Notable Work Orders** - Some of the notable work orders awarded to us and executed(wholly/partially) in the last three fiscal years and six months period ended September 2024 include:-

(Rs. in lakhs)

S. No.	Description	Work Order amount & date	Invoice value			
			F.Y. 2021-22	F.Y. 2022-23	F.Y. 2023-24	Apr.'24-Sept.'24
1	Fabrication and supply of 987.05 MT of structural steel components, including columns, beams, bracings and handrails for an industrial project at Vasind, Thane	303.65	303.24	-	-	-
		(20-Feb-2021)				
2	Fabrication & supply of 10,000 MT of steel bridge structures for the Mumbai Ahmedabad High-Speed Rail (MAHSR) project, India's first bullet train project, as a sub-contractor to a renowned infrastructure and engineering company.	5331.24	-	1527.71	1948.11	407.20
		(21-Sep-22)				
3	Fabrication and supply of 10,000 MT of heavy steel fabricated structures for ArcelorMittal Nippon Steel India Ltd.'s steel melt plant at Hazira, Gujarat, awarded by a renowned infrastructure and engineering company for a major steel player.	5088.75	-	-	3,444.35	1,318.75
		(16-Jun-23)				
		5162.5	-	-	-	1,392.71
(11-Jun-24)						
4	Fabrication and supply of 6,800 MT of heavy steel fabricated structures for ArcelorMittal Nippon Steel India Ltd.'s blast furnace plant at Hazira, Gujarat, awarded by a renowned infrastructure and engineering company for a major steel player.	1890.36	-	-	-	1,315.22
		(21-May-24)				
5	Fabrication and supply of 4,657 MT of heavy steel fabricated structures for crane girders at the PLTCM (Pickling Line & Tandem Cold Mill) facility within ArcelorMittal Nippon Steel India Ltd.'s steel plant at Hazira, Gujarat.	6628.79	-	1,119.86	4,365.65	-
		(17-Oct-22)				
6	Fabrication and supply of 2,711 MT of heavy steel fabricated structures for a water treatment plant and coke production facility within ArcelorMittal Nippon Steel India Ltd.'s steel plant at Hazira, Gujarat.	1984.63	-	-	-	1,242.45
		(30-Nov-23)				
		744.86	-	-	209.93	517.67
(26-Oct-23)						
7	Fabrication and supply of 237 MT of precision steel structure for an industrial project at Dumad, Gujarat, awarded by a global EPC contractor for a renowned Oil & Gas Company of India.	114.98	-	119.08	-3.15	-
		(22-Feb-22)				
		44.55	-	38.23	3.644	-
(14-Nov-22)						
8	Fabrication and supply of a Pre-Engineered Building for a metal and tubes factory unit located in Valsad, Gujarat	241.44	-	-	237.77	-
		(06-Apr-23)				
9		4354.5	-	-	1811.07	1809.9



	Fabrication, painting, and supply of 5,000 tonnes of factory-fabricated structural steel, including inspection, testing, and transportation, for the Hot Strip Mill Package at ArcelorMittal Nippon Steel India Ltd.'s steel plant at Hazira.	(02-Jun-23)				
10	Fabrication and supply of 637 tonnes of structural steel components, including columns, beams, bracings, staircases, and handrails, for the furnace support structure at ArcelorMittal Nippon Steel India, Hazira under contract with an engineering Company.	636.37	-	-	623.29	6.62
		(23-Sept-23)				
		757.53	-	-	756.45	7.55
		(21-April-23)				

As of January 31, 2025, our order book comprised of 25 work orders totaling ₹ 22,196.97 lakhs. During the Fiscal 2024, we have delivered fabricated structures to around 8 states including Gujarat, Maharashtra, Karnataka, Assam, Odisha, Dadra and Nagar Haveli, Rajasthan and Tamil Nadu.

As of January 31, 2025, we had 349 permanent full-time employees comprising of 218 employees in fabrication and production work, 22 in quality control department and 20 in automation & controls department. For details, please refer to “Our Business – Manpower” on page 161 of this DRHP. Additionally, we employed 180 contract laborers at our units. Our Company is led by our promoters, Shrenik Kirit Shah and Mittal Shrenik Shah. We benefit immensely from the expertise of our Managing Director, Mr. Shrenik Kirit Shah, who possess an overall experience of 19 years in the steel trading and structural steel fabrication industry.

#### Key performance indicators of our Company:

(₹ In Lakhs except percentage and ratios)

Key Financial Performance	Apr.'24 to Sept'24	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	10,595.34	21,833.76	15,558.03	8,883.16
EBITDA <sup>(2)</sup>	1,152.88	1,791.08	1,091.62	618.65
EBITDA Margin <sup>(3)</sup>	10.88%	8.20%	7.02%	6.96%
PAT <sup>(4)</sup>	613.82	942.49	510.70	189.91
PAT Margin <sup>(5)</sup>	5.79%	4.32%	3.28%	2.14%
RoE (%) <sup>(6)</sup>	12.77%	25.99%	19.51%	8.35%
RoCE (%) <sup>(7)</sup>	7.95%	15.36%	12.21%	7.65%
Order Book	16,138.18	16,632.88	6,487.99	748.58

#### Notes:

<sup>(1)</sup> Revenue from operation means revenue from sale of products & services and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income

<sup>(3)</sup> EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing + Deferred Tax Liability.

#### Our Competitive Strengths

##### *Capabilities to execute large-scale industrial and infrastructure projects*

We have undertaken the fabrication and supply of 10,000 MT of steel bridge structures for the Mumbai-Ahmedabad High-Speed Rail (MAHSR) project, India's first bullet train corridor, as a sub-contractor to a leading infrastructure and engineering company. Our past track record also covers structural engineering and fabrication projects for variety of other sectors, including steel plants, oil & gas plants, refineries, chemical plants, high-rise buildings and industrial

units. These projects demand strict dimensional accuracy, quality-controlled welding, and specialized surface treatments to meet essential operational and safety standards.

We have also undertaken projects in Pre-Engineered Buildings (PEB) and technological structures, which included supplying built-up structural members, crane beams, rafters, purlins, pipe racks, staircases and industrial enclosures for industrial and commercial projects. Our experience in executing fabrication projects across multiple sectors has contributed to the growth of our order book and facilitated engagement with new customers.

### ***Strong Order Book***

Our order book holds significant importance as it represents the estimated contract value of the unexecuted portion of our existing work orders and provides visibility on future revenues. Our order book has grown significantly over the last three years, increasing from ₹ 748.58 lakhs as of March 31, 2022 to ₹ 6,487.99 lakhs as of March 31, 2023 and ₹ 16,632.88 lakhs as of March 31, 2024. As of January 31, 2025, our order book comprised 25 work orders totaling ₹ 22,196.97 lakhs in terms of value.

The growth in our order book has also contributed to our strong financial performance. For the six-month period ended September 30, 2024 and the Financial Years 2024, 2023 and 2022, our revenue from operations amounted to ₹ 10,595.34 lakhs, ₹ 21,833.76 lakhs, ₹ 15,558.03 lakhs and ₹ 8,883.16 lakhs, respectively, while our EBITDA stood at ₹ 1,152.88 lakhs, ₹ 1,791.08 lakhs, ₹ 1,091.62 lakhs and ₹ 618.65 lakhs, respectively.

Furthermore, our financial strength enables us to access additional bank financing, which in turn allows us to secure more work orders, strengthening our order book further.

### ***In-House manufacturing and testing capabilities***

We operate through two manufacturing facilities located at (i) Umbergaon, District Valsad, Gujarat and (ii) Khopoli, District Raigad, Maharashtra, with a combined installed fabrication capacity of 32,400 MT p.a. Our Umbergaon facility, located on a land parcel admeasuring approximately 8.56 lakh sq. ft (79,532 sq. meter) which includes covered production area and open space for material storage and handling has an installed fabrication capacity of 26,400 MT p.a. and is equipped with a range of fabrication and testing equipment, enabling us to efficiently meet project specifications. This includes CNC drilling machine, beveling machine, end milling machine, stud welding machines, EOT cranes, hydraulic mobile cranes, air compressors, CNC Cutting Machines of both types i.e. Oxy Fuel & Plasma Cutting, Airless Painting machine and GMAW welding machines. Additionally, the facility is equipped with ultrasonic testing machines, magnetic particle testing machine, coating thickness gauges, digital vernier calipers and other quality control instruments to ensure compliance with required standards.

Our Khopoli unit, located on land area of 56,084 sq. ft. which includes covered production area and open space for material storage and handling, has an installed fabrication capacity of 6,000 MT p.a. and is primarily used for smaller fabrication jobs. It is equipped with welding machines, mobile cranes, compressors and essential testing instruments, allowing us to undertake customized and small-scale fabrication work based on project requirements. The inhouse manufacturing operations supported by testing capabilities enable us to stream line inventory management and production process resulting into maintenance of product quality standards as per the clients' requirements.

### ***Strong relationship with customers***

Some of our esteemed customers include Arcelor Mittal Nippon Steel India Limited, Tata Projects Limited, John Cockerill India Limited, Ray Engineering Private Limited, JSW Severfield Structures Limited and Panametrics Engineering Private Limited. Maintaining strong relationship with our key customers is an integral part of our business strategy and plays a crucial role in the sustainability and growth of our operations. We have been able to retain a number of our customers for a long period of time ensuring uninterrupted supplies of our solutions to them, which is demonstrated from the percentage of revenue we derived from repeat customers during the period as given below:-

**(Rs. in lakhs)**

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Six months period ended September 30, 2024
Revenue from operations	8,883.16	15,558.03	21,833.76	10,595.34
Revenue from repeat customers	1,591.09	11,292.76	18,239.57	9,990.07
Percentage of revenue from operations from Repeat Customers*	17.91%	72.59%	83.54%	94.29%

*Repeat Customers are defined as customers who were invoiced during the particular fiscal year or period as well as in the previous fiscal year(s).*

### ***Experienced Promoters with strong management team having domain knowledge***

We have an experienced management team led by our Directors and Promoters, including Shrenik Kirit Shah and Mittal Shrenik Shah. Our Promoter and Managing Director Shrenik Kirit Shah, has over 19 years of experience in the Steel industry and has been the driving force behind our Company's growth, playing a pivotal role in strategic decision-making and managing overall business operations. We are also supported by a senior management team along with an adequate technical and experienced team of engineers, enabling us to achieve organizational goals. We believe that our management team's experience, expertise and understanding of structural engineering and steel fabrication industry will enable us to continue to take advantage of both current and future market opportunities.

### **Our Business Strategies**

#### ***Expand our existing manufacturing facility at Umbergaon, District Valsad, Gujarat***

The India Structural Steel Fabrication Market is expected to experience a steady growth driven by several key factors, including increasing demand from the manufacturing sector, the rise in preference for pre-engineered buildings (PEB), and strong government initiatives focused on infrastructure development. The manufacturing sector's boom has created a steady demand for structural steel, while the growing adoption of pre-engineered buildings—due to their cost efficiency, reduced construction time, and environmental benefits—has further bolstered the market. Additionally, government programs such as Make in India, smart cities, Production-Linked Incentive (PLI) Scheme, and green building initiatives are expected to provide substantial growth opportunities. (Source: D&B Report)

We currently operate two manufacturing facilities located at (i) Umbergaon, District Valsad, Gujarat and (ii) Khopoli, District Raigad, Maharashtra. For the six-month period ended September 30, 2024, our Umbergaon facility operated at 94.52% of total capacity, while our Khopoli unit operated at 59.93%. (Source: Chartered Engineer Report dated December 02, 2024, issued by Akhilesh Pandit, Chartered Engineer).

To support our future growth and expand our production capacity, we intend to expand our Umbergaon facility. For this purpose, we propose to construct two new sheds on the open land area of our existing Umbergaon facility. For further details, please refer to the section titled “Objects of the Offer - Funding of capital expenditure towards expansion of existing Umbergaon facility through construction of new sheds” on page 86 of this Draft Red Herring Prospectus.

As part of the expansion, The first shed will be developed as a dedicated division for railway infrastructure projects, for manufacturing Foot Over Bridges (FOBs), Road Over Bridges (ROBs), and steel girders, equipped with provisions for raw material storage, processing, fabrication, assembly, and dispatch. The second shed will be used to enhance our general fabrication operations, designed as a double-bay structure to support a straight-line production flow, covering raw material storage, processing, fabrication, painting, and direct dispatch of finished products.

With the proposed expansion, the installed fabrication capacity at our Umbergaon facility is expected to increase from 26,400 MT per annum to 38,400 MT per annum (Source: Project Report dated March 19, 2024 issued by Chartered Engineer & Govt. Registered Valuer Sameer rasane. This capacity expansion is intended to enable us to cater to increasing demand from existing and potential customers, capitalize on emerging opportunities, and support revenue growth.

This expansion involves shed construction work, procurement and installation of machinery, and related activities, as further detailed in the section titled “Objects of the Offer - Funding of capital expenditure towards expansion of existing Umbergaon facility through construction of new sheds” on page 86 of this Draft Red Herring Prospectus. The total estimated cost of the expansion is ₹ 1,341.42 lakhs, of which ₹ 1,122.18 lakhs is proposed to be funded from the net proceeds of the Issue.

### ***Increase our presence in the segment of railway infrastructure***

From FY 2021 to FY 2026, the union budget has significantly ramped up its allocation toward railway sector. The total outlay provided for Capital Expenditure in Budget Estimate 2025-26 of INR 2,652 billion. The Gross Budgetary Support for Railways in FY 2025-26 stands at INR 2,520 billion, which has reduced in compare of previous year, however the budget has significantly rise from the level of INR 1,122 billion in FY 2021. The railway will continue to utilize the money in essential infrastructure projects like rail track expansion, rolling stock procurement, electrification, signalling improvements, and station modernisation. The Government also provided for INR 100 billion from extra budgetary resource to meet its expenses & modernize. The total outlay also includes Nirbhaya fund of INR 2 billion and INR 30 billion for internal resources. (Source: D&B Report)

Railway sector improvement is a major driver of structural steel demand. The expansion of railway networks increases the structural steel demand as railway bridges and stations require substantial amounts of structural steel like beams, columns, and slabs to ensure stability and earthquake resistance. Indirectly, the growth in railway projects stimulates related sectors like logistics, warehousing, and manufacturing hubs near railway stations, further boosting the demand for structural steel. Urbanization along railway lines also leads to the development of commercial buildings, residential complexes, and public infrastructure, all of which depend on structural steel. Furthermore, specific types of railway projects, such as high-speed rail or dedicated freight corridors, may necessitate specialized structural steel with higher strength or corrosion resistance driving the overall demand for structural steel. (Source: D&B Report)

We are engaged in the fabrication and supply of steel bridge structures for railway projects, including high-speed rail projects. In the last three financial years and the six-month period ended September 30, 2024, revenue from this segment contributed 3.84% in the six months ended September 2024, 11.32% in Fiscal 2024 and 10.36% in Fiscal 2023 to our total revenue. Our key projects include the fabrication and supply of 10,000 MT of steel bridge structures for the Mumbai-Ahmedabad High-Speed Rail (MAHSR) project, as a sub-contractor to an infrastructure and engineering company. Our manufacturing facility at Umbergaon, Valsad, Gujarat is approved by the Research Designs and Standards Organization (RDSO) under the Ministry of Railways, India, for the fabrication of steel bridge girders, including composite girders and steel plate girders. As part of our strategy to strengthen our presence in the railway infrastructure segment, we propose to establish a dedicated manufacturing shed at our Umbergaon facility to focus exclusively on railway projects. This dedicated shed will be utilized for the fabrication of Foot Over Bridges (FOBs), Road Over Bridges (ROBs) and steel bridge girders, with provisions for raw material storage, processing, fabrication, assembly and dispatch in a designated area. The details of this proposed facility and its funding requirements are set out in the section titled “Objects of the Offer” on page 85 of this Draft Red Herring Prospectus. We believe that establishing dedicated infrastructure for railway projects will support our efforts to increase our participation in this segment and align our capacities to cater to future opportunities in the railway infrastructure sector in India.

### ***Focus on consistently meeting quality standards***

We intend to focus on adhering to quality standards applicable to the fabrication of steel structures. Maintaining consistent product quality is important from the perspective of meeting customer requirements and ensuring compliance with applicable specifications and standards. We aim to achieve this through regular review of fabrication processes, quality checks at various stages of production and timely corrective measures, if required, to ensure adherence to the required quality standards.

### **Our Offerings:**

1. **Heavy steel fabricated structures** - Heavy steel fabricated structures are large steel components designed to support substantial loads and withstand operational stresses in industrial and infrastructure projects. These structures form the core framework for various applications, including industrial plants, high-rise buildings, equipment support systems, bridges and other infrastructure projects. The common components of heavy steel

fabricated structures include structural frameworks, columns, beams, crane girders, rafters, purlins, pipe racks, platforms, walkways, conveyor galleries, staircases, ladders and heavy-duty support structures. The fabrication process typically involves procurement of specific graded steel followed by cutting, drilling, bending, welding, machining, fit-up, assembly, surface treatment and protective coatings, ensuring compliance with applicable project specifications and quality standards. These structures are essential for providing the required strength, stability and durability to large-scale construction and industrial projects. The design and fabrication of such structures require engineering expertise, precision and adherence to technical standards prescribed by project consultants or end customers.



**(Heavy Steel fabricated structure built by us at ArcelorMittal Nippon Steel India Ltd., Hazira plant)**

- 2. Precision Fabricated Steel Structures or Technological Structures** - Precision fabricated steel structures, also referred to as technological structures, are customized steel components designed for industrial plants, process units and specialized equipment installations that require strict dimensional accuracy and adherence to project-specific tolerances. These structures are manufactured to meet precise engineering specifications and are used in critical applications such as furnace support structures, accumulator towers, process platforms, equipment enclosures, galvanized tubing handrails, welded and bolted structures and other plant-specific assemblies. The fabrication process typically involves procurement of specified grades of steel followed by cutting, drilling, welding, machining, fit-up and assembly, along with surface treatments such as blasting, priming and painting. Due to the high precision requirements, these structures undergo trial assemblies, match marking and dimensional inspections to ensure they conform to design parameters before final delivery. Precision fabricated structures are essential for enabling smooth operations within process plants, ensuring proper alignment and integration of machinery and equipment and meeting the technical and operational requirements specified by end users or project consultants.



(Accumalator Structure built by us for John Cockerill India Limited)

- 3. Steel Bridge Structures** - Steel bridge structures are fabricated steel components used in the construction of railway bridges, road over bridges and other infrastructure projects requiring high load-bearing capacity and structural strength. These structures include components such as open web girders, built-up sections, steel plate girders, pier shutters and pier cap shutters, all of which are essential for ensuring the structural integrity and stability of bridge superstructures. The fabrication process generally involves procurement of steel as per project specifications, followed by cutting, drilling, welding, machining, fit-up, trial assembly, surface treatment and protective coatings. Full-scale trial assemblies are carried out to ensure dimensional accuracy and alignment before final dispatch. Steel bridge structures are typically fabricated in accordance with the design and quality standards prescribed by organizations such as the Research Designs and Standards Organization (RDSO) under the Ministry of Railways and are critical for ensuring safe and durable railway and road infrastructure.



(Steel bridge structure built by us for the Mumbai-Ahmedabad High-Speed Rail (MAHSR) project)

- 4. PEB (Pre-Engineered Buildings)**- Pre-Engineered Buildings (PEBs) are customized structural steel systems designed and fabricated to meet project-specific requirements for industrial, commercial and institutional buildings. These buildings consist of factory-fabricated components such as built-up columns, rafters, purlins, crane beams, roof panels, wall cladding, staircases and mezzanine floors, which are delivered to the site for assembly and erection. The fabrication process involves cutting, welding, drilling and surface treatment, followed by pre-assembly to ensure fitment before dispatch. PEBs are known for their faster construction timelines and cost efficiency, as components are fabricated off-site and assembled at the project location. These structures are commonly used in warehouses, manufacturing plants, logistics parks and commercial complexes, offering

flexibility in design, ease of expansion and compatibility with various roofing and cladding options based on end-user requirements.



**(Pre-Engineered Building built by us for a client at Umbergoan, Gujarat)**

**Product-wise revenue bifurcation:**

The following table sets forth the bifurcation of revenue (product-wise) for the six months period ended Sept.'24, fiscal years 2024, 2023 and 2022.

(Rs. in lakhs)

Particulars	Apr.'24- Sept.'24	% of revenue	F.Y. 2023-24	% of revenue	F.Y. 2022-23	% of revenue	F.Y. 2021-22	% of revenue
<b>Product Categories</b>								
Heavy steel fabricated structures	6,607.04	62.36%	15,771.68	72.24%	9,637.45	61.95%	4,513.18	50.81%
Precision Fabricated Steel Structures or Technological Structures	3,409.20	32.18%	2,553.49	11.70%	2,938.48	18.89%	73.51	0.83%
Steel Bridge Structures	407.20	3.84%	2,471.39	11.32%	1,611.77	10.36%	-	0.00%
PEB (Pre-Engineered Buildings)	156.48	1.48%	451.94	2.07%	161.90	1.04%	-	0.00%
Others (Scrap sales)	0.09	0.00%	1.30	0.01%	1.22	0.01%	4.87	0.05%
<b>Total (A)</b>	<b>10,580.00</b>	<b>99.86%</b>	<b>21,249.81</b>	<b>97.33%</b>	<b>14,350.82</b>	<b>92.24%</b>	<b>4,591.55</b>	<b>51.69%</b>
<b>Trading of Goods</b>	<b>15.34</b>	<b>0.14%</b>	<b>583.96</b>	<b>2.67%</b>	<b>1,207.21</b>	<b>7.76%</b>	<b>4,291.61</b>	<b>48.31%</b>
<b>Total (B)</b>	<b>15.34</b>	<b>0.14%</b>	<b>583.96</b>	<b>2.67%</b>	<b>1,207.21</b>	<b>7.76%</b>	<b>4,291.61</b>	<b>48.31%</b>
<b>Grand Total (A+B)</b>	<b>10,595.34</b>	<b>100.00%</b>	<b>21,833.76</b>	<b>100.00%</b>	<b>15,558.03</b>	<b>100.00%</b>	<b>8,883.16</b>	<b>100.00%</b>

**OUR MANUFACTURING FACILITY:**

**UMBERGAON,GUJARAT**





## **KHOPOLI, MAHARASHTRA**



### **MANUFACTURING PROCESS:**

Our manufacturing process for heavy steel fabricated structures, precision fabricated steel structures, steel bridge structures and pre-engineered buildings generally starts with fabrication drawings and technical specifications provided by clients or their appointed consultants. These drawings typically outline dimensions, material grades, welding requirements, surface treatments and other technical parameters. These drawings form the basis for material procurement, fabrication planning and quality checks at various stages of production.

1. **Raw Material Procurement and Inspection** - Based on the fabrication drawings, we procure steel plates, structural sections (including beams, channels, angles, hollow sections and pipes) and other materials specified for the project. The key material grades include E250, E350, E450, Hardox and Galvanized Steel. Additionally, we procure welding consumables (electrodes, MIG wires, fluxes, shielding gases such as Argon and CO<sub>2</sub>), as well as shot blasting media, paints, primers and fasteners required for fabrication and surface treatment. All incoming materials undergo inspection to ensure compliance with specified technical parameters and applicable standards.
2. **Cutting and Profiling** - The raw materials are processed to the required shapes and sizes using CNC cutting machines, plasma cutting systems and oxy-fuel cutting equipment, depending on material type and project specifications.
3. **Drilling, Machining and Beveling** - Processed components are further machined to create holes, edges and profiles required for assembly. This is carried out using CNC drilling machines, end milling machines and beveling machines, ensuring dimensional accuracy as per fabrication drawings.
4. **Fit-Up and Assembly** - The machined components are then assembled and temporarily fitted to simulate the final structure, ensuring proper alignment and geometry. Match marking is carried out to assist in proper reassembly at the project site after delivery.

5. **Welding** - The assembled components are welded together using processes such as MIG welding, submerged arc welding (SAW), or manual arc welding, depending on the material grade, thickness and project-specific requirements. Welding is carried out under qualified supervision, adhering to approved welding procedures.
6. **Surface Preparation and Coating** - After welding, the fabricated structures undergo surface preparation, typically involving shot blasting to remove surface impurities, mill scale and rust. This is followed by the application of protective coatings, which may include primers, epoxy paints, or other specified surface finishes, depending on project requirements. Coating thickness and finish are inspected to ensure compliance with technical specifications.
7. **Quality Inspection and Trial Assembly** - In-process quality checks are conducted at each stage to verify dimensional accuracy, weld quality and surface finish. Non-destructive testing (NDT) techniques such as ultrasonic testing (UT) and magnetic particle testing (MPT) are carried out as required by project specifications. For large or complex structures, such as bridge girders, we also perform trial assemblies at our facility to ensure proper fitment and alignment before dispatch.
8. **Packing and Dispatch** - Once the final inspection is completed, the structures are match-marked, packed and loaded onto transport vehicles for delivery to the project site. Loading and handling procedures are monitored to prevent damage during transit.

**PLANT & MACHINERY:** Our manufacturing facilities comprises a vast array of plants and machinery, all of which are fully owned by the company. The list is as follows:

S. No	Particulars	Usage
1	CNC Drilling Machine	Precision and automated hole drilling
2	Bevelling Machine	Preparing edges for welding
3	Flange Straightening Machine	Straightening H-beam flanges
4	End Milling Machine	Cutting and shaping component ends
5	Stud Welding Machine	Welding shear studs to surfaces
6	EOT Crane	Lifting and shifting heavy loads
7	Hydraulic Mobile Crane	Moving and stacking heavy materials
8	Air Compressor	Powering pneumatic tools for blasting
9	GMAW Welding Machine	Performing gas metal arc welding
10	CNC Cutting Machine	
10.1	Oxyfuel CNC Cutting Machine	Cutting thick metals using a controlled flame and oxygen stream.
10.2	CNC Plasma Cutting Machine	Cuts conductive metals using a high-velocity ionized gas stream.

**INSTALLED CAPACITY & CAPACITY UTILISATION: -**

We operate through two manufacturing units, located at Umbergaon, District Valsad, Gujarat (Unit I) and Khopoli, District Raigad, Maharashtra (Unit II). The installed capacity and capacity utilization for these units for the period ended September 30, 2024 and for Fiscals 2024, 2023 and 2022, as certified by the Chartered Engineer, are set out below:

**Umbergaon Unit**

Particulars	For the period ended Sept 30, 2024	For the year ended on March 31		
		2024	2023	2022
Installed Capacity (in MT)	13,200.00	18,000.00	12,000.00	6,000.00
Capacity Utilization (in MT)	12,476.72	15,458.42	9,429.00	4,158.50
Capacity Utilization %	94.52%	85.88%	78.58%	69.31%

**Khopoli Unit**

Particulars	For the period ended Sept 30, 2024	For the year ended on March 31		
		2024	2023	2022
Installed Capacity (in MT)	3,000.00	6,000.00	6,000.00	3,600.00
Capacity Utilization (in MT)	1,797.91	3,909.87	3,837.49	2,495.21
Capacity Utilization %	59.93%	65.16%	63.96%	69.31%

\*The installed capacity and utilization figures are based on the Chartered Engineer Certificate dated December 02, 2024, issued by Akhilesh Pandit, Chartered Engineer.

### **COMPETITION:**

The structural steel fabrication industry in India is highly competitive and fragmented, with the presence of both organized and unorganized players operating across different regions and product segments. We face competition from both domestic and international companies, including established players in the organized sector as well as numerous small and mid-sized fabricators in the unorganized sector. Our competition varies depending on the type of product, project size, technical requirements and geographical location of the project. We primarily compete on parameters such as product quality, adherence to project timelines, pricing, technical capabilities, past project credentials and the ability to meet customer-specific design and quality standards. Some of our significant competitors in the organized segment include Goodluck India Limited, Salasar Techno Engineering Limited and Atmastco Limited. In addition, we also face competition from regional unorganized players who may compete aggressively on pricing in certain geographies and product categories.

**Sales & Marketing:** The sales and marketing efforts of our company are directly led by top management, with our, Chairman & Managing Director, Shenik Shah playing a crucial role in engaging with prospective clients and maintaining relationships with existing customers. Leveraging the extensive experience of our promoters in the fabrication industry, along with the company's proven track record in executing a variety of projects, we have successfully built a network of industrial connections and contacts. This network assists us in securing new work projects and also facilitates referrals.

### **Infrastructure & Utilities:**

**Raw Materials:** Our manufacturing process primarily relies on high-quality steel plates and sheets in various thicknesses and grades, including E250, E350, E450, Hardox, and Galvanized Steel, along with hot-rolled and galvanized coils, structural sections (I-beams, H-beams, RSJ, universal beams, angles, and hollow sections), and seamless and ERW pipes for structural integrity. Fabrication and assembly involve high-tensile, mild steel, and stainless-steel fasteners, including bolts, nuts, washers, and anchor bolts, while welding consumables such as SMAW electrodes, flux-cored wires, and shielding gases (Argon, CO<sub>2</sub>, specialized mixtures) ensure strong and durable joints. To enhance surface protection, we use blasting media, galvanizing chemicals, epoxy primers, polyurethane paints, and anti-corrosive coatings. Additionally, our operations are supported by PPE and safety gear (helmets, gloves, aprons), lubricants (engine oil, hydraulic oil, cutting oil), machine spare parts, and fabrication accessories like grinding wheels, cutting gases (oxygen, acetylene), and marking and packing materials (chalk, paints, tapes, wooden crates, and bubble wraps) to ensure precision, protection, and efficient workflow.

The following table sets forth the bifurcation of purchase (geography-wise) for the six months period ended Sept.'24, fiscal years 2024, 2023 and 2022.

Particulars	Apr'24 – Sept'24	% of Purchase	F.Y. ended 31st March, 2024	% of Purchase	F.Y. ended 31st March, 2023	% of Purchase	F.Y. ended 31st March, 2022	% of Purchase
<b><u>In India</u></b>								
Delhi	15.01	0.12%	-	-	0.72	0.01%	0.11	0.01%
Gujarat	2497.24	20.64%	5812.92	30.06%	1837.31	11.60%	632.24	7.20%
Goa	-	-	9.22	0.05%	2.52	0.02%	1.92	0.02%

Jharkhand	-	-	-	-	25.93	0.16%	1.84	0.02%
Chhattisgarh	432.30	4.00%	437.82	2.25%	2433.68	15.37%	249.15	2.84%
Madhya Pradesh	0.31	0.00%	-	-	0.31	0.00%	0.79	0.01%
Karnataka	22.54	0.19%	20.25	0.10%	-	-	1651.84	18.80%
Maharashtra	8985.52	74.27%	12959.98	66.53%	11443.92	72.27%	5587.30	63.58%
Odisha	-	-	-	-	14.89	0.09%	667.13	7.59%
Punjab	0.18	0.00%	75.37	0.39%	104.62	0.66%	0.64	0.01%
Bihar	-	-	-	-	-0.11	0.00%	-11.68	-0.13%
Rajasthan	-	-	6.90	0.04%	-	-	0.20	0.00%
Telangana	2.88	0.02%	8.42	0.04%	0.68	0.00%	1.31	0.02%
West Bengal	0.43	0.00%	8.66	0.04%	-	-	4.48	0.05%
Dadra And Nagar Haveli And Daman And Diu	1.36	0.01%	9.42	0.05%	21.17	0.13%	-	-
Tamil Nadu	15.84	0.13%	89.37	0.46%	8.87	0.06%	-	-
Uttar Pradesh	4.20	0.04%	-	-	-0.01	0.00%	-	-
Haryana	1.06	0.01%	-	-	-	-	-	-
Jammu & Kashmir	119.90	0.99%	-	-	-	-	-	-
<b>Total (A)</b>	<b>12098.75</b>	<b>100%</b>	<b>19438.33</b>	<b>100%</b>	<b>15835.34</b>	<b>100%</b>	<b>8787.30</b>	<b>100%</b>

**Power:** The requirement of power for our operations, like power for lighting and operating the plant/machinery/equipment is met through the state electricity board i.e. Mahavitaran (Maharashtra State Electricity Distribution Co. Ltd.) for Maharashtra Unit & Dakshin Gujarat Vij Company Limited for Umbergoan, Gujarat Unit.

**Water:** The existing water requirement for our factory units is met using local sources.

**Manpower:** As of January 31, 2025, we had a total workforce of 349 employees across our locations. The following is the department-wise breakup of employees as of January 31, 2025:


Department	Total No. Of Employees	Mumbai (Registered Office)	Umbergaon (Mfg. Unit – I)	Khopoli (Mfg. Unit – II)	Kalamboli (Warehouse)
Accounts & Finance	12	9	3	-	-
Automation & Controls	20	-	18	2	-
Fabrication & Production	218	1	181	36	-
Hr & Admin	5	2	2	1	-
Management	5	2	2	1	-
Mechanical Design & Simulation	7	2	4	1	-
Projects Coordinators	9	7	0	1	1
Quality Control	22	2	17	3	-
Support Team	51	4	37	8	2
<b>Total</b>	<b>349</b>	<b>29</b>	<b>264</b>	<b>53</b>	<b>3</b>

Also, we have employed around 180 contractual employees as on January 31, 2025

**PROPERTY:**

**INTELLECTUAL PROPERTY:**

Following are the details of the Trademarks applied in the name of our Company:-

Sr. No.	Brand Name/ Trademark	Logo/	Class	Date of Application	TM Category	Trademark Number	Current Status
1.	 KARBONSTEEL ENGINEERING		6	03/08/2024	Trademark	6558268	Formalities Check Pass

**Immovable Properties:**

The detail of our properties are as follows:-

**Owned Property:**

Sr. No.	Usage	Address
1.	Manufacturing Facility (Umbergaon Unit) (Approximately Area – 86,606.34 sq. ft.)	Plot No 17, Survey No. 1969, OHM Industrial Infrastructure Park daheri, Near Coastal Road, At & PO- Daheri, Taluka-Umbergaon, District Valsad 396171
2.	Manufacturing Facility (Umbergaon Unit) (Approximately Area – 80,996.73 sq. ft.)	Plot No 91, Survey No. 1945/91, OHM Industrial Infrastructure Park daheri, Near Coastal Road, At & PO- Daheri, Taluka-Umbergaon, District Valsad 396171

**Leased Property:**

Sr. No.	Usage	Address	Leased/Rent
1	Manufacturing Facility (Umbergaon Unit) (Approximately Area – 5,68,272.69 sq. ft.)	Plot No 1 - 82, Survey No. 1945, OHM Industrial Infrastructure Park Daheri, Near Coastal Road, Daheri, Taluka-Umbergaon, District Valsad, Gujarat – 396171	Obtained on lease vide lease deed dated October 1, 2024 for a period of 10 years from December 15,2024 from Mr. Mohanbhai Govindbhai Bari at the lease amount of Rs. 17,64,000 p.m. which will increase by 5 % after every 24 months.  As of the date of the DRHP, the monthly rent is Rs. 17,64,000 p.m.
2	Manufacturing Facility (Umbergaon Unit) (Approximately Area – 24,616.20 sq. ft)	Plot No 84, Survey No. 1945, OHM Industrial Infrastructure Park Daheri, Near Coastal Road, Daheri, Taluka-Umbergaon, District Valsad, Gujarat – 396171	Obtained on lease vide lease deed dated October 1, 2024 for a period of 10 years from April 1,2024 from Mr. Mohanbhai Govindbhai Bari at the lease amount of Rs. 1,58,400 p.m. which will increase by 5 % after every 24 months.  As of the date of the DRHP, the monthly rent is Rs. 1,58,400 p.m
3	Manufacturing Facility (Umbergaon Unit) (Approximately Area – 95583.52 sq. ft)	Plot No 7 to 20, Survey No. 2034/Paiki 1/7 to 2034/Paiki 1/20, OHM Industrial Infrastructure Park Daheri, Near Coastal	Obtained on lease vide lease deed dated October 1, 2024 for a period of 10 years from April 1,2024 from Mr. Daxeshkumar Ishwarbhai Bari and

Sr. No.	Usage	Address	Leased/Rent
		Road, Daheri, Taluka-Umbergaon, District Valsad, Gujarat –396171:	Jignesh Ishwar Bari at the lease amount of Rs. 9,80,000 p.m. which will increase by 5 % after every 24 months.  As of the date of the DRHP, the monthly rent is Rs. 9,80,000 p.m
4	Manufacturing Facility (Raigad Unit) (Approximately Area – 56,084 sq. ft)	S. No. 62/0, Shree Ganesh Water Supply, Near Uttam Galva Gate, Village Donvat, Opp Renuka Sugar, Dist - Raigad, Tal – Khalapur, Maharashtra	Obtained on lease vide lease agreement dated November 04, 2024 for a period of 10 years from Mr. Ramakant Patil at lease amount of Rs. 1,55,000 p.m.
5	Registered Office	B-8, Ratandeeep cosmopolitan co-operative housing society limited, 140-141, S.V. Road andheri W, Mumbai-400058.	Obtained on lease vide Leave and License Agreement dated April 2, 2024 for a period of 5 years from Mr. Shrenik Kirit Shah at rent of Rs. 1,50,000 p.m.
6	Admin Office	B-9, Ratandeeep cosmopolitan co-operative housing society limited, 140-141, S.V. Road andheri W, Mumbai-400058.	Obtained on lease vide Leave and License Agreement dated April 2, 2024 for a period of 5 years from Mr. Shrenik Shah at rent of Rs. 1,00,000 p.m.
7	Warehouse – I	Plot No. 1270, Road No. 6, Kalamboli steel market, Kalamboli, navi Mumbai-410218	Obtained on lease vide Leave and License Agreement dated April 2, 2024 for a period of 5 years from Mr. Shrenik Kirit Shah at rent of Rs. 2,00,000 p.m.
8	Warehouse – II	Plot No. 747, Road no. 6, Kalamboli steel market, Kalamboli, Navi Mumbai-410218	Obtained on lease vide Leave and License Agreement dated April 2, 2024 for a period of 5 years from Mr. Shrenik Kirit Shah at rent of Rs. 2,00,000 p.m.

**Insurance:**

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, the insurance policy of Standard Fire & Special Perils policy in respect of manufacturing facilities, registered office and warehouses, burglary insurance, vehicle insurance and employees compensation policy. Our insurance policies may not be sufficient to cover our economic loss. For further details, kindly refer the section on “Risk Factors - Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.” beginning on page 41 of this Draft Red Herring Prospectus. Our insurance coverage may not adequately protect us against all material hazards, which may affect our business, results of operations and financial condition.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The following description is a summary of certain sector-specific laws, regulations and policies currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from various legislations including rules and regulations promulgated by regulatory bodies and the bye laws of the respective local authorities and publications available in the public domain. The description below may not be exhaustive, and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.*

*The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain.*

*The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, see “Government and Other Approvals” on page no. 280 of this Draft Red Herring Prospectus. We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.*

*For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and other Approvals” beginning on page number 280 of this Draft Red Herring Prospectus.*

### **APPLICABLE LAWS AND REGULATIONS**

#### **TAX RELATED REGULATIONS**

##### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / 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. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

##### **Goods and Service Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states.

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the Central and State Governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

##### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

### **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 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.

### **The Maharashtra State Tax on Professions, Trades, Callings and Employments Act,1975 (“The Act”)**

The Act provides for the Levy and Collection of a Tax on Professions, Trades, Callings and Employments for the benefit of the State. Every person engaged in any profession, trade, calling or employment and falling under one or the other of the classes as segregated in the Act, shall be liable to pay to the State Government the tax at the rate mentioned against the class of such person. The tax payable under this Act by any person earning a salary or wage, shall be deducted by his employer from the salary or wage payable to such person, before such salary or wage is paid to him, and such employer shall, irrespective of whether such deduction has been made or not, when the salary or wage is paid to such persons, be liable to pay tax on behalf of all such person. The Act mandates that every person, who is liable to pay tax, shall obtain a Certificate of Registration, and a Certificate of Enrolment from prescribed authority in prescribed manner.

### **The Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976**

The Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976 (commonly known as Profession Tax Act) came into force with the object of levying tax on professions, trades, callings and employments. It extends to the whole state of Gujarat. It will vary from person to person and as per there salary range.

## **INDUSTRY-SPECIFIC LAWS**

### **The Factories Act, 1948**

The Factories Act, 1948, as amended, defines a “factory” to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act mandates the ‘occupier’ of a factory to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.



### **The Gujarat Factories Rules, 1963**

Gujarat Factories Rules deal with provisions regarding grant, amendment and renewal of Factory Licenses. They also prohibit running of a factory without a valid license. The State of Gujarat has formulated its own rules and is following them to regulate in the state of Gujarat.

### **Industries (Development and Regulation) Act, 1951, as amended (“IDR Act”)**

The IDR Act has been liberalized under the New Industrial Policy dated July 24, 1991 and all industrial undertakings are exempt from licensing except for certain industries, including, among others, all types of electronic aerospace, defence equipment, ships and other vessels drawn by power. The IDR Act is administered by the Ministry of Commerce and Industry, Government of India, through the Department for Promotion of Industry and Internal Trade (DPIIT). The main objectives of the IDR Act are to empower the Government to take necessary steps for the development of industries, to regulate the pattern and direction of industrial development, and to control the activities, performance and results of industrial undertakings in the public interest. The DPITT is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

### **National Non-Ferrous Metal Scrap Recycling Framework, 2020**

The National Non-Ferrous Metal Scrap Recycling Framework, 2020, as amended (the “Non-Ferrous Metal Recycling Framework”) issued by the Ministry of Mines, Government of India, envisages bringing both product and processing stewardship to enhance Non-Ferrous Metal recycling. Its objectives include, inter alia, promotion of a formal and well organized recycling ecosystem; adoption of data-based analysis and policy making at all stages of the recycling chain; production of high quality scrap for quality secondary production whilst minimizing the dependency on imports; achieving technological leadership in scientific methodology; bettering the quality of scrap produced; and to promote the 6Rs principles of Reduce, Reuse, Recycle, Recover, Redesign and Remanufacture through scientific handling, processing and disposal of all types of non-ferrous scrap, through authorized centres / facility. The Non-Ferrous Metal Recycling Framework aims to achieve its goal of having a sustainable non-ferrous metal recycling eco-system in the long run by, inter alia, setting up a central authority for recycling of metals which may be called as Metal Recycling Authority; placing obligations on the stakeholders involved in the process; setting up an institutional mechanism for carrying out studies and advance research in the field of recycling of metal; and by having the government encourage and provide support to research & development in metal scrap recycling. It also aims to develop specified metal recycling zones with facility for collection, segregation, dismantling etc. of metal scrap and ensure quality control by fixing minimum infrastructure requirement for recycling units with clear minimum standards and criteria for the processing of recyclables to produce consistent, high-quality streams of recyclable material.

### **Legal Metrology Act, 2009 (the “LM Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (the “LM Rules”)**

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The LM Act provides for inter alia standard weights and measures and requirements for verification and stamping of weight and measure. LM Rules inter alia provide that certain commodities shall be packed for sale, distribution and delivery in standard quantities as laid down under the LM Rules. LM Rules also provide for declarations that must be made on packages, where those declarations should appear on the package and the manner in which the declaration is to be made.

### **The Sale of Goods Act, 1930**

The Sale of Goods Act, 1930 governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyers.

## **LABOUR LAWS**

## THE CODE ON WAGES, 2019 (THE “CODE”)

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (I) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees’ and allows the Central Government to set a minimum statutory wage.

*The four existing laws are as follows:*

- **The Payment of Wages Act, 1936**  
The Payment of Wages Act regulates the payment of wages to certain classes of persons employed in industry and its importance cannot be under-estimated. The Act guarantees payment of wages on time and without any deductions except those authorised under the Act. The Act provides for the responsibility for payment of wages, fixation of wage period, time and mode of payment of wages, permissible deduction as also casts upon the employer a duty to seek the approval of the Government for the acts and permission for which fines may be imposed by him and also sealing of the fines, and also for a machinery to hear and decide complaints regarding the deduction from wages or in delay in payment of wages, penalty for malicious and vexatious claims. The Act does not apply to persons whose wage is ₹ 24,000/- or more per month. The Act also provides to the effect that a worker cannot contract out of any right conferred upon him under the Act.
- **Payment of Bonus Act, 1965 (the “POB Act”)**  
The Act is applicable to (a) any factory employing 10 or more persons where any processing is carried out with aid of power (b) Other establishments (established for purpose of profit) employing 20 or more persons. Minimum bonus payable is 8.33% and maximum is 20%. Bonus is payable annually within 8 months from close of accounting year. Bonus is payable to all employees whose salary or wages do not exceed ₹ 3,500/- per month provided they have worked for at least 30 days in the accounting year. However, for calculation of bonus, maximum salary of ₹ 2,500/- is considered.
- **The Minimum Wages Act, 1948**  
The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.
- **Equal Remuneration Act, 1976 (“ER Act”)**  
The Equal remuneration act (E.R. Act), 1976 recognises the concept of equality among equals. The Equal remuneration act 1976 provides equal pay for equal work for both men and women, and implementation gets carried out under the ambit of equal remuneration rules 1976. This act complies with the provision enshrined under article 39(d) of the constitution of India 1950. Article 39(d) comes under directive principles of state policy. As the name suggests, these principles are directive in nature and don’t have any legal binding. These directive principles are not enforceable in any court of law, but they have a legal significance that ought to get followed for society’s welfare. It states that “there is equal pay for equal work for both men and women”.

## INDUSTRIAL RELATIONS CODE, 2020

The Government of India enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Currently the laws are as follows:

- **Industrial Disputes Act, 1947 (“ID Act”)**  
The Industrial Dispute Act of 1947, came into force on the first day of April, 1947. Its aim is to protect the workmen against victimization by the employers and to ensure social justice to both employers and employees.

The unique object of the Act is to promote collective bargaining and to maintain a peaceful atmosphere in industries by avoiding illegal strikes and lock outs. The Act also provides for regulation of lay off and retrenchment. The objective of the Industrial Disputes Act is to secure industrial peace and harmony by providing machinery and procedure for the investigation and settlement of industrial disputes by negotiations.

- **The Industrial Employment (Standing Orders) Act, 1946 (the “Standing Orders”)**  
The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments so as to minimize industrial conflicts. The Standing Orders play a key role in defining the terms and conditions of employment within an industrial employment. The highlights of the Standing Orders such as classification of workmen, manner of intimation to workers about work and wage related details. Attendance and conditions for leaves, conditions of termination of employment and means of redress for workmen in different.
- **Trade Unions Act, 1926**  
Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or nonemployment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

#### **CODE ON SOCIAL SECURITY, 2020**

The Government of India enacted ‘The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee’s Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The laws that the code shall subsume, are currently as follows –

- **The Employees’ Compensation Act, 1923 - The Employees’ Compensation (Amendment) Act 2017**  
The Employees’ Compensation (Amendment) Act, 2017, introduced in the Lok Sabha in August, 2016. The amendment is to the Employees’ Compensation Act, 1923. According to which it is the employer’s responsibility and duty to inform an employee of his rights. According to the Act, “Every employer shall immediately at the time of employment of an employee, inform the employ of his rights to compensation under this Act, in writing as well as through electronic means, in English or Hindi or in the official language of the area of employment, as may be understood by the employee.
- **Employees State Insurance Act, 1948, as amended (the “ESIC Act”)**  
The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.
- **Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 (“the EPF Act”) and the Employees Provident Fund Scheme, 1952**  
Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

- **Maternity Benefit Act, 1961 ("Maternity Act")**

Maternity Leave and benefit to protect the dignity of Motherhood by providing complete and health care to women and her child when she is unable to perform her duty due to health condition. Maternity Act 1961 gives her the assurance that her rights will be looked after while she is at home to care for her child.

Every factory, mine or plantation (including those belonging to Government) and to every shop or establishment wherein 10 or more persons are employed on any day preceding 12 months. Must work in the establishment for 80 days in 12 months before her date of Delivery Women earning less than 15,000 may be offered ESI scheme by her employer and will not be eligible for maternity benefit and but will receive the maternity benefit under ESI scheme. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks of which shall exceed the date of her expected delivery. An additional period of absence is permitted subject to maximum of one month for illness arising out of pregnancy.

- **Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

### **Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")**

The "CLPR Act" seeks to prohibit the engagement of children in certain occupations and to regulate the conditions of work of children in certain other occupations. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods

### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit- Linked Insurance Fund Account."

### **The Employees' Pension Scheme, 1995**

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is a member of EPF or PF has an option of joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of all the employees who are members of the fund.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013 (the "Act")**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace

are both defined in the Act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

### **The Occupational Safety, Health & Working Conditions (Gujarat) Rules, 2021**

The Occupational Safety, Health & Working Conditions (Gujarat) Rules, 2021, aim to ensure the safety, health, and well-being of workers in the state of Gujarat, India. These rules provide comprehensive guidelines for various aspects of workplace safety and health, including but not limited to, safety measures, welfare facilities, working hours, and conditions of employment. They cover a wide range of industries and workplaces, emphasizing the importance of implementing measures to prevent accidents, injuries, and occupational diseases. The rules outline specific requirements for employers regarding the provision of adequate safety equipment, training programs, medical facilities, and emergency response protocols. Additionally, they establish mechanisms for monitoring and enforcing compliance with these regulations to safeguard the rights and interests of workers across different sectors in Gujarat.

### **Contract Labour (Regulation and Abolition) Act, 1970 (the “CLRA Act”)**

The CLRA Act has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA Act applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA Act vests the responsibility on the principal employer of an establishment to which the CLRA Act applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The principal employer is under an obligation to provide various facilities as provided under the CLRA Act, within a prescribed time period, in case the contractor does not provide such facilities. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

### **Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship, 2015**

The Apprentices Act, 1961 was enacted with the objective of regulating the program of training of apprentices in the industry by utilizing the facilities available therein for imparting on-the-job training. The National Policy of Skill Development and Entrepreneurship 2015, launched by the Hon’ble Prime Minister on 15<sup>th</sup> July, 2015, focuses on apprenticeship as one of the key programs for creating skilled manpower in India. The Apprentices Act, 1961 makes it obligatory for employers to engage apprentices under a duly executed contract, in designated trades and in optional trades. Directorate General of Training (DGT) under Ministry of Skill Development & Entrepreneurship monitors the implementation of the scheme of apprenticeship training. All establishments having work force (regular and contract

employees) of 30 or more are mandated to undertake Apprenticeship Programs in a range from 2.5% -15% of its workforce every year.

### **ENVIRONMENT RELATED LAWS**

We are subject to various environmental laws and regulations as the operation of our establishments might have an impact on the environment. The basic purpose of such statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), have been set up in each state and at a central level. Establishments, as prescribed under various regulations are required to obtain consent orders from the PCBs. These consent orders are required to be renewed periodically.

#### **Environment Protection Act, 1986 and Environment (Protection) Rules, 1986**

The Environmental Protection Act, 1986 is an “umbrella”; legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with “environment” defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

#### **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 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 by-laws of the concerned State authorities.

#### **The Water (Prevention and Control of Pollution) Act, 1974 (“Water 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 state PCB. The Water Act also provides that the consent of the concerned state PCB must be obtained prior to establishing any industry, operations or any treatment and disposal system, which is likely to discharge sewage or effluent into a water body.

#### **The Water (Prevention & Control of Pollution) Cess Act, 1977 (“Water Cess Act”) and Water (Prevention & Control of Pollution) Cess Rules, 1978 (“Water Cess Rules”)**

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries by local authorities constituted under the Water Act, with a view to augment the resources of the central and state PCBs for the prevention and control of water pollution. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, inter alia, standards for meters and places where they are to be affixed and the furnishing of returns by consumers.

#### **The Air (Prevention and Control of Pollution) Act, 1981 (“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.

#### **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 Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)**

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

#### **The Public Liability Insurance Act, 1991**

The Public Liability Insurance Act places responsibility on those who own or control hazardous substances for any damage resulting from accidents involving such substances. A roster of hazardous substances falling under the scope of this law is outlined through government notifications. The owner or handler of these substances is additionally mandated to acquire an insurance policy that covers liability in connection with the act. Rules established under the Public Liability Act dictate that the employer is obligated to contribute to the environmental relief fund, an amount equivalent to the premium paid for insurance policies. This contribution is payable to the insurer.

### **STATE-SPECIFIC LAWS**

#### **Gujarat Industrial Policy, 2020**

Gujarat is the most industrialized state in India and has been recognized nationally and globally for offering conducive business ecosystem that is supported by ease of doing business and state-of-the-art infrastructure. The state has witnessed unprecedented growth in terms of investments, both FDI and domestic. With a vision to give additional thrust to “Atmanirbhar Bharat”, the New Gujarat Industrial Policy 2020 is being introduced with added focus on key thrust sectors, strengthening integrated value chains, innovation and research. Besides this, the Gujarat Industrial Policy has provisions to promote industries focusing to adopt sustainable & cleaner manufacturing and innovative Industry 4.0 practices. It also lays objective to encourage entrepreneurship and strengthen MSMEs and facilitate cluster development. The vision of the policy is to make Gujarat a Global Business Destination for next-generation sustainable manufacturing & service industry driven by state-of-the-art infrastructure, employment generation, inclusive & balanced regional development and thereby contribute significantly to “Aatmanirbhar Bharat”. The state has undertaken various measures to enhance the “Ease of Doing Business” experience for existing and prospective enterprises: a) Gujarat Micro, Small and Medium Enterprises (Facilitation of Establishment and Operation) Act, 2019; b) Gujarat Single Window Clearance Act, 2017; c) Strengthening of the Investor Facilitation Agency (IFA). Gujarat Industrial Policy 2020 is offering land on lease, de-linking of incentives from tax structure and replacing it with capital subsidy without any upper ceiling will attract many a soul to take the entrepreneurial path. Gujarat Industrial Policy 2020 spearheads balanced regional development and is the torchbearer for inclusive growth.

#### **Gujarat Stamp Act, 1958**

The purpose of the Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or

creation or extinguishment of any right, title or interest in immovable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the states. Therefore, the State Governments of Gujarat are empowered to prescribe or alter the stamp duty as per their need.

### **Gujarat Fire Prevention and Life Safety Measures Act, 2013**

The state legislatures have also enacted fire control and safety rules and regulations such as the Gujarat Fire Prevention and Life Safety Measures Act, 2013 and its Rules and Regulation, which is applicable to our manufacturing units. The legislation includes provisions in relation to provision of fire safety and life saving measures by occupiers of buildings, licensing provisions and penalties for non-compliance.

### **Shops and Establishments Laws in Various States**

As per the provisions of local Shops and Establishments laws applicable in the state of Gujarat establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including 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.

### **Professions, Trade, Callings and Employments Act in Various States**

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 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.

### **Approvals from Local Authorities**

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

## **LAWS RELATING TO INTELLECTUAL PROPOERTY**

### **Copyright Act, 1957 (“Copyright Act”)**

The Copyright Act grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire.

### **Trademarks Act, 1999 (the “Trade Marks Act”)**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right



as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof.

### **Design Act, 2000 ("Design Act")**

The Design Act, which came into force in May 2001, along with the rules made thereunder consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms, by an industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye. In order to register a design, it must be new or original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or by use or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registered. A registered design is valid for a period of 10 years after which the same can be renewed for a second period of five years, before the expiration of the original period of 10 years. After such period, the design is made available to the public by placing it in the public domain.

### **The Bureau of Indian Standards Act, 2016 ("BIS Act")**

Bureau of Indian Standards Act, 2016 provides for the establishment of the Bureau of Indian Standards ("BIS") for the development of the activities, inter alia, standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services, and formatters connected therewith and incidental thereto. Functions of the BIS include, inter alia, (a) recognizing as an Indian standard, with the prior approval of the Central Government, the mark of any international body or institution at par with the standard mark, for such goods, articles, process, system or service in India or elsewhere; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as maybe prescribed to represent a particular Indian standard; (c) providing training services in relation to inter alia, quality management, standards, conformity assessment; (d) publishing Indian standards; promotion of safety in connection with any goods, article, process, system or service; and (e) any such other functions as may be necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stakeholders.

## **OTHER GENERAL REGULATIONS**

### **The Companies Act, 2013**

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

### **The Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

### **The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act")**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its

discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the SG or the CG. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **The Indian Contract Act, 1872**

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

### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development and Regulation) Act, 1992 read along with relevant rules inter-alia provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a "Director General of Foreign Trade" for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

### **Foreign Exchange Management Act, 1999 ("FEMA") and Regulations framed thereunder**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

### **The Information Technology (Amendment) Act, 2008 (IT Act)**

The Information Technology Act, 2000 (also known as "ITA-2000", or the "IT Act") is an Act of the Indian Parliament (No 21 of 2000) notified on 17 October 2000. It is the primary law in India dealing with cybercrime and electronic commerce. The Act provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "electronic commerce", which involve the use of alternatives to paper-based methods of communication and storage of information, to facilitate electronic filing of documents with the Government agencies and further to amend the Indian Penal Code, the Indian Evidence Act, 1872, the Bankers' Books Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto. A major amendment was made in 2008 introducing Sections 66A and 69 giving wide powers to the government authorities.

## **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

## **Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.

## **Consumer Protection Act, 2019**

Few of the provisions of The Consumer Protection Act, 2019 (“COPRA”) have been notified vide notification No. S.O. 2421(E), dated 23rd July 2020 thus repealing the respective provisions of Consumer Protection Act, 1986. However, the provisions of Consumer Protection Act, 1986, are still valid to the extent COPRA being not notified. The Consumer Protection Act provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. COPRA has brought e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. COPRA also provides for mediation cells for early settlement of the disputes between the parties.

## **The Arbitration and Conciliation Act, 1996**

This Act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimize the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to be mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

### **Public Liability Insurance Act, 1991 (“PLI Act”)**

The Public Liability Insurance (PLI) Act, 1991 was enacted with the objective of providing relief to the victims of accidents that might occur while handling hazardous substances. The owner who has control over handling hazardous substances is required under the Act to pay specified amounts to the victim as interim relief based on no fault liability. Hence, it was made mandatory for every owner handling hazardous substance to take insurance policies for the purpose.

The above referred act has not been amended since 1992 in spite of sea changes in the chemical protocols, business scenario and inflation. Some of the provisions have become redundant in course of time. This act needs to be revisited and made consistent with current policies of Governance. Further, concern was also raised with regard to the decriminalization of existing provisions of the PLI Act in order to reduce compliance to achieve real independence by weeding out fear of imprisonment for simple violations under existing law.

### **The Indecent Representation of Women (Prohibition) Act, 1986 (“IRWA”)**

The IRWA prohibits indecent representation of women through advertisements, publications, writings, paintings, figures or in any other manner. It states that no person shall publish or release any advertisements involving an obscene portrayal of women or agree to participate in the publication or show, in any form. In the event an offence under IRWA has been committed by a company, every person, who, at the time the offence was committed was in-charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

### **The Registration Act, 1908**

The Registration Act, 1908 (“Registration Act”) was enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. The Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property and a lease of immovable property for any term exceeding one year or reserving a yearly rent. It also provides for non-compulsory registration of documents as enumerated in the provisions.

### **The Specific Relief Act, 1963**

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 Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

## **FOREIGN OWNERSHIP LEGISLATIONS:**

### **Investment by Foreign Institutional Investors**

Foreign Institutional Investors including institutions such as pension funds, mutual funds, investment trusts, insurance and reinsurance companies, international or multilateral organizations or their agencies, foreign governmental agencies, foreign central banks, asset management companies, investment managers or advisors, nominee companies and institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended. The initial registration and the RBI’s general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realize capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to

repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

### **Ownership restrictions of FIIs**

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

## HISTORY AND CORPORATE STRUCTURE

### **Brief history of our Company**

Our Company was incorporated as “Karbon Steelmart Private Limited” on April 21, 2011, under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by Registrar of Companies, Maharashtra, Mumbai. Further, pursuant to special resolution passed by the shareholders at the Extra-Ordinary General Meeting held on January 15, 2022, the name of our Company was changed from “Karbon Steelmart Private Limited” to “Karbonsteel Engineering Private Limited” and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Mumbai, Maharashtra, on March 2, 2022. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on May 09, 2024 and the name of our Company was changed from “Karbonsteel Engineering Private Limited” to “Karbonsteel Engineering Limited” vide fresh certificate of incorporation dated June 24, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U74120MH2011PLC216558.

Kirit Shantilal Shah and Jitendra Shantilal Shah were the Initial subscribers to the Memorandum of Association of our Company. The current promoters of our Company are Shrenik Kirit Shah and Mittal Shrenik Shah.

### **Address of the Registered Office:**

The registered office of the Company is located at B-8; Ratnadeep Cosmopolitan CHS Ltd,140-141 S.V. Road, Nr. Shoppers Stop, Andheri (W), Mumbai, Maharashtra, India-400058.

### **Changes in Registered Office of the Company:**

Except as disclosed below, there has been no change in our Registered Office since incorporation.

<b>Effective Date</b>	<b>From</b>	<b>To</b>	<b>Reason for Change</b>
May 15, 2015	5, Vivekanand Villa, 139, S.V. Road, Andheri West, Mumbai Maharashtra, India- 400058	B-8; Ratnadeep Cosmopolitan CHS Ltd,140-141 S.V. Road, Nr. Shoppers Stop, Andheri (W), Mumbai, Maharashtra, India-400058.	Administrative Convenience

### **Main Objects of Our Company:**

The main objects of our Company, as set forth in our Memorandum of Association, are as follows:

To do the business of all types of ferrous metals, non ferrous metals, alloys, steel traders, steel makers, steel converters, steel processors, exporters, importers, retailers, packers, movers, distributors, brokers, iron and steel masters, colliery proprietors, miners, smelters, engineers and otherwise deal in all types of steel, alloy steel, rolled steel, iron and steel foundries, wrought and pig iron, ingots and rods of steel, iron and other ferrous and non ferrous metals and its related and finished steel products.

### **Amendments to the Memorandum of Association**

The following amendments have been made to the Memorandum of Association of our Company since Incorporation:

<b>Date of Shareholder's Resolution</b>	<b>Nature of Amendments</b>
June 27, 2011	Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 9 Lakhs divided into 90,000 Equity Shares of ₹ 10/- each to ₹ 50 Lakhs divided into 5,00,000 Equity Shares of ₹10/- each.

November 12, 2011	Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 50 Lakhs divided into 5,00,000 Equity Shares of ₹10/- each to ₹ 100 Lakhs divided into 10,00,000 Equity Shares of ₹10/- each.
March 08, 2013	Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 100 Lakhs divided into 10,00,000 Equity Shares of ₹10/- each to ₹ 175 Lakhs divided into 17,50,000 Equity Shares of ₹10/- each.
February 16, 2015	Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 175 Lakhs divided into 17,50,000 Equity Shares of ₹10/- each to ₹ 205 Lakhs divided into 20,50,000 Equity Shares of ₹10/- each.
February 23, 2018	Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 205 Lakhs divided into 20,50,000 Equity Shares of ₹10/- each to ₹ 500 Lakhs divided into 50,00,000 Equity Shares of ₹10/- each.
January 15, 2022	Clause I of our Memorandum of Association was amended to reflect the change in our name from “Karbon Steelmart Private Limited” to “Karbonsteel Engineering Private Limited” . Adoption of MOA as per Companies Act, 2013.
February 01, 2024	Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹ 205 Lakhs divided into ₹ 500 Lakhs divided into 50,00,000 Equity Shares of ₹10/- each to ₹ 1500 Lakhs divided into 1,50,00,000 Equity Shares of ₹10/- each.
May 09, 2024	Clause I of our Memorandum of Association was amended to reflect the change in our name from ‘Karbonsteel Engineering Private Limited’ to ‘Karbonsteel Engineering Limited’ pursuant to conversion of our Company from a private limited company to a public limited company.

#### **Adopting new Articles of Association of the Company:**

Our Company has adopted a new set of Articles of Association of the Company in accordance with applicable provisions of the Companies Act 2013 in the Extra Ordinary General Meeting of the Company dated May 09, 2024.

#### **Major events and milestones of our Company:**

The table below sets forth some of the major events in the history of our company:

<b>Year/ F.Y.</b>	<b>Key Events/ Milestone/ Achievements</b>
2011	Incorporation of our company under the name of “Karbon Steelmart Private Limited”.
2014	Established the Khapoli Unit
2017	Established the Umbergaon Unit
2021-22	Crossed Revenue of Rs. 100 Crores
2024	Name of Company changed from “Karbon Steelmart Private Limited” to “Karbon Steel Engineering Private Limited”
2024	Conversion of Company from private limited to public limited
2023-24	Crossed Revenue of Rs. 200 Crores
2025	Completed work order of Mumbai- Ahmedabad High speed bullet train bridge

#### **Corporate profile of our Company:**

For details of our Company’s activities, services, growth, awards & recognitions, technology, marketing strategy, competition and our customers, please refer section titled **“Our Business”**, **“Management’s Discussion and Analysis of Financial Conditions and Results of Operations”** and **“Basis for Offer Price”** on pages 147, 266 and 100 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and shareholding of our Promoters, please refer to sections titled **“Our Management”** and **“Capital Structure”** beginning on page 182 and 69 of the Draft Red Herring Prospectus respectively.

#### **Time and Cost Overruns in Setting up Projects:**

Our Company has not experienced any significant time and cost overrun in setting up projects.

**Our holding company:**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

**Our Associates and Joint Ventures:**

As on date of this Draft Red Herring Prospectus, our Company does not have any associates and joint ventures.

**Our Subsidiary Company:**

As on date of this Draft Red Herring Prospectus, Our Company does not have any Subsidiary Company.

**Accumulated profits or losses:**

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of the firm that have not been accounted for or consolidated by our Company.

**Strategic or Financial Partnerships:**

As on the date of this Draft Red Herring Prospectus, Our Company does not have any strategic or financial partnerships.

**Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks:**

As on the date of the Draft Red Herring Prospectus, there have been no defaults or rescheduling of borrowings with any financial institutions/banks.

**Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc.**

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Draft Red Herring Prospectus.

**Shareholders Agreements**

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Red Herring Prospectus.

**Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company**

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, 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 the Company.

**Other Material Agreements**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.



## OUR MANAGEMENT

### Board of Directors:

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other Directorships
<p><b>Shrenik Kirit Shah</b></p> <p><b>Designation:</b> Chairman &amp; Managing Director</p> <p><b>Age:</b> 44 years</p> <p><b>Date of Birth:</b> October 16,1980</p> <p><b>Address:</b> 301/302 Vijaya Apartments, 3<sup>rd</sup> Floor, Bajaj Road, Vile Parle (West), Mumbai, Maharashtra-400056</p> <p><b>Experience:</b> 19 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> International Master of Business Administration and Bachelor of Commerce (Financial Accounting and Auditing)</p> <p><b>Current Term:</b> For a period of 5 years w.e.f. 01<sup>st</sup> July, 2024 to 30<sup>th</sup> June, 2029, liable to retire by rotation.</p> <p><b>Period of Directorship:</b> Since April 25, 2011</p> <p><b>DIN:</b> 02070901</p>	Nil
<p><b>Mittal Shrenik Shah</b></p> <p><b>Designation:</b> Whole-Time Director</p> <p><b>Age:</b> 41 years</p> <p><b>Date of Birth:</b> May 20, 1983</p> <p><b>Address:</b> 301/302 Vijaya Apartments, 3<sup>rd</sup> Floor, Bajaj Road, Vile Parle (West), Mumbai, Maharashtra-400056</p> <p><b>Experience:</b> 6 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Post Graduate in e- Management and Business Administration Programme (PGeMBA) and Bachelor of Management Studies</p> <p><b>Current Term:</b> For a period of 5 years w.e.f. 01<sup>st</sup> July, 2024 to 30<sup>th</sup> June, 2029, liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since August 25, 2022</p>	Nil

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other Directorships
<p><b>DIN:</b> 07057998</p> <p><b>Saurabh Bhansali</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Age:</b> 37 years</p> <p><b>Date of Birth:</b> October 02, 1987</p> <p><b>Address:</b> 22, Laxmi Market, Beawar, Ajmer, Beawar, Rajasthan -305901.</p> <p><b>Experience:</b> 8 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Chartered Accountant</p> <p><b>Current Term:</b> Liable to retire by rotation</p> <p><b>Period of Directorship:</b> July 01, 2024</p> <p><b>DIN:</b> 06588520</p>	<p><b>Companies:</b></p> <ul style="list-style-type: none"> <li>● Prohut Developers Private Limited</li> <li>● Prowise Learning Hub Private Limited</li> <li>● Prowise Advisory private Limited</li> </ul> <p><b>LLP:</b></p> <ul style="list-style-type: none"> <li>● Desai Bhansali &amp; Associates LLP</li> </ul>
<p><b>Mihen Jyotindra Halani</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 36 years</p> <p><b>Date of Birth:</b> June 21, 1988.</p> <p><b>Address:</b> A 904, Alta Monte, Western Express Highway, Near Shantaram Talav Kurar Village Malad East, Mumbai, Maharashtra – 400097</p> <p><b>Experience:</b> 11 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualifications:</b> Company Secretary</p> <p><b>Current Term</b> For a period of 5 years w.e.f. 25<sup>th</sup> June, 2024 till 24<sup>th</sup> June, 2029, not liable to retire by rotation.</p> <p><b>Period of Directorship:</b> June 25,2024</p> <p><b>DIN:</b> 07063249</p>	<p><b>Companies:</b></p> <ul style="list-style-type: none"> <li>● L.E.K Consulting India Private Limited</li> <li>● Mandawewala Enterprises Limited</li> <li>● Davies Advisors India Private Limited</li> </ul> <p><b>LLP:</b></p> <ul style="list-style-type: none"> <li>● Hakluyt India LLP</li> <li>● L.E.K. Management Consulting LLP</li> <li>● Anuvrta Advisors LLP</li> </ul>
<p><b>Sunil Kathariya</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 64 years</p> <p><b>Date of Birth:</b> June 01, 1960</p>	<p>Nil</p>

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other Directorships
<p><b>Address:</b> 1<sup>st</sup> Main, 6<sup>th</sup> cross, Gandhi Colony Hospet, Vijaynagar, Ballari, Karnataka-583201</p> <p><b>Experience:</b> 27 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualifications:</b> Bachelor of Engineering</p> <p><b>Current Term:</b> For a period of 5 years w.e.f. 01<sup>st</sup> May, 2024 till 30<sup>th</sup> April, 2029, not liable to retire by rotation.</p> <p><b>Period of Directorship:</b> May 01, 2024</p> <p><b>DIN:</b> 07155856</p>	

### **Brief Profile of Directors:**

1. **Shrenik Kirit Shah**, Promoter and Managing Director of our Company has been on the Board since 2011. He has completed his Bachelor of Commerce (Financial Accounting and Auditing) from Shri Narsee Monjee College of Commerce, Mumbai in the year 2001 and later on completed International Master of Business Administration from University of South Columbia, USA in the year 2005. He possess overall experience of 19 years in the steel trading and structural steel fabrication industry. Prior to founding the company, he served as a Senior Manager at Hariyana International Private Limited from year 2005 till 2010, where he was responsible for managing the supply chain for steel products. He looks after the day-to-day operations of the Company including production, business development and finance.
2. **Mittal Shrenik Shah**, Promoter and Whole Time Director of our Company, has been on Board since 2022. She has completed Bachelor of Management Studies from the University of Mumbai in the year 2004 and Post Graduate in e- Management and Business administration Programme from MET Leagues of Colleges, Mumbai Educational Trust in the year 2006. Previously, she has worked with HSBC Financial Services as NRI sales and wealth manager from the year 2006 till 2009. She looks after the overall administration function of our Company.
3. **Saurabh Bhansali**, is the Non- Executive Director of our Company. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and possess 8 years of experience in Internal Audit, Risk Management and compliances services. He is the founder of Desai Bhansali and Associates LLP.
4. **Mihen Jyotindra Halani**, is the Independent Director of our Company. He is a qualified Company Secretary from the Institute of Company Secretaries of India. He is the founding partner of M/s Mihen Halani and Associates and possess 11 years of experience in corporate advisory services such as corporate governance, secretarial audits, transaction advisory etc.
5. **Sunil Kathariya**, is the Independent Director of our Company. He has completed Bachelor of Engineering from Gulbarga University in the year 1985. He possess 27 years of experience in the field of structural work. He started his career with JSW Steel Limited in the year 1995 as Deputy Manager and retired as Sr. executive Vice president in the year 2022, where he has headed various structural works and expansion projects such as Iron ore pipe conveyor pipe, Blast furnace, Steel making shop etc.

### **Confirmations:**

As on the date of this Draft Red Herring Prospectus:

- a) None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares has been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- b) None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- c) None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
- d) None of our Directors is declared as fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

**Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

**Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

**Details of Borrowing Powers of Directors:**

Pursuant to a special resolution passed at an Extra-ordinary General Meeting of our Company held on August 31, 2024 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company have authorized to borrow money from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 200 Crores.

**Compensation of our Managing Director & Whole-time Director:**

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

**a. The following compensation has been approved for Managing Director & Whole time Director:**

**1. Shrenik Kirit Shah, Chairman and Managing Director:**

Pursuant to the resolutions passed by our Board and our Shareholders on July 01, 2024 and July 05, 2024 respectively, Shrenik Kirit Shah was re designated as Chairman and Managing Director for a period of five years with effect from 01 July 2024 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 36 lakhs per annum.

**2. Mittal Shrenik Shah, Whole Time Director**

Pursuant to the resolutions passed by our Board and our Shareholders on July 01, 2024 and July 05, 2024 respectively, Mittal Shrenik Shah was designated as Whole Time Director for a period of five years with effect from 01 July, 2024 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 24 lakhs per annum.

### Payments or benefits to Directors:

The remuneration paid to our Directors in Fiscal 2024 is as follows:

Name of Director	Remuneration paid in F.Y. 2023-24 (in Rs.)
Shrenik Kirit Shah	24 lakhs
Mittal Shrenik Shah	12 lakhs

### Bonus or Profit- Sharing Plan for our Directors:

We have no bonus or profit- sharing plan for our Directors.

### Sitting Fees:

Our Board of Directors have resolved in their meeting dated May 02, 2024 for payment of sitting fees to Directors (including independent directors) of the Company, such sum as may be decided by the Board of Directors which shall be Rs 10,000 (Rupees Ten thousand Only) per meeting of the Board or Committee thereof, attended by such director.

### Shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Directors	No. of Shares Held	Holding in % (Pre-Issue)
1.	Shrenik Kirit Shah	54,06,240	48.69
2.	Mittal Shrenik Shah	21,06,160	18.97
	<b>Total</b>	<b>75,12,400</b>	<b>67.67</b>

*None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus.*

As on date of the filing of this Draft Red Herring Prospectus, we do not have any Subsidiary as defined under Section 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

### INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **“Our Management”** beginning on page 182 of this Draft Red Herring Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/ Members/ Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/ Members/ Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** on page 259 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

**Interest of Directors in the property of Our Company:**

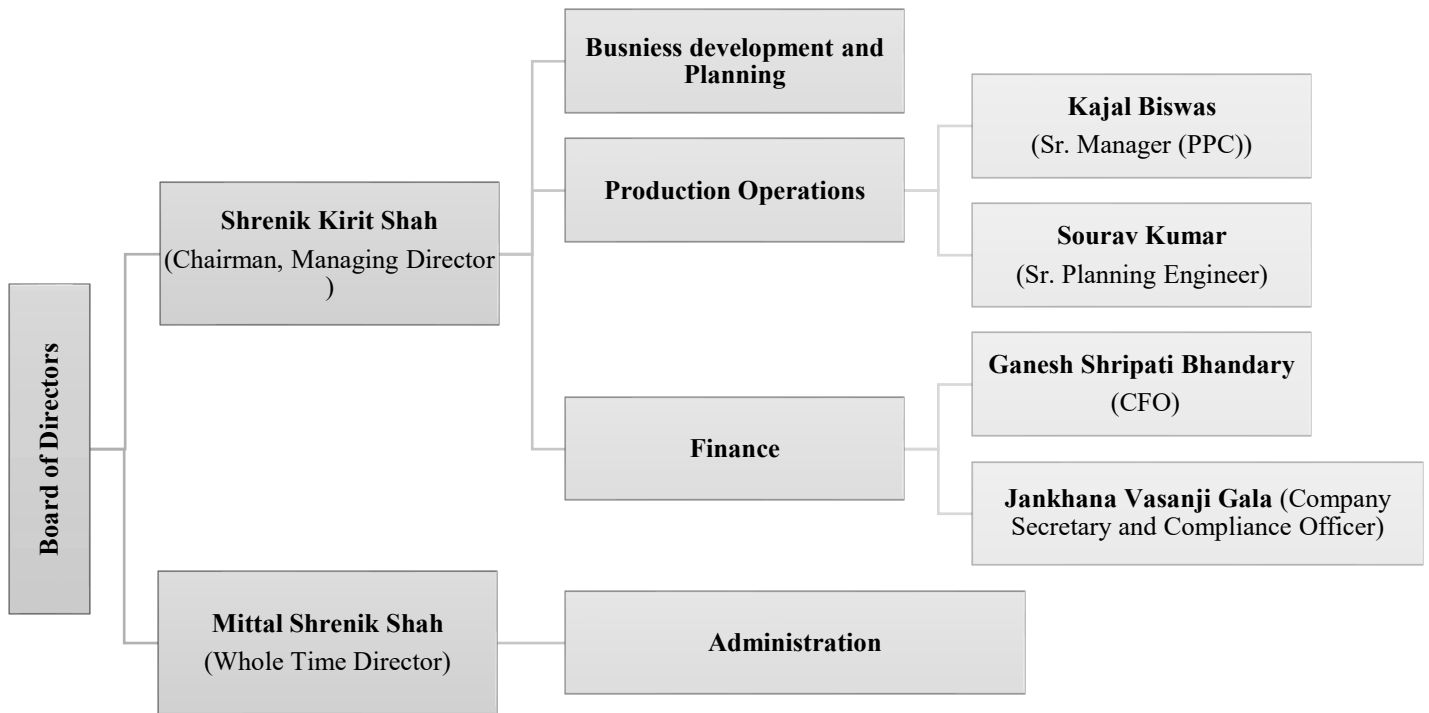
Our directors do not have any interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing the Draft Red Herring Prospectus with RoC except as stated in this section **“Our Business- Properties”** or the section titled **“Financial information of the Company –Annexure X - Related Party Transactions”** beginning on page 245 of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

**Changes in Board of Directors in Last 3 Years:**

<b>Name of Director</b>	<b>Date of Change</b>	<b>Reasons for Change in Board</b>
Mittal Shrenik Shah	August 25, 2022	Appointed as Additional Director
Mittal Shrenik Shah	September 30, 2022	Regularised as Director
Shrenik Kirit Shah	July 01, 2024	Re designated as Chairman and Managing Director
Mittal Shrenik Shah	July 01, 2024	Re designated as Whole Time Director
Saurabh Bhansali	July 01, 2024	Appointed as Non - executive Director
Mr. Sunil Kathariya	May 01, 2024	Appointment as Independent Director
Mr. Mihen Jyotindra Halani	June 25, 2024	Appointment as Independent Director

**MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure -



## **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME platform of BSE (BSE SME). The requirements pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of five (5) directors of which two (2) are Independent Directors, and we have One women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### **1. Audit Committee**

Our Company has formed an Audit Committee, vide Board Resolution dated August 31, 2024 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) Rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mihen Jyotindra Halani	Chairman	Independent Director
Shrenik Kirit Shah	Member	Managing Director
Saurabh Bhansali	Member	Non - Executive Director
Sunil Kathariya	Member	Independent Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

#### **A. Tenure of the committee:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### **B. Meetings of the Committee:**

The committee shall meet at least four times in a year and not more than one hundred and twenty day shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries.

#### **C. Power of the Committee:**

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;

- d) to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- e) To have full access to information contained in records of Company.

**D. Role of the Committee:**

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- 2) Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- 3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4) Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- 5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
  - 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; and
  - g. Qualifications and modified opinions in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 7) Reviewing, with the management, the statement of uses/ application of funds raised through an Offer (public Offer, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- 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) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 14) 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;
- 15) Discussing with internal auditors on any significant findings and follow up thereon;
- 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) Looking 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;
- 19) Reviewing the functioning of the whistle blower mechanism;
- 20) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;



- 21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- 22) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- 23) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

Further, the Audit Committee shall mandatorily review the following:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed an Stakeholders Relationship Committee vide Board Resolution dated August 31, 2024 as per the applicable provisions of the Section 178(5) of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mihen Jyotindra Halani	Chairman	Independent Director
Saurabh Bhansali	Member	Non - Executive Director
Sunil Kathariya	Member	Independent Director

The scope and function of the Committee and its terms of reference shall include the following:

### A. Tenure of the committee:

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

### B. Meetings of the committee:

The Stakeholders Relationship Committee shall meet at least once a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The Chairman of the Stakeholders Relationship Committee shall be present at the Annual General Meeting to answer queries of the securities holders. The Quorum shall be two members present.

### C. Terms of Reference:

The role of the Stakeholders Relationship Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Resolving the grievances of the security holders of the listed entity 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 the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;
5. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized;
6. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
8. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/ dividend warrants, non-receipt of annual report and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties;
9. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time;
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting; and
12. Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

### 3. Nomination and Remuneration Committee

Our Company has formed a Nomination and Remuneration Committee vide Board Resolution dated August 31, 2024 as per the applicable provisions of the Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mihen Jyotindra Halani	Chairman	Independent Director
Saurabh Bhansali	Member	Non - Executive Director
Sunil Kathariya	Member	Independent Director

The scope and function of the Committee and its terms of reference shall include the following:

#### A. Tenure of the committee:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

#### B. Meetings of the committee:

The committee shall meet as and when the need arises, subject to at least once in a year. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The Chairman of the Nomination and Remuneration Committee is entitled to attend the general Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration.

#### C. Role of Terms of Reference:

The role of the Nomination and Remuneration Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. formulating the criteria for determining qualifications, positive attributes and independence of a director and

- recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. For the appointment of an independent director, the 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 of directors of the Company 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 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 the performance of independent directors and the Board;
  4. devising a policy on diversity of our Board;
  5. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
  6. determining 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. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
  8. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
  9. recommending to the Board, all remuneration, in whatever form, payable to senior management;
  10. performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
  11. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
  12. analyzing, monitoring and reviewing various human resource and compensation matters;
  13. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  14. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
    - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
  15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

#### 4. Corporate Social Responsibility Committee

Our Company has re-constituted the Corporate Social Responsibility Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 vide Board resolution dated August 31, 2024. The Corporate Social Responsibility Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Sunil Kathariya	Chairman	Independent Director
Saurabh Bhansali	Member	Non - Executive Director
Shrenik Kirit Shah	Member	Managing Director

The Committee shall act in accordance with the provisions of Companies Act, 2013 and the tenure, meeting and terms of reference specified hereunder:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on activities referred to in Section 135(a) of the Companies Act, 2013;
3. To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;

4. To Monitor the Corporate Social Responsibility policy of the Company from time to time; and 5. Any other matter of CSR Committee may deem appropriate after approval of the Board of Directors or as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 or other applicable law.

#### KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of Joining	Remuneration paid for F.Y. ended 2023-24 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
<b>Shrenik Kirit Shah</b> <b>Designation:</b> Managing Director <b>Educational Qualification:</b> International Master of Business Administration and Bachelor of Commerce (Financial Accounting and Auditing) <b>Term of office:</b> For a period of five year with effect from July 01, 2024; liable to retire by rotation	44	2011	24.00	19	Hariyana International Private Limited
<b>Mittal Shrenik Shah</b> <b>Designation:</b> Whole-Time Director <b>Educational Qualification:</b> Post Graduate in e- Management and Business Administration Programme (PGeMBA) and Bachelor of Management Studies <b>Term of office:</b> For a period of five year with effect from July 01, 2024; liable to retire by rotation	41	2022	12.00	6	HSBC Financial Services
<b>Ganesh Shripati Bhandary</b> <b>Designation:</b> Chief Financial Officer (CFO) <b>Educational Qualification:</b> M.com <b>Term of office:</b> designated as CFO with effect from February 01, 2025	33	2015	Nil	14	Tamhane and Mehta
<b>Jankhana Vasanji Gala</b> <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification:</b> Company Secretary and Bachelor of Law	29	2024	Nil	2.5	Waterfall Insolvency Professionals Private Limited

#### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Shrenik Kirit Shah** - Please refer to section “**Brief Profile of our Directors**” beginning on page 184 of this Draft Red Herring Prospectus for details.

**Mittal Shrenik Shah** - Please refer to section “**Brief Profile of our Directors**” beginning on page 184 of this Draft Red Herring Prospectus for details.

**Ganesh Shripati Bhandary** is the Chief Financial Officer of our Company. He holds a Master of Commerce degree from the University of Mumbai. With 14 years of experience in the finance sector, Ganesh began his career in 2011 as an Accounts Assistant at Tamhane & Mehta, Chartered Accountants. In 2014, he transitioned to Glow Pharma

Private Limited as an Accountant Executive. Later on, he joined our Company as Accounts Manager in year 2015 and Presently, he is re designated as Chief Financial Officer w.e.f February 01, 2025 He is responsible for managing and overseeing the company's financial and accounting operations.

**Jankhana Vasanti Gala** is the Company Secretary and Compliance officer of our Company. She is a qualified Company Secretary and an associate member of the Institute of Company Secretaries of India. In addition, she completed her Bachelor of Law from Symbiosis International University in 2020. With more than 2 years of experience in corporate governance and secretarial compliance, Jankhana oversees the overall corporate governance and secretarial matters of our company. Previously, she has worked with Integreon Managed solutions India Pvt Limited as Associate L1, Comfort Fincap Limited as Executive Company Secretary and Waterfall Insolvency Professionals Private Limited as Assistant Manager. She has been appointed as Company Secretary and Compliance Officer of our Company with effect from July 01, 2024.

#### **Senior Management Personnel of our Company (SMP)**

In addition to Company Secretary & Compliance Officer and Chief Financial Officer of our Company, whose details are provided in “**Our Management -Key Managerial Personnel**” on page 193, the details of our other Senior Management Personnel are set forth below:

**Kajal Biswas** is the Senior Manager (PPC) of our Company. He completed his diploma in Mechanical engineering from West Bengal State council of Technical education in the year 2001 and Bachelor Programme in Mechanical Engineering in the year 2011. He possesses 21 years of experience in the field of managing production operations and previously worked with Mehra Electric Co., Royal Infraconstru Limited, Gannon Dunkerley and Co. Limited, GPT Infraprojects Limited and Goodluck Mettalics. He is associated with our company since 2024. He is responsible for overseeing and managing the entire production process within our manufacturing facility and also ensures that production runs smoothly, efficiently and safely while upholding quality standards throughout the process.

**Sourav Kumar** is the Senior Planning Engineer of Our Company. He has completed his Bachelor of Engineering from Visvesvaraya Technological University in the year 2012. He possesses 11 years of experience in managing production plants and assuring quality control. He is associated as Senior Planning Engineer with our Company since 2021. He plays a vital part in the strategic planning and execution of engineering projects. He oversees the planning process, ensuring that projects are delivered on time, within budget, and meet the required quality standards.

**We confirm that:**

- a. All the persons named as our Key Managerial Personnel and Senior Management Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- c. None of our KMPs and SMPs except Shrenik Kirit Shah and Mittal Shrenik Shah are also part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the Year ended March 2024.
- e. Except for the terms set forth in the appointment letters, the Key Managerial Personnel and Senior Management Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personne and Senior Management Personnel.
- g. None of the Key Managerial Personnel and Senior Management Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except:

<b>Sr. No.</b>	<b>Name of the KMP's and SMP's</b>	<b>No. of Shares held</b>
1	Shrenik Kirit Shah	54,06,240
2	Mittal Shrenik Shah	21,06,160
	<b>Total</b>	<b>75,12,400</b>

- h. Presently, we do not have ESOP/ ESPS scheme for our employees.  
i. The turnover of KMPs is not high, compared to the Industry to which our company belongs.

**Nature of any family relationship between our Directors and Key Managerial Personnel (KMP) and Senior Management Personnel (SMP);**

The Directors and KMPs and SMPs of the Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. no.	Name of Director/KMPs/ SMPs	Relationship with other Directors/KMPs/SMPs
1.	Shrenik Kirit Shah	Husband of Mittal Shrenik Shah
2.	Mittal Shrenik Shah	Wife of Shrenik Kirit Shah

**Payment of benefits to officers of Our Company (non-salary related)**

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/ rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer’s employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

**Changes in the Key Managerial Personnel and Senior Management Personnel in last three years:**

There have been no changes in the Key Managerial Personnel and Senior Management Personnel of our Company during the last 3 (three) year except as stated below:

Name of KMP/SMP	Date	Designation (at the time of appointment/ Change in designation/ Cessation)	Reason
Kajal Biswas	February 17, 2024	Appointed as Senior Manager (PPC)	To ensure better Corporate Governance and compliance with Companies Act, 2013
Shrenik Kirit Shah	July 01, 2024	Re designated as Chairman and Managing Director	
Mittal Shrenik Shah	July 01, 2024	Re designated as Whole Time Director	
Jankhana Vasanji Gala	July 01, 2024	Appointed as Company Secretary and Compliance Officer	
Samridhi Bhansali	February 01, 2025	Resignation as Chief Financial Officer (CFO)	
Ganesh Shripati Bhandary	February 01, 2025	Appointed as Chief Financial Officer (CFO)	

**Interest of Our Key Managerial Person and Senior Management Personnel**

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal and Senior Management Personnel are interested in our Company. For details, please refer section titled “*Financial information of the Company – Annexure X- Related Party Transactions*” beginning on page 245 of this Draft Red Herring Prospectus.

**Interest of KMP’s and SMP’s in the property of Our Company:**

Except as disclosed in the section titled “*Our Business - Properties*” and “*Financial Information – Related party transactions*” on pages 162 and 245, our KMP’s and SMP’s do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

### **Other Interests in our Company**

Except as stated in this section *“Our Management”* or the section titled *“Financial information of the Company – Annexure X - Related Party Transactions”* beginning on page 182 and 245 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our KMPs and SMPs do not have any other interest in our business.

### **Details of Service Contracts of the Key Managerial Personnel and Senior Management Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel and Senior Management Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

### **Loans given/ availed by Directors/ Key Managerial Personnel/ Senior Management Personnel of Our Company**

For details of unsecured loan taken from or given to our Directors/ KMPs/ SMPs and for details of transaction entered by them in the past please refer to *“Annexure X – Related Party Transactions”* page 245 of this Draft Red Herring Prospectus.

### **Employee Stock Options**

Presently, we do not have any ESOP/ ESPS Scheme for our employees.

## OUR PROMOTERS & PROMOTER GROUP

### OUR PROMOTERS:

Shrenik Kirit Shah and Mittal Shrenik Shah are the promoters of our Company.

As on date of this Draft Red Herring Prospectus, Our Promoters, in aggregate, holds 75,12,400 Equity shares of our Company, representing 67.67 % of the pre- offer paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – Capital Build-up in respect of Shareholding of our Promoters*", on page 78 of this Draft Red Herring Prospectus.

### Brief Profile of our Promoters is as under:



**SHRENIK KIRIT SHAH**  
*(Chairman & Managing Director)*

**Qualification:** International Master of Business Administration and Bachelor of Commerce (Financial Accounting and Auditing)

**Experience:** 19 years

**Age:** 44 years

**Date of Birth:** October 16, 1980

**PAN:** AAOPS2010A

**Address:** 301/302 Vijaya Apartment, 3<sup>rd</sup> Floor, Bajaj Road, Vile Parle (West), Mumbai, Maharashtra-400056

**No. of Equity Shares & % of Shareholding (Pre-offer):** 54,06,240 equity shares aggregating to 48.69 % of Pre- Offer Paid up Share Capital of the Company

**Other Directorship held:** NIL

**Other Ventures:** NIL



**MITTAL SHRENIK SHAH**  
*(Whole Time Director)*

**Qualification:** Post Graduate in e- Management and Business Administration Programme (PGeMBA) and Bachelor of Management Studies

**Experience:** 6 years

**Age:** 41 years

**Date of Birth:** May 20, 1983

**PAN:** AZPPS8344F

**Address:** 301/302 Vijaya Apartments, 3<sup>rd</sup> Floor, Bajaj Road, Vile Parle (West), Mumbai, Maharashtra-400056

**No. of Equity Shares & % of Shareholding (Pre-offer):** 21,06,160 equity shares aggregating to 18.97 % of Pre- Offer Paid up Share Capital of the Company

**Other Directorship held:** NIL

**Other Ventures:** NIL



For Brief Profile of Our Promoters, please refer to Chapter “*Our Management*” beginning on page 182 of this Draft Red Herring Prospectus for details.

**Confirmations:**

Our Company undertakes that the details of Permanent Account Number, Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number of the Promoters will be submitted at the time of submission of this Draft Red Herring Prospectus to the BSE for listing of the securities of our Company on BSE SME Platform.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as willful defaulter or a fraudulent borrower by the RBI or any other governmental authority. No violations of securities laws have been committed by our Promoters or members of our Promoter Group in the past or are currently pending against them. None of (I) our Promoters and members of our Promoter Group or persons in control of ; (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Our Promoters have not been declared as fugitive economic offenders as defined under the SEBI (ICDR) Regulations.

**Change in the control of our Company:**

There has been no change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

**Interest of our Promoters:**

**i. Interest in promotion and shareholding of Our Company:**

Our Promoters are interested in our Company to the extent that (i) they are the promoters of our Company and (ii) to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. For details regarding the shareholding of our Promoters in our Company, please see “*Capital Structure*” on page 69 of this Draft Red Herring Prospectus.

Our Promoters, who are also Directors and Key Managerial Personnel of our Company, may be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, please refer to “*Annexure X- Related Party Transactions*” beginning on page 245 of this Draft Red Herring Prospectus.

**ii. Interest in the property of Our Company:**

Our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus except as mentioned under the section “*Our Business - Properties*” and “*Annexure X - Related Party Transactions*” on page nos. 162 and 245 respectively, of this Draft Red Herring Prospectus.

**iii. Other Interests in our Company**

*For transactions in respect of loans and other monetary transactions entered in past please refer “Annexure X- Related Party Transactions” on page 245 forming part of “Financial Information of the Company” of this Draft Red Herring Prospectus.*

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.

Further, our promoters may be interested to the extent of personal guarantees given by them in favor of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” and “*Financial Information of Our Company*” on page 259 and 202 respectively of this Draft Red Herring Prospectus.

**Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

Save and except as disclosed under “*Compensation of our Managing Director and Whole Time Director*” in the chapter titled “*Our Management*” beginning on page 185 of this Draft Red Herring Prospectus and also refer “*Annexure X- Related Party Transactions*” on page 245 of this Draft Red Herring Prospectus forming part of “*Financial Information of the Company*”, there has been no Payment or benefit to promoters during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

**Companies/Firms with which our Promoters have disassociated in the last (3) three years**

Our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus.

**Other ventures of our Promoter**

Save and except as disclosed in this section titled “*Our Promoter & Promoter Group*” beginning on page 197 of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

**Litigation details pertaining to our Promoter**

For details on litigations and disputes involving our Promoters, please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 275 of this Draft Red Herring Prospectus.

**Experience of Promoters in the line of business**

Our Promoter, Mr. Shrenik Kirit Shah has adequate experience in the business activities undertaken by our Company. For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled “*Our Management*” beginning on page 182 of this Draft Red Herring Prospectus.

**Related Party Transactions**

Except as stated in “*Annexure X - Related Party Transactions*” beginning on page 245 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

**OUR PROMOTER GROUP:**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018:

**i. Individuals forming part of the Promoter Group:**

Relationship	Shrenik Kirit Shah	Mittal Shrenik Shah
Father	Late Kirit Shantilal Shah	Anil Vrajlal Sheth
Mother	Smitaben Kirit Shah	Varsha Anil Sheth

Spouse	Mittal Shrenik Shah	Shrenik Kirit Shah
Brother	Bhavin Kiritbhai Shah	-
Sister	Kunjal Viren Shah	Jharna Nihar Ajmera Shalini Jigar Shah
Son	Master Vyom Shrenik Shah	Master Vyom Shrenik Shah
Daughter	-	-
Spouse's Father	Anil Vrajlal Sheth	Late Kirit Shantilal Shah
Spouse's Mother	Varsha Anil Sheth	Smitaben Kirit Shah
Spouse's Brother	-	Bhavin Kiritbhai Shah
Spouse's Sister	Jharna Nihar Ajmera Shalini Jigar Shah	Kunjal Viren Shah

**ii. Corporate Entities or Firms forming part of the Promoter Group:**

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

S. No.	Nature of Relationship	Name of Entities
1.	any body corporate in which twenty per cent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member;	Nil
2.	any body corporate in which a body corporate as provided in (A) above holds twenty per cent. Or more, of the equity share capital; and	N/A
3.	any Hindu Undivided Family or Trust or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. Of the total capital;	<ul style="list-style-type: none"> <li>• Kirti Shantilal Shah (HUF)</li> <li>• Siddhi Plast, Partnership Firm</li> <li>• Veekay Enterprises, Partnership Firm</li> <li>• Sheth and Company, Partnership Firm</li> <li>• Sun Plast, Partnership Firm</li> </ul>

**iii. Other persons included in Promoter Group:**

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1)(pp)(v) of SEBI (ICDR) Regulations 2018.

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. Pleas Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the last three financial years to the date of the filing of this Draft Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

**SECTION VI- FINANCIAL INFORMATION OF THE COMPANY**

**RESTATED FINANCIAL STATEMENTS**

**Independent Auditor's Report on Restated Financial Statements**

To,

**The Board of Directors,**

**Karbonsteel Engineering Limited,**

B-8, Ratnadeep Cosmopolitan CHS Ltd,

140-141 S.V. Road, Nr. Shoppers Stop, Andheri (W),

Mumbai, Maharashtra - 400058

Dear Sir/Ma'am

1. We have examined the attached Restated Financial Information of **Karbonsteel Engineering Limited (formerly known as Karbonsteel Engineering Private Limited)**, comprising the Restated Statement of Assets and Liabilities as at September 30, 2024, and as at March 31, 2024, March 31, 2023 and March 31, 2022 the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period ended September 30, 2024 and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 21<sup>st</sup> March, 2025 for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO").

These restated Summary Statement have been prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act")
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI")
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus /Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Mumbai and the SME Platform of BSE Limited (BSE Emerge) in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. The Board of Directors' responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
  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 11<sup>th</sup> September, 2024 in connection with the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of relevant stock Exchange. (“IPO” or “SME IPO”);
  - 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 IPO.
4. These Restated Financial Information have been compiled by the management from: -
- a. Audited Special Purpose Interim Financial Statements of the Company for the six months period ended September 2024 prepared in accordance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts Rules), 2014, which has been approved by the Board of Directors at their meeting held on 21<sup>st</sup> March 2025.
  - b. Audited financial statements of the company for the year ended March 31<sup>st</sup> 2024, March 31<sup>st</sup> 2023 and March 31<sup>st</sup> 2022 prepared in accordance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts Rules), 2014, which has been approved by the Board of Directors at their meeting held on 10<sup>th</sup> September, 2024, 3<sup>rd</sup> September, 2023, 01<sup>st</sup> September, 2022 respectively.
5. We have audited the special purpose financial information of the Company for the six months period ended September 30<sup>th</sup> 2024 prepared by the Company in accordance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts Rules), 2014 for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated 21<sup>st</sup> March 2025 for the special purpose financial information to the Board of Directors who have approved these in their meeting held on 21<sup>st</sup> March 2025.
6. For the purpose of our examination, we have relied on:
- a. Auditors’ Report issued by us dated 21<sup>st</sup> March 2025 on the special purpose financial statements of the Company for the six months period ended September 30, 2024, and Auditors Report issued by us dated 10<sup>th</sup> September 2024 for the year ended on March 31<sup>st</sup>, 2024, respectively as referred in paragraph 4 and 5 above.
  - b. Auditors’ Report issued by previous auditors dated 3<sup>rd</sup> September 2023 and 1<sup>st</sup> September 2022 on the financial statements of the company for the year ended on March 31<sup>st</sup> 2023 and March 31<sup>st</sup> 2022 respectively as referred in Paragraph 4(b) above
7. Based on our examination and according to the information and explanations given to us, we report that:

- a. The “Restated Summary Statement of Assets and Liabilities” as set out in Annexure I to this report, of the Company as at September 30, 2024, and as at March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
- b. The “Restated Summary Statement of Profit and Loss” as set out in Annexure II to this report, of the Company for the six months period ended on September 30, 2024, and for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
- c. The “Restated Summary Statement of Cash Flow” as set out in Annexure III to this report, of the Company for the period ended on September 30, 2024, for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
- d. The Restated Summary Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
- e. The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- f. The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments;
- g. Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
- h. There were no qualifications in the Audit Reports issued by the Statutory Auditors for the six months period ended on September 30, 2024, for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022, which would require adjustments in this Restated Financial Statements of the Company;
- i. Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV to this report;
- j. There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements

- k. There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
  - l. The Company has not declared dividend during the period.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the six months period ended on September 30, 2024, for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus /Prospectus.

<b>Annexure of Restated Financial Statements of the Company: -</b>
a. Restated Summary Statement of Assets and Liabilities in Annexure I
b. Restated Summary Statement of Profit and Loss in Annexure II
c. Restated Summary Statement of Cash Flows in Annexure III
d. Significant Accounting Policies and Notes to Accounts as restated in Annexure IV
e. Details of Share Capital/ Reserve and Surplus as Restated appearing in Annexure A to this report;
f. Details of Long Term/Short Term Borrowings as Restated appearing in Annexure B to this report;
g. Nature of Security and Terms of Repayment for Long term/Short term Borrowings appearing in Annexure B(A) and B(B) to this report;
h. Details of Deferred Tax (Assets)/Liabilities (Net) as Restated appearing in Annexure C to this report;
i. Details of Long-Term Provisions as Restated appearing in Annexure D to this report;
j. Details of Trade Payables as Restated appearing in Annexure E to this report;
k. Details of Other Current Liabilities/ Short term provision as Restated appearing in Annexure F to this report;
l. Details of Property Plant Equipment & Intangible Asset Restated appearing in Annexure G to this report;
m. Details of Long-Term Loans and Advances as Restated appearing in Annexure H to this report;
n. Details of Other Non-Current Assets as Restated appearing in Annexure I to this report;
o. Details of Inventories as Restated appearing in Annexure J to this report;
p. Details of Trade Receivables as Restated appearing in Annexure K to this report;
q. Details of Cash and Cash Equivalents as Restated appearing in Annexure L to this report;
r. Details of Short-Term Loans and Advances as Restated appearing in Annexure M to this report;
s. Details of Other Current Assets as Restated appearing in Annexure N to this report;
t. Details of Revenue from operations as Restated appearing in Annexure O to this report;
u. Details of Other Income as Restated appearing in Annexure P to this report;
v. Details of Cost of Material Consumed and Purchase of Stock in Trade as restated appearing in Annexure Q to this report;
w. Details of Change in Inventory of Work-in-Progress and Stock in Trade as restated appearing in Annexure R to this Report;
x. Details of Employee Benefit Expenses as restated appearing in Annexure S to this report;
y. Details of Finance Cost as restated appearing in Annexure T to this report;
z. Details of Depreciation and Amortisation Expenses as restated appearing in Annexure U to this report;
aa. Details of Other Expense as restated appearing in Annexure V to this report;
bb. Details of Mandatory Accounting ratios as restated appearing in Annexure W to this report;
cc. Details of Related Parties Transactions as Restated appearing in Annexure X to this report;
dd. Details of statement of Capitalization as restated appearing in Annexure Y to this report;
ee. Details of Statement of Tax Shelter as Restated appearing in Annexure Z to this report;
ff. Details of Contingent liabilities as restated appearing in Annexure AA to this report;
gg. Details of Other Financial Ratios as restated appearing in Annexure AB to this report;
hh. Details of Additional notes as restated appearing in Annexure AC to this report;



9. We, M/s. Rao & Shyam Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI which is valid till 31<sup>st</sup> July 2025.
10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim financial statements and audited financial statements mentioned in paragraph 4 above.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus /Prospectus to be filed with Securities and Exchange Board of India, SME Platform of BSE Limited (BSE Emerge) and Registrar of Companies, Mumbai 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 Rao & Shyam,  
Chartered Accountants  
Firm’s Registration Number – 006186S

Sd/-  
CA Vibhor Kala  
Partner  
Membership Number - 143553  
UDIN – 25143553BMOZJP4360

Place: Mumbai  
Date: 21<sup>st</sup> March 2025

**ANNEXURE I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amount in Rs. Lakh)

S. No.	PARTICULARS	Annexure No.	As at September 30, 2024	As at March 31,		
				2024	2023	2022
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1.</b>	<b>Shareholders' Funds</b>					
(a)	Share Capital	A	555.11	538.46	499.60	499.60
(b)	Reserves & Surplus		4,679.74	3,841.10	2,374.03	1,863.33
			<b>5,234.85</b>	<b>4,379.56</b>	<b>2,873.63</b>	<b>2,362.93</b>
<b>2.</b>	<b>Non Current Liabilities</b>					
(a)	Long Term Borrowings	B, B(A) and B(B)	2,202.37	1,934.59	2,174.58	1,506.02
(b)	Other Long Term Liabilities		-	-	-	-
(b)	Deferred Tax Liabilities (Net)	C	49.41	45.76	32.05	28.97
(c)	Long Term Provisions	D	29.12	23.90	19.78	14.19
			<b>2,280.89</b>	<b>2,004.24</b>	<b>2,226.41</b>	<b>1,549.18</b>
<b>3.</b>	<b>Current Liabilities</b>					
(a)	Short Term Borrowings	B, B(A) and B(B)	5,437.79	4,048.86	2,677.30	2,569.07
(b)	Trade Payables					
(i)	Due to micro, small and medium enterprises	E	188.86	177.95	110.93	55.10
(ii)	Due to Other than micro, small and medium enterprises		7,868.66	6,394.31	6,272.52	3,168.87
(c)	Other Current Liabilities	F	104.73	422.35	135.91	38.86
(d)	Short Term Provisions		293.98	186.36	78.89	40.85
			<b>13,894.02</b>	<b>11,229.84</b>	<b>9,275.56</b>	<b>5,872.74</b>
	<b>Total Equity and Liabilities</b>		<b>21,409.77</b>	<b>17,613.64</b>	<b>14,375.60</b>	<b>9,784.85</b>
<b>B)</b>	<b>ASSETS</b>					
<b>1.</b>	<b>Non Current Assets</b>					
(a)	Property, Plant & Equipment and Intangible Assets	G				
i)	Property, Plant and Equipment		2,898.03	2,658.45	1,814.92	1,558.21
ii)	Intangible Assets		4.77	2.11	6.81	4.74
			<b>2,902.80</b>	<b>2,660.56</b>	<b>1,821.72</b>	<b>1,562.95</b>
(b)	Long Term Loans and Advances	H	675.97	490.70	19.86	25.94
(c)	Other Non Current Assets	I	566.77	324.70	214.73	123.38
			<b>1,242.75</b>	<b>815.40</b>	<b>234.59</b>	<b>149.31</b>
<b>2.</b>	<b>Current Assets</b>					
(a)	Inventories	J	11,428.37	8,055.31	8,245.86	4,898.87
(b)	Trade Receivables	K	3,872.05	4,682.41	2,169.53	2,559.31
(c)	Cash & Cash equivalent	L	1,149.04	940.57	1,342.96	505.66
(d)	Short-Term Loans and Advances	M	439.03	91.92	19.37	6.57
(e)	Other Current Assets	N	375.72	367.46	541.55	102.19
			<b>17,264.22</b>	<b>14,137.68</b>	<b>12,319.28</b>	<b>8,072.59</b>
<b>Total</b>			<b>21,409.77</b>	<b>17,613.64</b>	<b>14,375.60</b>	<b>9,784.85</b>

**ANNEXURE II  
RESTATED STATEMENT OF PROFIT AND LOSS**

(Amount in Rs. Lakh)

S.No	PARTICULARS	A n n e x u r e N o.	For the Period ended September 30,2024	For the Year ended March 31,		
				2024	2023	2022
	<b>Income:</b>					
1	Revenue from operations	O	10,595.34	21,833.76	15,558.03	8,883.16
2	Other Income	P	16.67	43.54	30.76	35.69
<b>3</b>	<b>Total Income (1+2)</b>		<b>10,612.01</b>	<b>21,877.30</b>	<b>15,588.79</b>	<b>8,918.85</b>
4	<b>Expenses:</b>					
(a)	Cost of Material Consumed	Q	10,007.03	13,989.00	13,281.53	4,069.80
(b)	Purchases of Stock in Trade		-	561.48	1,017.25	3,756.18
(c)	Changes in Inventories of work-in-progress and stock-in-trade	R	(3,354.48)	1,140.95	(3,252.39)	(1,246.68)
(d)	Employee Benefit Expenses	S	501.39	862.85	594.82	385.41
(e)	Finance Cost	T	663.94	1,117.65	797.10	489.93
(f)	Depreciation and Amortization Expenses	U	142.70	235.66	174.90	159.60
(g)	Other Expenses	V	1,831.20	2,700.69	2,294.64	1,039.02
<b>5</b>	<b>Total Expenses 4(a) to 4(g)</b>		<b>9,791.78</b>	<b>20,608.28</b>	<b>14,907.86</b>	<b>8,653.27</b>
<b>6</b>	<b>Profit/(Loss) Before Exceptional, Extraordinary Items and Tax (3-5)</b>		<b>820.23</b>	<b>1,269.02</b>	<b>680.92</b>	<b>265.58</b>
7	Exceptional Items		-	-	-	-
8	Profit/(Loss) Before extraordinary items and tax (6-7)		820.23	1,269.02	680.92	265.58
9	Extraordinary Items		-	-	-	-
<b>10</b>	<b>Profit/(Loss) Before Tax (8-9)</b>		<b>820.23</b>	<b>1,269.02</b>	<b>680.92</b>	<b>265.58</b>
11	Tax Expense:					
(a)	Current tax		202.77	312.82	167.14	65.80
(b)	Deferred Tax		3.64	13.71	3.08	9.87
	Net Current Tax Expenses		206.41	326.53	170.23	75.67
<b>12</b>	<b>Profit/(Loss) for the Year (10-11)</b>		<b>613.82</b>	<b>942.49</b>	<b>510.70</b>	<b>189.91</b>
13	Weighted Average Number of Shares after considering Bonus and Right Issue of Shares		11,064,002	10,002,616	9,992,000	9,992,000
<b>14</b>	<b>Earnings per equity shares (Face Value of Rs. 10 each)</b>					
	i. Basic		5.55	9.42	5.11	1.90
	ii. Diluted		5.55	9.42	5.11	1.90

**ANNEXURE III  
RESTATED CASH FLOW STATEMENT**

(Amount in Rs. Lakh)

PARTICULARS	Note No.	For the Period ended September 30,2024	For the Year ended March 31,		
			2024	2023	2022
<b>A) Cash Flow From Operating Activities :</b>					
Net Profit before tax		820.23	1,269.02	680.92	265.58
<b>Adjustment for :</b>					
Depreciation		142.70	235.66	174.91	159.60
Finance Cost		663.94	1,117.65	797.10	489.93
Provision of Gratuity & Leave Encashment		5.51	4.35	6.17	1.15
Interest Income		(5.35)	(36.12)	(30.76)	(26.33)
Loss on Sale of Fixed Assets		-	-	0.34	-
<b>Operating profit before working capital changes</b>		<b>1,627.03</b>	<b>2,590.57</b>	<b>1,628.70</b>	<b>889.93</b>
Changes in Working Capital					
(Increase)/Decrease in Inventory		(3,373.06)	190.55	(3,347.00)	(1,017.43)
(Increase)/Decrease in Trade Receivables		810.36	(2,512.88)	389.77	(43.02)
(Increase)/Decrease in Short Term Loans & Advances		(347.11)	(72.55)	(12.80)	501.53
(Increase)/Decrease in Other Current Assets		(8.26)	174.09	(439.36)	(43.54)
Increase/(Decrease) in Trade Payables		1,485.25	188.81	3,159.48	736.81
Increase/(Decrease) in Other Current Liabilities		(317.62)	286.44	97.05	456.34
Increase/(Decrease) in Short Term Provisions		3.00	5.40	1.50	1.00
<b>Cash generated from operations</b>		<b>(120.41)</b>	<b>850.44</b>	<b>1,477.34</b>	<b>1,481.62</b>
Less:- Income Taxes paid		(98.43)	(211.00)	(131.18)	(58.87)
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>(218.83)</b>	<b>639.44</b>	<b>1,346.16</b>	<b>1,422.75</b>
<b>B) Cash Flow From Investing Activities :</b>					
Purchase of Fixed Assets including of CWIP (Net of sale proceeds, if any)		(384.94)	(1,074.49)	(447.68)	(248.10)
Sale proceeds of Fixed Assets		-	-	13.66	-
Increase/(Decrease) in Long Term Loans and Advances		(185.27)	(470.84)	6.07	(1.00)
Increase/(Decrease) in Other Non Current Assets		(242.08)	(109.97)	(91.35)	17.07
Interest Income		5.35	36.12	30.76	26.33
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(806.94)</b>	<b>(1,619.18)</b>	<b>(488.55)</b>	<b>(205.71)</b>
<b>C) Cash Flow From Financing Activities :</b>					
Proceeds from Issue of Share Capital		16.65	38.86	-	-
Proceeds from Issue of Security Premium		224.82	524.58	-	-
Proceeds from Long Term Borrowing		267.78	-	668.56	-
Repayment of Long Term Borrowing			(239.99)		(766.88)
Net Increase/(Decrease) in Short Term Borrowing		1,388.93	1,371.56	108.24	409.66
Interest Paid		(663.94)	(1,117.65)	(797.10)	(489.93)
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>1,234.24</b>	<b>577.35</b>	<b>(20.30)</b>	<b>(847.15)</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>(A+B+C)</b>	<b>208.46</b>	<b>(402.39)</b>	<b>837.31</b>	<b>369.89</b>
<b>Cash equivalents at the beginning of the year</b>		<b>940.57</b>	<b>1,342.96</b>	<b>505.66</b>	<b>135.76</b>

Cash equivalents at the end of the year		1,149.04	940.57	1,342.96	505.66
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**Notes:**

1. Component of Cash and Cash equivalents	For the Period ended September 30,2024	For the Year ended March 31,		
		2024	2023	2022
Cash on hand	4.95	0.41	1.47	7.29
Balance With banks	0.56	63.60	3.12	0.12
Fixed Deposits	1,143.54	876.57	1,338.38	498.25
<b>Total</b>	<b>1,149.04</b>	<b>940.57</b>	<b>1,342.96</b>	<b>505.66</b>

2. Cash flows are reported using the indirect method whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

**ANNEXURE IV**  
**SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL INFORMATION**

**A. COMPANY OVERVIEW**

Karbonsteel Engineering Limited is a limited company incorporated under the Companies Act, 2013. The Company was converted from private limited to public limited vide fresh certificate of incorporation dated 24th June, 2024 issued by the Registrar of Companies, Central Processing Centre. The Company is engaged in the business of structural engineering and fabrication, specializing in the design, manufacturing, and assembly of heavy and precision steel structures. Its fabricated structures cater to various industrial and infrastructure segments, including steel plants, railway bridges, oil & gas facilities, refineries, chemical plants, and other industrial units.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated Statement of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period ended September 30, 2024, and the year ended March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the company.

These Restated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of the current and non-current classification of assets and liabilities.

**2. USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**3. ACCOUNTING CONVENTION**

The Company follows the mercantile system of accounting, recognizing income and expenditure on an accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these restated financial statements:

**3.1 REVENUE RECOGNITION**

Revenue is stated net of rebates and trade discounts and exclude applicable taxes such as goods & service tax. Revenue from the sale of products is recognized when substantially all risks and rewards of ownership are transferred to the buyers, which generally occurs upon dispatch, provided the price is determinable. Export benefits (Pass Book Credit) are accounted for and recognized upon utilization by the Company.

Dividend income on financial instruments is recognized on a receipt basis. Interest on deposits is recognized on an accrual basis.

### **3.2 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

#### **3.2.1. PROPERTY, PLANT & EQUIPMENT**

- a) Property, Plant and Equipment are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;
- b) Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment are ready for use, as intended by the management;
- c) Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;
- d) The cost and related accumulated depreciated are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
- e) Depreciation on fixed assets will be calculated using the Written Down Value (WDV) method, which involves applying depreciation rates prescribed under Schedule II to the Companies Act 2013. to the carrying amount of the asset. The carrying amount is reduced each year by the amount of depreciation charged.
- f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

#### **3.2.2 INTANGIBLE ASSETS**

Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortized on a straight-line basis over their estimated useful lives.

### **3.3 IMPAIRMENT**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher than the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### **3.4 RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS**

Defined Contribution Plans:

All short-term employee benefits are accounted on an undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on an accrual basis.

The Group has made a provision for payment of Gratuity to its employees. This Provision is made as per the method prescribed under the Payment of Gratuity Act. The cost of providing gratuity under this plan is determined on the basis of actuarial valuation at year end.

### **3.5 INVENTORY**

Raw Material, Store & Spares, WIP, Finished Goods and Trading Goods etc. has been valued at lower of cost or market price. The cost includes all cost of purchase and incidental expenses to bring the inventory in present condition and present location. This cost also excludes the GST credit which is already availed.

### **3.6 CASH FLOW STATEMENT**

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 items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

### **3.7 BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

### **3.8 INCOME TAX**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

### **3.9 EARNINGS PER SHARE**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### **3.10 FOREIGN EXCHANGE TRANSACTIONS**

The Company is exposed to foreign currency transactions including foreign currency revenues, and receivables. Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising from foreign exchange transactions settled during the period are recognized in the statement of profit and loss for the period.

### **3.11 PROVISIONS AND CONTINGENT LIABILITIES**



A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably stimulated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure of a contingent liability is also 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 an outflow of resources is remote, no provision or disclosure is made.

### 3.12 CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### 3.13 SEGMENT REPORTING

The company operates in one single segment hence no requirement of segment reporting.

### 3.14 EMPLOYEE BENEFITS

The Company has adopted Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

<b>(Rs.in lakhs)</b>				
<b>Particulars</b>	<b>30-09-2024</b>	<b>31-03-2024</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>1.The amounts recognized in the Balance Sheet are as follows:</b>				
Present value of unfunded obligations Recognized	31.02	25.51	21.16	14.98
<b>Net Liability</b>	<b>31.02</b>	<b>25.51</b>	<b>21.16</b>	<b>14.98</b>
<b>2.The amounts recognized in the Profit &amp; Loss A/c are as follows:</b>				
Current Service Cost	5.51	9.63	7.36	1.00
Interest on Defined Benefit Obligation	0.92	1.53	1.09	4.73
Expected Return on Plan Assets	-	-	-	-
Net actuarial losses (gains) recognised in the year	(0.92)	(6.81)	(2.27)	(4.59)
Total, Included in "Salaries, Allowances & Welfare"	<b>5.51</b>	<b>4.35</b>	<b>6.17</b>	<b>1.15</b>
<b>3.Changes in the present value of defined benefit obligation:</b>				
Defined benefit obligation as at the beginning of the year/period Net of Fair Value of Opening Plan Assets	25.51	21.16	14.98	13.84
Service cost	5.51	9.63	7.36	1.00
Interest cost	0.92	1.53	1.09	4.73
Expected Return on Plan Assets	-	-	-	-
Net actuarial losses (gains) recognised in the year	(0.92)	(6.81)	(2.27)	(4.59)
Benefit paid by the Company	-	-	-	-
Contribution made by the Company	-	-	-	-
<b>Defined benefit obligation as at the end of the year/period</b>	<b>31.02</b>	<b>25.51</b>	<b>21.16</b>	<b>14.98</b>
<b>Benefit Description</b>				
Benefit type:	<b>Gratuity Valuation as per Actuarial</b>			
Retirement Age:	<b>58 years</b>	<b>58 years</b>	<b>58 years</b>	<b>58 years</b>
Vesting Period:	<b>5 years</b>	<b>5 years</b>	<b>5 years</b>	<b>5 years</b>

<b>The principal actuarial assumptions for the above are:</b>				
Future Salary Rise:	5.00%P.A	5.00%P.A	5.00%P.A	5.00%P.A
Discount rate per annum:	7.00%P.A	7.25%P.A	7.25%P.A	7.25%P.A
Withdrawal Rate:	10% P.A. depending on age			
Mortality Rate:	IALM (2012-14)			
Current liability	1.89	1.61	1.38	0.79
Non Current liability	29.12	23.90	19.78	14.19

### C. NOTES RESTATED SUMMARY STATEMENTS:

#### 1. Contingent liabilities and commitments (to the extent not provided for)

A disclosure of a contingent liability reported in the notes to restated financial restatements when there is a possible obligation that may, require an outflow of the Company's resources.

#### 2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Outstanding dues of Micro or Small-Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has disclosed the same as required by Schedule III to the Companies Act, 2013.

#### 3. Related Party Transactions

Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-X of the enclosed financial statements.

#### 4. Auditors Remuneration

Particulars	(Rs. In lakhs)			
	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Audit Fees	2.63	4.75	1.00	0.50
Taxation	0.38	0.75	0.25	0.25
Certificates/ Other services	0.25	0.50	0.25	0.25

5. Figures have been rearranged and regrouped wherever practicable and considered necessary.

6. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

7. The balance of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of the respective parties concerned.

#### 8. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value for realization of current assets and loans and advances are approximately of the same value as stated.

#### 9. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

#### 10. Impact of Audit Qualifications/Observations on Statutory Auditor's Report on Financial Statements

There are no Audit qualifications during the period of restatement which is requiring any adjustment in restated financial statements. Further there are no such qualification by the Auditor which does not require any adjustment in restated financial Statement.

#### 11. Amounts in the Restated Financial Statements

Amounts in the Financial Statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

#### **RECONCILIATION OF RESTATED PROFIT:**

(Rs. In lakhs)

Adjustment for	For the period ended 30th September, 2024	For the Year Ended		
		2023-24	2022-23	2021-22
Net Profit/(loss) after Tax as per Audited Profit & Loss Account	613.82	941.88	529.24	204.55
<b>Adjustment for:</b>				
Provision for Gratuity as per AS -15(Revised)	-	7.32	(6.17)	(1.15)
Short/(Excess) Provision for Deferred Tax Liability	-	(8.21)	(11.24)	(12.75)
Short/(Excess) Interest on Income Tax		(20.07)	(7.75)	(1.78)
(Short)/Excess Provision for Income Tax		21.58	8.13	2.03
(Short)/Excess Adjustment of Audit Fees	-	-	(1.50)	(1.00)
(Short)/Excess Provision for Depreciation	-	-	-	-
<b>Net Adjustment in Profit and Loss Account</b>	-	<b>0.61</b>	<b>(18.54)</b>	<b>(14.65)</b>
<b>Net Profit/(Loss) After Tax as per Restated Accounts:</b>	<b>613.82</b>	<b>942.49</b>	<b>510.70</b>	<b>189.91</b>

1. The provision for gratuity has been made in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits.
2. The company does not provide for leave encashment as per its HR policy. Accordingly, the provision for leave encashment previously recognized has been reversed in compliance with the company's policy, and no liability is recognized in this regard.
3. Due to Gratuity provision the deferred tax component on the same has also undergone change.
4. The provision for audit fees was not recorded in the financial statements for the financial years 2021-22 and 2022-23. Accordingly, the necessary provision has been recognized in the restated financial statements, resulting in a corresponding adjustment.
5. Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years.

**RECONCILIATION OF EQUITY AND RESERVES:****(Rs. In lakhs)**

Adjustment for	For the period ended 30th September, 2024	For the Year Ended		
		2023-24	2022-23	2021-22
Equity and Reserve as per Audited Balance sheet	5,234.85	4,425.97	2,920.65	2,391.42
<b>Adjustment for:</b>				
Differences Due to Change in P&L	-	0.61	(18.53)	(14.65)
Prior period Adjustments (Refer Note-1)	-	(47.02)	(28.49)	(13.84)
<b>Equity and Reserve as per Re-stated Balance sheet</b>	<b>5,234.85</b>	<b>4,379.56</b>	<b>2,873.63</b>	<b>2,362.93</b>

**Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.**

**Adjustments having impact on Profit:****Note: 1**

Amounts relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of the change in the Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

**To give Explanatory Notes regarding Adjustments**

Appropriate adjustments have been made in the Restated Financial Statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018

**ANNEXURE – A**  
**RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**  
**(Amt. in Rs. Lakh)**

Particulars	As at September 30,2024	As at March 31,		
		2024	2023	2022
<b>Equity Share Capital :</b>				
<b>Authorized Share Capital</b>				
No of Equity shares of face value of Rs.10/- each	15,000,000	15,000,000	5,000,000	5,000,000
Equity Share Capital of face value of Rs.10/- each	1,500.00	1,500.00	500.00	500.00
<b>Issued, Subscribed and Paid up Share Capital</b>				
No of Equity Shares of face value of Rs. 10/- each fully paid up	5,551,111	5,384,578	4,996,000	4,996,000
Equity Share Capital of Face value of Rs 10/- each	555.11	538.46	499.60	499.60
<b>Total</b>	<b>555.11</b>	<b>538.46</b>	<b>499.60</b>	<b>499.60</b>
<b>Reserves and Surplus:</b>				
<b>(A) Surplus in Profit and Loss account</b>				
Opening Balance as on period/year ended	3,145.89	2,203.40	1,692.70	1,516.63
Profit for the Year	613.82	942.49	510.70	189.91
Add/Less: Previous Year restated profit	-	-	-	(13.84)
Closing Balance as on period/year ended	<b>3,759.71</b>	<b>3,145.89</b>	<b>2,203.40</b>	<b>1,692.70</b>
<b>(B) Security Premium</b>				
Balance as per last financial statement	695.21	170.63	170.63	170.63
Add: Increase During the year on Fresh issue of Shares	224.82	524.58	-	-
Deletion on account of Bonus Shares	-	-	-	-
<b>Closing Balance</b>	<b>920.03</b>	<b>695.21</b>	<b>170.63</b>	<b>170.63</b>
<b>Total Reserve &amp; Surplus (A+B)</b>	<b>4,679.74</b>	<b>3,841.10</b>	<b>2,374.03</b>	<b>1,863.33</b>

**Notes:**

**1. Terms/rights attached to equity shares:**

- (i) The company has issued 1,66,533 Fresh Shares on 22 Apr, 2024 allotment Equity Shares of Rs. 10 each at the premium of Rs. 135/-
- (ii) The company has issued 3,88,578 Fresh Shares on 27 Mar, 2024 allotment Equity Shares of Rs. 10 each, at the premium of Rs. 135/-
- (iii) The company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees, if any. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, if any.
- (iv) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. Company does not have any Revaluation Reserve.

4. The reconciliation of the number of Equity shares outstanding as at: -

Particulars	As at September 30, 2024	As at March 31,		
		2024	2023	2022
Number of shares (Face value Rs 10) at the beginning Period/year	5,384,578	4,996,000	4,996,000	4,996,000
Add: Fresh Issue of shares: -	166,533	388,578	-	-
Add: Bonus Issue of Equity Shares	-	-	-	-
Less: Buy Back of Equity shares (Face value Rs 10)	-	-	-	-
Number of shares (Face value Rs 10) at the end of Period/year	5,551,111	5,384,578	4,996,000	4,996,000

5. The detail of shareholders holding more than 5% of Total Equity Shares: -

Name of Shareholders	As at September 30, 2024		As at March 31,					
			2024		2023		2022	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Shrenik Shah	2,703,120	48.70%	2,678,020	49.74%	1,843,900	36.91%	1,108,000	22.18%
Mittal Shah	1,053,080	18.97%	1,053,080	19.56%	385,000	7.71%	385,000	7.71%
Smita Shah	-	-	-	-	768,000	15.37%	768,000	15.37%
Kirit Shah	-	-	-	-	-	-	735,900	14.73%
Bhavin Shah	-	-	-	-	492,000	9.85%	492,000	9.85%
Sapna Shah	-	-	-	-	492,000	9.85%	492,000	9.85%
Darshana Thakkar	990,000	17.83%	990,000	18.39%	495,000	9.91%	495,000	9.91%
Satish Thakkar	-	-	-	-	495,000	9.91%	495,000	9.91%
<b>Total</b>	<b>4,746,200</b>	<b>85.50%</b>	<b>4,721,100</b>	<b>87.68%</b>	<b>4,970,900</b>	<b>99.50%</b>	<b>4,970,900</b>	<b>99.50%</b>

6. Shares held by promoters at the end of the respective year is as under

6a) Shares held by promoters at the period ended 30th September, 2024				% Change during the year
Promoter Name	No. of Shares (Face Value Rs. 10/- each)	No. of Shares (Face Value Rs. 10/- each)	% of total shares	
Shrenik Shah	2,703,120	2,703,120	48.70%	-2.09%
Mittal Shah	1,053,080	1,053,080	18.97%	-3.00%
<b>Total</b>	<b>3,756,200</b>	<b>3,756,200</b>	<b>67.67%</b>	

6b) Shares held by promoters at the end of the year 31st March 2024				% Change during the year
Promoter Name	No. of Shares (Face Value Rs. 10/- each)	No. of Shares (Face Value Rs. 10/- each)	% of total shares	
Shrenik Shah	2,678,020	2,678,020	49.74%	12.83%
Mittal Shah	1,053,080	1,053,080	19.56%	11.85%
<b>Total</b>	<b>3,731,100</b>	<b>3,731,100</b>	<b>69.29%</b>	

6c) Shares held by promoters at the end of the year 31st March 2023				% Change during the year
Promoter Name	No. of Shares (Face Value Rs. 10/- each)	No. of Shares (Face Value Rs. 10/- each)	% of total shares	

Shrenik Shah	1,843,900	1,843,900	36.91%	14.73%
Mittal Shah	385,000	385,000	7.71%	0.00%
<b>Total</b>	<b>2,228,900</b>	<b>2,228,900</b>	<b>44.61%</b>	

<b>6d) Shares held by promoters at the end of the year 31st March 2022</b>				<b>% Change during the year</b>
<b>Promoter Name</b>	<b>No. of Shares (Face Value Rs. 10/- each)</b>	<b>No. of Shares (Face Value Rs. 10/- each)</b>	<b>% of total shares</b>	
Shrenik Shah	1,108,000	1,108,000	22.18%	0.00%
Mittal Shah	385,000	385,000	7.71%	0.00%
<b>Total</b>	<b>1,493,000</b>	<b>1,493,000</b>	<b>29.88%</b>	

7. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexure I, II, III and IV.

**ANNEXURE – B**  
**RESTATED STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS**

(Amt. in Rs. Lakh)

Particulars	As at September 30,2024	As at March, 31		
		2024	2023	2022
<b>(a) Term loans</b>				
From Banks (Secured)	255.55	188.20	96.65	312.33
From Bank/ NBFC (Unsecured)	536.31	-	-	-
<b>Sub-total (a)</b>	<b>791.85</b>	<b>188.20</b>	<b>96.65</b>	<b>312.33</b>
<b>(b) Loans and advances from related parties (Unsecured)</b>				
Loans and advances from related parties (Unsecured):	535.51	971.38	1,471.79	1,193.69
Loans and advances from others (Unsecured):	875.00	775.00	606.13	-
<b>Sub-total (b)</b>	<b>1,410.51</b>	<b>1,746.38</b>	<b>2,077.92</b>	<b>1,193.69</b>
<b>Total (a+b)</b>	<b>2,202.37</b>	<b>1,934.59</b>	<b>2,174.58</b>	<b>1,506.02</b>
<b>Short Term Borrowings</b>				
<b>Loan Repayable on Demand</b>				
Cash Credit From Bank (Secured)	3,423.09	2,210.88	2,306.21	1,924.74
Bill Discounting / Channel Finance	1,737.08	1,632.04	-	-
Current Maturities of Long Term Debt	277.62	205.94	371.09	644.33
<b>Total</b>	<b>5,437.79</b>	<b>4,048.86</b>	<b>2,677.30</b>	<b>2,569.07</b>

**Note:**

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexure I, II, III and IV.
2. List of persons/entities classified as 'Promoters' and 'Promoter Group' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
3. The terms and conditions and other information in respect of Secured Loans are given in Annexure -B (A).
4. The terms and conditions and other information in respect of Unsecured Loans are given in Annexure - B (B).



**ANNEXURE – B(A)**  
**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**  
**(Amt. in Rs. Lakh)**

**Long-Term Borrowings**

S. No.	Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary Collateral Security &	Re-Payment Schedule	Moratorium	As at September 30,2024
1	HDFC Bank	Construction Equipment Non-Infra Term Loan	250.00	9.31%	Note 1	To be repaid in 60 monthly installments of Rs 5.07 lakhs	NA	211.99
2	HDFC Bank	Construction Equipment Loan	16.34	10.08%	Hypothecation of Vehicle	To be repaid in 48 monthly installments of Rs 0.41 lakhs	NA	16.34
3	HDFC Bank	Construction Equipment Loan	16.34	10.08%	Hypothecation of Vehicle	To be repaid in 48 monthly installments of Rs 0.41 lakhs	NA	16.34
4	ICICI Bank	Car Purchase	13.05	9.15%	Hypothecation of Vehicle	To be repaid in 60 monthly installments of Rs 0.27 lakhs	NA	10.71
5	Kotak Mahindra Bank	Car Purchase	17.04	9.14%	Hypothecation of Vehicle	To be repaid in 60 monthly installments of Rs 0.35 lakhs	NA	12.75
6	Kotak Mahindra Bank	Car Purchase	15.50	9.36%	Hypothecation of Vehicle	To be repaid in 60 monthly installments of Rs 0.32 lakhs	NA	11.39
7	SBI Bank	Business Term loan	350.00	11.65%	Note 2	To be repaid in 60 monthly installments of Rs 5.45 lakhs	NA	10.66
8	SBI Bank	Business Term loan	200.00	11.40%	Note 2	To be repaid in 80 monthly installments of Rs 3.22 lakhs	NA	22.13
	<b>Total</b>							<b>312.30</b>

**Short-Term Borrowings**

S.No.	Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary Collateral & Security	Re-Payment Schedule	Moratorium	As at September 30,2024
1	HDFC Bank	CC for Business Purpose	1850.00*	9.31%	Note 1	On demand	NA	1,456.27
2	SBI	Working Capital	2,000.00	9.15% (Repo 6.50% + Spread 2.65)	Note 2	On demand	NA	1,966.82
	<b>Total</b>							<b>3,423.09</b>

\*Above included 350 lakh of Adhoc cash Credit

**Security Details:****Note-1 Primary Security**

Stock, Book Debts, PG of directors, FDS margin against BG and LC, Current Asset

**Collateral Security**

Property 1 - Commercial Property Plot no 747 Kalamboli Steel Market, Kalamboli-410209, (Market Value Rs.275 Lakh)

Property 2 - Commercial Shop Plot no 1270 Kalamboli Steel Market, Kalamboli-410209, (Market Value Rs.275 Lakh)

Property 3 - Land & Building, Plot no 17 & 91, Survey No 1945/91, Khata No.501, OHM Industrial Infrastructure, Umbergaon, Area-6000 Sq. Ft., (Market Value Rs.2,819.15 Lakh)

Property 4- Residential Flat no. B9 (2nd Floor), Ratandeeep Cosmopolitan CHS Limited, SV Road, Mumbai-400058, (Market Value Rs. 220.00 Lakh)

Property 5- Commercial Residential Shop, Flat no. B-8 (2nd Floor), Ratandeeep Cosmopolitan CHS Limited, SV Road, Andheri West, Mumbai-400058 Area-842 sq. ft., (Market Value Rs. 231.55 Lakh)

Property 6- Flat no. 301 (3rd Floor), Plot No.79, SNO. 931,931/1 to 931/6, Bajaj road, Vijaya Apartment, Vile Parle West, Mumbai 400056, Area-1017 Sq. Ft., (Market Value Rs. 423 Lacs)

Also, personal guarantee of- Shrenik Kirit Shah, Bhavin kirit Shah, Mittal Shrenik Shah & Smita Shah

**Note-2 Primary Security**

Hypothecation of all current assets, entire goods, movables and other assets, present and future, including documents of title to goods and other assets such as book-debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and right and all machinery, present and future.

**Collateral Security**

Property 1- Land & Building, Plot no 17 & 91, Survey No 1945/91, Khata No.501, OHM Industrial Infrastructure, Umbergaon

Property 2- Flat no. B-8 (2nd Floor), Ratandeeep Cosmopolitan CHS Limited, SV Road, Andheri West, Mumbai-400058

Also personal guarantee of- Mr. Shrenik Shah, Mrs. Smitaben Shah, Mrs. Mittal Shah & Mr. Bhavin Shah

**ANNEXURE – B(B)**  
**RESTATED STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**  
**(Rs.in lakhs)**

**Long Term Borrowing-Unsecured**  
**From Bank/NBFCs**

S. No.	Name of Lender	Purpose	Sanction Amount	Security Details	Rate of interest	Re-Payment Schedule (months)	As at September 30,2024
1	Kisetsu Saison Finance India Pvt Ltd	Business Purpose	60.00	NA	15.00%	To be repaid in 24 monthly installments of Rs 2.90 lakhs	60.00
2	SMFG India Credit Company Limited	Business Purpose	75.00	NA	15.00%	To be repaid in 13 monthly installments of Rs 6.77 lakhs	75.00
3	Fedbank Financial Services Ltd	Business Purpose	50.15	NA	15.54%	To be repaid in 12 monthly installments	50.15
4	Godrej Finance Ltd	Business Expansion	51.00	NA	15.00%	To be repaid in 12 monthly installments	51.00
5	L and T Finance	Expand operations for business	75.25	NA	15.00%	To be repaid in 24 monthly installments	75.25
6	Poonawalla Fincorp Limited	Business Purpose	75.00	NA	15.00%	To be repaid in 12 monthly installments of Rs 6.79 lakhs	75.00
7	Clix Capital Services Ltd	Business Expansion	50.15	NA	16.04%	To be repaid in 12 monthly installments	50.15
8	ICICI Bank	Business Expansion	100.00	NA	15.10%	To be repaid in 36 monthly installments of Rs 3.49 lakhs	100.00
9	IDFC First Bank Limited	Business Purpose	100.00	NA	14.00%	To be repaid in 18 monthly installments of Rs 6.19 lakhs	99.10
10	Kotak Mahindra Bank	Business Expansion	125.00	NA	13.87%	To be repaid in 13 monthly installments of Rs 10.42 lakhs	121.53
	<b>Total</b>						<b>757.18</b>

**Loan from Directors & Relatives of Director - Unsecured**

S.No.	Name of Lender	Purpose	Rate of interest	Re-Payment Schedule (months)	As at September 30,2024
1	Shrenik Shah	Business Purpose	9.00%	Payable Demand on	107.88
2	Bhavin Kirit Shah	Business Purpose	9.00%	Payable Demand on	296.70
3	Kirit Shantilal Shah HUF	Business Purpose	9.00%	Payable Demand on	67.21
4	Mittal S. Shah	Business Purpose	9.00%	Payable Demand on	13.90
5	Kirit Shah	Business Purpose	9.00%	Payable Demand on	-
6	Smita Shah	Business Purpose	9.00%	Payable Demand on	49.82
	<b>Total</b>				<b>535.51</b>

**Other Parties- Unsecured loan**

S. No.	Name of Lender	Purpose	Rate of interest	Re-Payment Schedule (months)	As at September 30,2024
1	Archer Financial Services Pvt Ltd	Business Purpose	12.00%	Payable Demand on	350.00
2	Deepjyoti Commodities Pvt Ltd	Business Purpose	12.00%	Payable Demand on	250.00
3	Gurukrupa Polyplast Ltd	Business Purpose	12.00%	Payable Demand on	275.00
	<b>Total</b>				<b>875.00</b>

**Short Term Borrowing-Unsecured  
Bill Discounting / Channel Finance**

S.No.	Name of Lender	Purpose	Sanction Amount	Security Details	Rate of interest	Re-Payment	As at September 30,2024
1	Capsave Finance Private Limited	Working Capital Demand Loan	300.00	Note-1	12.00%	120 Days	263.11
2	Mahindra & Mahindra	Sales Invoice Discounting wherein bill raised for L&T Ltd.	2,000.00	Note-2	10.50%	Bullet Repayment	273.21
3	Unity Small Finance Bank	Working Capital	300.00	Note-3	12.00%	90 Days	409.67
4	Ratnaafin Capital Pvt Ltd	Working Capital	500.00	Note-4	12.00%	120 Days	294.02
5	TATA Capital Ltd	For Purchase of Inventory	600.00	Unsecured	10.75%	90 Days	497.07
	<b>Total</b>						<b>1,737.08</b>

Note-1 NACH Mandate and 3 UDC along with Demand Promissory Note for the amount equivalent to sanction limit from Borrower, Personal Guarantee from Mr. Shrenik Kirit Shah, Mrs. Mittal Shrenik Shah and Mrs. Smitaben Kirit Shah, Cash collateral to the extent of 7.5% of the sanctioned amount in the form of non-interest-bearing Security Deposit.

Note-2 Personal Guarantee of Mrs. Smita Shah, Mrs Mittal Shah & Mr. Shrenik Shah.

Note-3 1. Exclusive Charge by way of hypothecation of Assets being financed

2. Personal Guarantee of Shrenik Shah & Mittal Shah

3. FD of 5% - Rs 15 lakhs

4. DPN & LOC

Note-4 Personal Guarantee of Mr. Shrenik Kirit Shah, Mrs. Mittal Shrenik Shah & Collateral security 10% Security Deposit on disbursement tranches (Non-interest Bearing), (SD to be repaid on loan closure only)

**ANNEXURE – C**  
**RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Amount in Rs. Lakh)

Particulars	As at September 30, 2024	As at March, 31		
		2024	2023	2022
Major Components of deferred tax arising on account of timing differences are:				
Timing Difference Due to WDV	227.32	207.32	148.50	130.08
<b>Deferred Tax (Assets)/Liabilities (A)</b>	<b>57.21</b>	<b>52.18</b>	<b>37.38</b>	<b>32.74</b>
Provision of Gratuity as at the year end	(31.02)	(25.51)	(21.16)	(14.98)
Timing Difference Due to Gratuity Expenses	(31.02)	(25.51)	(21.16)	(14.98)
<b>Deferred Tax (Assets)/Liabilities (B)</b>	<b>(7.81)</b>	<b>(6.42)</b>	<b>(5.32)</b>	<b>(3.77)</b>
<b>Cumulative Balance of Deferred Tax Liability/(Assets) (Net)</b>	<b>49.41</b>	<b>45.76</b>	<b>32.05</b>	<b>28.97</b>
Opening Deferred Tax Liability	45.76	32.05	28.97	19.10
<b>Debited/(Credit) to Restated Statement of Profit and Loss Account</b>	<b>3.64</b>	<b>13.71</b>	<b>3.08</b>	<b>9.87</b>

Note: The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexure I, II, III and IV.

**ANNEXURE – D**  
**RESTATED STATEMENT OF LONG TERM PROVISIONS**

(Amount in Rs. Lakh)

Particulars	As at September 30, 2024	As at March, 31		
		2024	2023	2022
<b>Provision for Employee Benefits</b>				
Provision for Gratuity (Net of Fund Balance)	29.12	23.90	19.78	14.19
<b>Total</b>	<b>29.12</b>	<b>23.90</b>	<b>19.78</b>	<b>14.19</b>

**ANNEXURE – E**  
**RESTATED STATEMENT OF TRADE PAYABLES**

(Amount in Rs. Lakh)

Particulars	As at September 30, 2024	As at March, 31		
		2024	2023	2022
<b>Trade Payables</b>				
<b>For Goods &amp; Services</b>				
(a) Due to micro, small and medium enterprises	188.86	177.95	110.93	55.10
(b) Due to other than micro, small and medium enterprises	7,868.66	6,394.31	6,272.52	3,168.87
<b>Total</b>	<b>8,057.51</b>	<b>6,572.26</b>	<b>6,383.45</b>	<b>3,223.97</b>

Notes:

**Trade Payables included from Related Parties	13.49	12.40	11.99	12.26
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1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

2. The Company has the process of identification of 'suppliers' registered under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006, by obtaining confirmations from all suppliers. The Company was unable to identify dues regarding to micro enterprises and small enterprise's as defined under Micro, Small & Medium Enterprises Development Act, 2006 by the management in the FY 2021-22, FY 2022-23, FY 2023-24 and stub period Sep 2024. The above disclosure has been extracted from the Audited financial Statements of the Company from the respective year.

3. Ageing of the Supplier, along with any amount involved in disputes as required by Schedule III of Companies Act, 2013 is disclosed below after it becomes due for payment. In case of no credit terms defined the break-up of age wise supplier balance is given below after considering from the date of transactions.

**Trade Payables ageing schedule: for the period 30th September 2024**

(Amount in Rs. Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	188.86	-	-	-	188.86
(ii) Others	7,850.46	-	-	18.19	7,868.66
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

**Trade Payables ageing schedule: As at 31st March 2024**

(Amount in Rs. Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	177.95	-	-	-	177.95
(ii) Others	6,376.12	-	-	18.19	6,394.31
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Trade Payables ageing schedule: As at 31st March, 2023**

(Amount in Rs. Lakh)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	110.93	-	-	-	110.93
(ii) Others	6,253.89	0.44	18.19	-	6,272.52
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Trade Payables ageing schedule: As at 31st March,2022**

(Amount in Rs. Lakh)

Particulars	Outstanding for following periods from due date of payment				
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	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	55.10	-	-	-	55.10
(ii) Others	3,140.02	28.84	-	0.01	3,168.87
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**ANNEXURE – F**

**RESTATED STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS**

**(Amount in Rs. Lakh)**

Particulars	As at September 30,2024	As at March, 31		
		2024	2023	2022
<b>Other Current Liabilities</b>				
Statutory Dues	33.80	349.20	36.46	15.46
Sundry Creditors for Capital Goods	5.54	15.11	55.79	1.50
Salary & Employee Benefit	65.39	58.05	43.66	21.90
<b>Total</b>	<b>104.73</b>	<b>422.35</b>	<b>135.91</b>	<b>38.86</b>
<b>Short Term Provisions</b>				
Provision for Audit Fees	10.90	7.90	2.50	1.00
Provision for Gratuity	1.89	1.61	1.38	0.79
	<b>12.79</b>	<b>9.51</b>	<b>3.88</b>	<b>1.79</b>
<b>Other Provisions</b>				
Provision for Income Tax	281.19	176.85	75.02	39.05
<b>Total</b>	<b>293.98</b>	<b>186.36</b>	<b>78.89</b>	<b>40.85</b>

Notes:

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.



**ANNEXURE – G**

**RESTATED FINANCIAL STATEMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

**(Amount in Rs. Lakh)**

**As at 31.03.2022**

Name of Assets	Gross Block				Depreciation and Amortization				Net Block	
	As on 01.04.2021	Addition During the year	Deduction During the year	As on 31.03.2022	As on 01.04.2021	for the year	Deduction during the year	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021
<b>Property, Plant and Equipment</b>										
Land	234.33	119.63	-	353.96	-	-	-	-	353.96	234.33
Factory & Building	678.14	73.32	-	751.45	97.42	28.85	-	126.27	625.18	580.71
Computer & Printer	20.21	-	-	20.21	13.85	1.13	-	14.98	5.23	6.35
Plant & Machinery	974.42	40.44	-	1,014.86	385.07	113.50	-	498.57	516.29	589.35
Office Equipment's	51.62	7.25	-	58.87	24.84	5.95	-	30.79	28.08	26.79
Furniture & Fixture	26.65	3.72	-	30.37	21.27	3.46	-	24.73	5.64	5.38
Motor & Vehicle	91.88	-	-	91.88	62.37	5.68	-	68.05	23.83	29.51
<b>Total</b>	<b>2,077.25</b>	<b>244.36</b>	<b>-</b>	<b>2,321.61</b>	<b>604.83</b>	<b>158.57</b>	<b>-</b>	<b>763.40</b>	<b>1,558.21</b>	<b>1,472.42</b>
<b>Intangible</b>										
Software	3.65	3.75	-	7.39	1.62	1.03	-	2.65	4.74	2.02
<b>Total</b>	<b>3.65</b>	<b>3.75</b>	<b>-</b>	<b>7.39</b>	<b>1.62</b>	<b>1.03</b>	<b>-</b>	<b>2.65</b>	<b>4.74</b>	<b>2.02</b>
<b>Total Assets</b>	<b>2,080.90</b>	<b>248.11</b>	<b>-</b>	<b>2,329.00</b>	<b>606.45</b>	<b>159.60</b>	<b>-</b>	<b>766.05</b>	<b>1,562.95</b>	<b>2,946.87</b>

As at 31.03.2023

(Amount in Rs. Lakh)

Name of Assets	Gross Block				Depreciation and Amortization				Net Block	
	As on 01.04.2022	Addition During the year	Deduction During the year	As on 31.03.2023	As on 01.04.2022	for the year	Deduction during the year	As on 31.03.2023	As on 31.03.2023	As on 31.03.2022
<b>Property, Plant and Equipment</b>										
Land	353.96	-	-	353.96	-	-	-	-	353.96	353.96
Factory & Building	751.45	56.22	-	807.67	126.27	25.66	-	151.93	655.74	625.18
Computer & Printer	20.21	-	-	20.21	14.98	0.65	-	15.63	4.58	5.23
Plant & Machinery	1,014.86	310.86	-	1,325.73	498.57	124.63	-	623.20	702.53	516.29
Office Equipment's	58.87	33.54	-	92.41	30.79	10.08	-	40.88	51.54	28.08
Furniture & Fixture	30.37	2.29	-	32.66	24.73	2.96	-	27.69	4.96	5.64
Motor & Vehicle	91.88	41.21	27.80	105.29	68.05	9.43	13.80	63.68	41.61	23.83
<b>Total</b>	<b>2,321.61</b>	<b>444.12</b>	<b>27.80</b>	<b>2,737.93</b>	<b>763.40</b>	<b>173.41</b>	<b>13.80</b>	<b>923.01</b>	<b>1,814.92</b>	<b>1,558.21</b>
<b>Intangible</b>										
Software	7.39	3.57	-	10.96	2.65	1.50	-	4.15	6.81	4.74
<b>Total</b>	<b>7.39</b>	<b>3.57</b>	<b>-</b>	<b>10.96</b>	<b>2.65</b>	<b>1.50</b>	<b>-</b>	<b>4.15</b>	<b>6.81</b>	<b>4.74</b>
<b>Total Assets</b>	<b>2,329.00</b>	<b>447.68</b>	<b>27.80</b>	<b>2,748.89</b>	<b>766.05</b>	<b>174.90</b>	<b>13.80</b>	<b>927.16</b>	<b>1,821.72</b>	<b>1,562.95</b>
<b>Previous Year</b>	<b>2,080.90</b>	<b>248.11</b>	<b>-</b>	<b>2,329.00</b>	<b>606.45</b>	<b>159.60</b>	<b>-</b>	<b>766.05</b>	<b>1,562.95</b>	<b>2,946.87</b>

As at 31.03.2024  
(Amount in Rs. Lakh)

Name of Assets	Gross Block				Depreciation and Amortization				Net Block	
	As on 01.04.2023	Addition During the year	Deduction During the year	As on 31.03.2024	As on 01.04.2023	For the Year	Deduction during the year	As on 31.03.2024	As on 31.03.2024	As on 31.03.2023
<b>Property, Plant and Equipment</b>										
Land	353.96	-	-	353.96	-	-	-	-	353.96	353.96
Factory & Building	783.96	733.54	-	1,517.50	161.89	53.44	-	215.33	1,302.18	622.07
Computer & Printer	20.43	15.46	-	35.89	15.92	3.27	-	19.19	16.70	4.51
Plant & Machinery	1,290.71	283.03	-	1,573.74	597.29	145.14	-	742.43	831.31	693.42
Office Equipment's	73.50	17.60	-	91.10	30.57	9.43	-	39.99	51.10	42.94
Furniture & Fixture	32.46	2.77	-	35.23	23.72	2.59	-	26.32	8.91	8.74
Motor & Vehicle	183.87	21.45	-	205.32	91.59	19.44	-	111.03	94.29	92.28
<b>Total</b>	<b>2,738.90</b>	<b>1,073.84</b>	<b>-</b>	<b>3,812.74</b>	<b>920.98</b>	<b>233.31</b>	<b>-</b>	<b>1,154.29</b>	<b>2,658.45</b>	<b>1,817.92</b>
<b>Intangible</b>								-		
Software	9.99	0.65	-	10.64	6.16	2.37	-	8.53	2.11	3.84
<b>Total</b>	<b>9.99</b>	<b>0.65</b>	<b>-</b>	<b>10.64</b>	<b>6.16</b>	<b>2.37</b>	<b>-</b>	<b>8.53</b>	<b>2.11</b>	<b>3.84</b>
<b>Total Assets</b>	<b>2,748.89</b>	<b>1,074.49</b>	<b>-</b>	<b>3,823.38</b>	<b>927.13</b>	<b>235.66</b>	<b>-</b>	<b>1,162.82</b>	<b>2,660.56</b>	<b>1,821.75</b>
<b>Previous Year</b>	<b>2,329.00</b>	<b>447.68</b>	<b>27.80</b>	<b>2,748.89</b>	<b>766.05</b>	<b>174.90</b>	<b>13.80</b>	<b>927.16</b>	<b>1,821.72</b>	<b>1,562.95</b>

**As at 30.09.2024**  
**(Amount in Rs. Lakh)**

Name of Assets	Gross Block				Depreciation and Amortization				Net Block	
	As on 01.04.2024	Addition During the year	Deduction During the year	As on 30.09.2024	As on 01.04.2024	For the Period	Deduction during the year	As on 30.09.2024	As on 30.09.2024	As on 31.03.2024
<b>Property, Plant and Equipment</b>										
Land	353.96	-	-	353.96	-	-	-	-	353.96	353.96
Factory & Building	1,517.50	226.63	-	1,744.13	215.33	39.14	-	254.47	1,489.67	1,302.18
Computer & Printer	35.89	0.79	-	36.68	19.19	2.23	-	21.42	15.26	16.70
Plant & Machinery	1,573.74	116.80	-	1,690.54	742.43	83.15	-	825.58	864.96	831.31
Office Equipment's	91.10	19.71	-	110.80	39.99	5.96	-	45.95	64.85	51.10
Furniture & Fixture	35.23	1.35	-	36.58	26.32	1.20	-	27.52	9.07	8.91
Motor & Vehicle	205.32	15.31	-	220.63	111.03	9.34	-	120.36	100.26	94.29
<b>Total</b>	<b>3,812.74</b>	<b>380.59</b>	<b>-</b>	<b>4,193.33</b>	<b>1,154.29</b>	<b>141.01</b>	<b>-</b>	<b>1,295.30</b>	<b>2,898.03</b>	<b>2,658.45</b>
<b>Intangible</b>								-		
Software	10.64	4.35	-	14.99	8.53	1.69	-	10.22	4.77	2.11
<b>Total</b>	<b>10.64</b>	<b>4.35</b>	<b>-</b>	<b>14.99</b>	<b>8.53</b>	<b>1.69</b>	<b>-</b>	<b>10.22</b>	<b>4.77</b>	<b>2.11</b>
<b>Total Assets</b>	<b>3,823.38</b>	<b>384.94</b>	<b>-</b>	<b>4,208.32</b>	<b>1,162.82</b>	<b>142.70</b>	<b>-</b>	<b>1,305.51</b>	<b>2,902.80</b>	<b>2,660.56</b>
<b>Previous Year</b>	2,748.89	1,074.49	-	3,823.38	927.13	235.66	-	1,162.82	2,660.56	1,821.75

Notes:

The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – H**  
**RESTATED STATEMENT OF LONG-TERM LOANS AND ADVANCES**  
**(Amount in Rs. Lakh)**

Particulars	As at September 30,2024	As at March, 31		
		2024	2023	2022
<b>Unsecured, Considered Good unless otherwise stated</b>				
Loans to employees	27.72	23.82	14.57	18.42
Rent Deposits	7.41	6.71	5.29	7.52
Retention Money	640.84	460.17	-	-
<b>Total</b>	<b>675.97</b>	<b>490.70</b>	<b>19.86</b>	<b>25.94</b>

Notes:

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.
2. The Company has not given any loans and advances to promoters, Directors, KMP's and other related parties during the above period.

**ANNEXURE – I**  
**RESTATED STATEMENT OF OTHER NON CURRENT ASSETS**  
**(Amount in Rs. Lakh)**

Particulars	As at September 30,2024	As at March, 31		
		2024	2023	2022
<b>Unsecured, Considered Good unless otherwise stated</b>				
Security Deposits	243.54	191.64	94.93	42.71
Advance for Construction	88.57	88.57	88.57	43.57
Advance to Supplier (I)	216.85	26.68	18.96	15.86
TDS Recoverable (I)	17.81	17.81	12.27	21.24
<b>Total</b>	<b>566.77</b>	<b>324.70</b>	<b>214.73</b>	<b>123.38</b>

Notes:

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – J**  
**RESTATED STATEMENT OF INVENTORIES**  
**(Amount in Rs. Lakh)**

Particulars	As at September 30,2024	As at March, 31		
		2024	2023	2022
Raw Materials	1,087.16	1,068.58	118.19	23.58
Work in Progress	10,141.39	6,771.57	7,883.83	4,400.14
Trading Goods	199.83	215.17	243.85	475.14
<b>Total</b>	<b>11,428.37</b>	<b>8,055.31</b>	<b>8,245.86</b>	<b>4,898.87</b>

Note:

1. Inventory has been physically verified by the management of the Company at the end of respective year.
2. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – K**

**RESTATED STATEMENT OF TRADE RECEIVABLES**

(Amount in Rs. Lakh)

Particulars	As at September 30, 2024	As at March, 31		
		2024	2023	2022
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
Other Receivables	863.92	549.50	757.75	739.15
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
Other Receivables	3,008.14	4,132.91	1,411.79	1,820.16
<b>Total</b>	<b>3,872.05</b>	<b>4,682.41</b>	<b>2,169.53</b>	<b>2,559.31</b>

**Notes**

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.
2. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
3. Ageing of the Trade receivable, along with any amount involved in disputes, if any as required by Schedule III of Companies Act, 2013 is disclosed as below. Ageing of debtors is based on the date of transaction in case there is no credit period agreed at the time of Supply.

**Trade Receivables ageing schedule for the period 30th September 2024**

(Amount in Rs. Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	3,008.14	410.02	109.20	15.97	328.73	3,872.05
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

**Trade Receivables ageing schedule as at 31st March 2024**

(Amount in Rs. Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total

(i) Undisputed Trade receivables -considered good	4,132.91	186.95	93.86	112.96	155.72	4,682.41
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

**Trade Receivables ageing schedule as at 31st March 2023  
(Amount in Rs. Lakh)**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	1,411.79	144.87	126.63	131.51	354.74	2,169.53
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

**Trade Receivables ageing schedule as at 31st March, 2022  
(Amount in Rs. Lakh)**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	1,820.16	238.35	144.59	57.70	298.50	2,559.31
(i) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

**ANNEXURE – L**  
**RESTATED STATEMENT OF CASH & CASH EQUIVALENT**  
**(Amount in Rs. Lakh)**

Particulars	As at September 30,2024	As at March, 31		
		2024	2023	2022
<b>Cash and Cash Equivalent- (A)</b>				
Balances with Banks in Current Accounts	0.56	63.60	3.12	0.12
Cash on Hand (As certified and verified by Management)	4.95	0.41	1.47	7.29
<b>Other Bank Balances (B)</b>				
*Fixed Deposits (Refer Note 1)	1,143.54	876.57	1,338.38	498.25
<b>Total (A+B)</b>	<b>1,149.04</b>	<b>940.57</b>	<b>1,342.96</b>	<b>505.66</b>

**Note:**

1. Fixed Deposits are held as margin money against Letter of Credit/ bank guarantee issued and having maturity less than 12 months.
2. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – M**  
**RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES**  
**(Amount in Rs. Lakh)**

Particulars	As at September 30,2024	As at March, 31		
		2024	2023	2022
<b>Unsecured, Considered Good unless otherwise stated</b>				
Loans to employees	38.14	40.78	10.59	6.38
Advance to Supplier	400.90	51.14	8.78	0.19
<b>Total</b>	<b>439.03</b>	<b>91.92</b>	<b>19.37</b>	<b>6.57</b>

**Notes:**

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.
2. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
3. The Company has not given any loans and advances to promoters, Directors, KMP's and other related parties during the above period.

**ANNEXURE – N**  
**RESTATED STATEMENT OF OTHER CURRENT ASSETS**  
**(Amount in Rs. Lakh)**

Particulars	As at September 30,2024	As at March, 31		
		2024	2023	2022
Rent Deposits	3.33	4.58	2.00	-
Balances with Govt. Authorities	245.04	113.75	302.37	102.19
Pre-paid Expense	0.93	5.33	19.00	-
Retention Money	80.48	175.01	212.64	-
TDS Recoverable	45.95	68.78	5.54	-
<b>Total</b>	<b>375.72</b>	<b>367.46</b>	<b>541.55</b>	<b>102.19</b>



**Note:**

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – O****RESTATED STATEMENT OF REVENUE FROM OPERATIONS****(Amount in Rs. Lakh)**

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
<b>Sale of Goods</b>				
<b>Domestic supply</b>				
Trading Goods	15.34	2,394.34	1,774.29	4,694.70
Manufactured Goods	12,653.06	23,418.61	15,224.46	5,219.68
<b>Export supply</b>				
Trading Goods	-	-	-	-
Manufactured Goods	-	-	-	154.48
Less: Inter Branch Elimination Trading Goods	-	(1,810.39)	(567.09)	(403.09)
Less: Inter Branch Elimination Manufactured Goods	(2,073.14)	(2,170.10)	(874.86)	(787.47)
<b>Sub Total (i)</b>	<b>10,595.25</b>	<b>21,832.46</b>	<b>15,556.81</b>	<b>8,878.29</b>
<b>Other operating Income</b>				
Scrap Sales	0.09	1.30	1.22	4.87
<b>Sub Total (ii)</b>	<b>0.09</b>	<b>1.30</b>	<b>1.22</b>	<b>4.87</b>
<b>Total Revenue From Operations</b>	<b>10,595.34</b>	<b>21,833.76</b>	<b>15,558.03</b>	<b>8,883.16</b>

**Note:**

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – P**  
**RESTATED STATEMENT OF OTHER INCOME**  
**(Amount in Rs. Lakh)**

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
Interest on fixed deposits	5.35	36.12	30.76	26.33
Miscellaneous Income	11.32	7.42	-	9.37
<b>Total</b>	<b>16.67</b>	<b>43.54</b>	<b>30.76</b>	<b>35.69</b>

**Note:**

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – Q**  
**RESTATED STATEMENT OF COST OF MATERIAL CONSUMED AND PURCHASE OF STOCK IN TRADE**  
**(Amount in Rs. Lakh)**

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
<b>Cost of Material Consumed</b>				
Opening Stock of Raw Material	1,068.58	118.19	23.58	252.83
Add: Purchases of Raw Material	11,378.81	16,625.62	13,729.73	4,428.44
Add: Purchases of Raw Material Import	444.61	-	-	-
Add: Direct Expenses for Raw Material	275.34	483.87	521.27	199.59
Less: Inter Branch Elimination	(2,073.14)	(2,170.10)	(874.86)	(787.47)
	<b>11,094.19</b>	<b>15,057.58</b>	<b>13,399.72</b>	<b>4,093.38</b>
Less: Closing Stock of Raw Material	1,087.16	1,068.58	118.19	23.58
<b>Total</b>	<b>10,007.03</b>	<b>13,989.00</b>	<b>13,281.53</b>	<b>4,069.80</b>
<b>Purchase of Stock in Trade</b>				
Purchase of Trading Goods	-	2,344.23	1,507.34	4,020.22
Direct Expenses of Trading Goods	-	27.64	77.00	139.06
Less: Inter Branch Elimination Trading Goods	-	(1,810.39)	(567.09)	(403.09)
<b>Total</b>	<b>-</b>	<b>561.48</b>	<b>1,017.25</b>	<b>3,756.18</b>

**Note:**

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – R**  
**RESTATED STATEMENT OF CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(Amount in Rs. Lakh)

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
<b>Closing Inventories</b>				
Work in Progress	10,141.39	6,771.57	7,883.83	4,400.14
Trading Goods	199.83	215.17	243.85	475.14
<b>Sub Total (A)</b>	<b>10,341.22</b>	<b>6,986.73</b>	<b>8,127.68</b>	<b>4,875.29</b>
<b>Opening Inventories</b>				
Work in Progress	6,771.57	7,883.83	4,400.14	3,267.46
Trading Goods	215.17	243.85	475.14	361.15
<b>Sub Total (B)</b>	<b>6,986.73</b>	<b>8,127.68</b>	<b>4,875.29</b>	<b>3,628.61</b>
<b>Changes in Inventories</b>	<b>(3,354.48)</b>	<b>1,140.95</b>	<b>(3,252.39)</b>	<b>(1,246.68)</b>

**Note:**

1. The Inventory has been physically verified on periodic basis by the management.
2. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – S**  
**RESTATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES**  
(Amount in Rs. Lakh)

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
Salaries, Bonus and Wages	407.74	722.70	508.56	313.85
Director Remuneration	30.00	36.00	37.00	42.00
Gratuity Fund	5.51	4.35	6.17	1.15
PF, WF & ESIC Admin Charges	26.24	45.64	25.18	17.06
Staff Welfare Expenses	12.41	26.02	17.71	11.36
Incentives	19.50	28.13	0.20	-
<b>Total</b>	<b>501.39</b>	<b>862.85</b>	<b>594.82</b>	<b>385.41</b>

**ANNEXURE – T**  
**RESTATED STATEMENT OF FINANCE COST**  
(Amount in Rs. Lakh)

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
Interest on Term loan	14.15	33.51	46.30	55.68
Interest on Unsecured loan	190.76	291.95	217.08	168.70
Interest on Vehicle loan	1.72	4.47	3.17	4.78
LC & Bill Discounting	400.10	656.91	446.81	192.86
Loan Processing & Other Charges	57.22	130.81	83.74	67.90
<b>Total</b>	<b>663.94</b>	<b>1,117.65</b>	<b>797.10</b>	<b>489.93</b>

**ANNEXURE – U**  
**RESTATED STATEMENT OF DEPRECIATION & AMORTIZATION**  
**(Amount in Rs. Lakh)**

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
Depreciation and Amortization Expenses	142.70	235.66	174.90	159.60
<b>Total</b>	<b>142.70</b>	<b>235.66</b>	<b>174.90</b>	<b>159.60</b>

**ANNEXURE – V**  
**RESTATED STATEMENT OF OTHER EXPENSES**  
**(Amount in Rs. Lakh)**

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
<b>Manufacturing Expenses -</b>				
Freight & Transports Charges	10.20	7.09	9.03	0.80
Hiring Charges	63.61	78.52	20.57	9.47
Packing & Forwarding Charges	0.17	1.77	0.64	0.65
Detention Charges	30.62	13.55	6.08	2.33
Testing Charges	2.28	16.52	5.68	4.11
Labour Charges	954.10	1,311.35	1,437.31	581.49
Security Charges	21.77	27.19	19.94	25.60
Power & Fuel	283.28	463.76	306.70	176.57
Galvanizing Charges	-	17.53	1.53	3.22
Design & Drafting Charges	-	1.80	6.09	3.50
Factory Rent	119.02	-	-	-
Factory Expenses	42.99	58.80	26.11	19.60
<b>Total</b>	<b>1,528.05</b>	<b>1,997.87</b>	<b>1,839.69</b>	<b>827.34</b>
<b>Others Expenses -</b>				
Advertisement	-	0.14	0.14	-
<b>Payment to Auditors</b>				
Audit Fees	2.38	4.75	1.00	0.50
Consultancy for Taxation	0.38	0.75	0.25	0.25
Certificates/ Other services	0.25	0.50	0.25	0.25
Bad Debts	-	169.44	-	-
Bank Charges	26.53	26.05	21.88	33.97
Brokerage	63.11	57.14	80.92	38.86
Business Promotion	4.56	12.38	8.98	4.46
Car Hiring Charges	10.92	10.64	7.27	3.00
Conveyance Expenses	2.70	4.00	1.48	2.73
Professional Tax	0.82	0.05	-	-
Computer Expenses	0.28	1.05	4.69	0.23
Donation	-	0.01	-	0.13
Document Charges	7.58	0.53	0.34	1.13
CSR Expenditure	-	7.33	-	-
Office Maintenance	0.94	1.89	-	-

Rates & Taxes	3.61	13.78	40.25	4.15
GST Expenses	9.68	0.73	0.75	-
Interest on Income Tax	-	20.07	7.75	1.78
Interest on late payment of TDS, etc.	2.36	30.77	16.96	5.41
Interest on delay payment to supplier	13.40	20.94	29.90	1.24
Insurance Charges	11.27	13.14	12.28	2.63
Miscellaneous Expenses	6.99	3.97	7.45	0.09
Legal & Professional Charges	55.42	164.79	75.80	20.21
Loss on Sale of Assets	-	-	0.34	-
Office Expenses	3.88	8.01	10.10	6.34
Rent Expenses	8.70	17.40	21.00	20.20
Printing & Stationery	0.95	3.01	4.35	2.97
Rent on Machinery	3.75	3.24	13.61	1.79
Repair & Maintenance	12.65	34.21	27.46	15.36
Hospitality Expenses	47.23	60.35	49.66	33.86
Vehicle Expenses	0.58	3.26	2.73	3.72
ROC Filing Fees	-	0.48	0.05	-
Telephone Expenses	1.48	2.84	2.56	3.24
Travelling Expenses	0.77	5.16	4.75	3.16
<b>Total</b>	<b>303.15</b>	<b>702.82</b>	<b>454.95</b>	<b>211.68</b>

## Notes to P&L

### 1. CSR Expenditure under section 135

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
a) Amount required to be spent during the year	-	7.33	-	-
b) Amount of expenditure incurred	-	7.33	-	-
c) (Excess)/Short at the end of the year	-	-	-	-
d) Total of previous years shortfall	-	-	-	-
e) Reason for shortfall	-	-	-	-
f) Nature of CSR activities	-	Child Education	-	-

**ANNEXURE – W**  
**RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS**  
**(Amount in Lakh Rs. Except Per Share Data)**

**A. Mandatory Ratios**

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
Net Worth (A)	5,234.85	4,379.56	2,873.63	2,362.93
Restated Profit after tax (B)	613.82	942.49	510.70	189.91
Number of Equity shares (Face Value Rs 10) outstanding as on the of Year	5,551,111	5,384,578	4,996,000	4,996,000
Weighted Average Number of Equity shares (Face Value Rs 10) (C)	5,532,001	5,001,308	4,996,000	4,996,000
Weighted Average Number of Equity shares (Face Value Rs 10) after considering Bonus and Right Issue of Shares (D)	11,064,002	10,002,616	9,992,000	9,992,000
Current Assets (E)	17,264.22	14,137.68	12,319.28	8,072.59
Current Liabilities (F)	13,894.02	11,229.84	9,275.56	5,872.74
Face Value per Share (Refer Note 6 below)	10.00	10.00	10.00	10.00
Restated Basic and Diluted Earnings Per Share (Rs.) (B/D) (After Bonus & Rights Issue)	5.55	9.42	5.11	1.90
Return on Net worth (%) (B/A)	11.73%	21.52%	17.77%	8.04%
Net asset value per share (A/C) (Face Value of Rs. 10 Each) Based on actual number of shares - Before considering Bonus	94.30	81.34	57.52	47.30
Net asset value per share (A/D) (Face Value of Rs. 10 Each) Based on weighted average number of shares - After considering Bonus	47.31	43.78	28.76	23.65
Current Ratio (E/F)	1.24	1.26	1.33	1.37
Restated Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	1,152.88	1,791.08	1,091.62	618.65

**Bonus issue of 55,51,111 Equity Shares of Face Value of Rs.10/- each in the ratio of 1:1 i.e. One Bonus Equity Share for every One Equity Shars held by shareholders allotted on December 09, 2024".**

**Note:**

1) The ratios have been computed as below: The Below ratio's have not been annualized for the period ended 30th September, 2024

(a) Basic earnings per share (Rs.): - Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year.

(b) Diluted earnings per share (Rs.): - Net profit after tax as restated for calculating diluted EPS / Weighted average number of equities shares outstanding at the end of the period or year for diluted EPS.

(c) Return on net worth (%): - Net profit after tax (as restated) / Net worth at the end of the period or year.

(d) Net assets value per share: - Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year.

(2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. 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 year.

(3) Net worth = Equity share capital + Reserves and surplus (including Securities Premium, Share Option Outstanding Account, Debenture Redemption Reserve and Surplus/ (Deficit)).

(4) The figures disclosed above are based on the restated summary statements of the Company.

(5) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

(6) Bonus shares in ration 1:1 issued on dated 09th December, 2024 consider for calculating Weighted Average number for every year.

**B. Additional information to the financial statements: -**

1. Foreign Exchange earnings, expenditures and Hedge and unhedge status of Balance receivable and payable is as under:

Particulars	For the	For the Year ended		
	Period	31-03-2024	31-03-2023	31-03-2022
<b>1. CIF Value of Imports</b>				
Raw Material				
In USD	5.26	-	-	-
<b>2. Expenditure in Foreign Currency</b>				
<b>3. Earnings in Foreign Currency</b>				
Exports (FOB Value)	-	-	-	154.48

2. Disclosure Regarding Derivative Instruments And Unhedged Foreign Currency Exposure

Disclosure of Unhedged Balances:	For the	For the Year ended		
	Period	31-03-2024	31-03-2023	31-03-2022
<b>Trade payables (including Advances)</b>				
In USD	3.84	-	-	-
In INR- Lakhs	-	-	-	-

**ANNEXURE – X****RESTATED STATEMENT OF RELATED PARTY TRANSACTION****(Amount in Rs. Lakh)****(i) Names of the related party and nature of relationship where control/significant influence exists****SUMMARY OF RELATED PARTY TRANSACTIONS AS-18**

<b>Names of related party</b>	<b>Nature of Relationship</b>
<b>Key Management Personnel &amp; Directors</b>	
Shrenik Kirit Shah	Managing Director
Mittal Shrenik Shah	Whole-time Director
Kirit Shah	Director till date 25/08/2022
Sunil kathariya	Director w.e.f 21/05/2024
Saurabh Bhansali	Director w.e.f 09/07/2024
Mihen Jyotindra Halani	Director w.e.f 09/07/2024
Jankhana Vasanji Gala	Company Secretary w.e.f 09/07/2024
Samridhi Bhansali	Chief Financial Officer (July 9, 2024 till Jan 31, 2025)
Ganesh Shripati Bhandary	Chief Financial Officer w.e.f 01/02/2025

<b>Relative of Key Management Personnel &amp; Directors</b>	<b>Nature of Relationship</b>
Kirit Shantilal Shah HUF	HUF
Smita Shah	Mother of Director
Bhavin Kirit Shah	Brother of Director



Particulars		For the Period ended September 30, 2024	For the Year ended March 31,		
			2024	2023	2022
<b>(i) Transactions with Director /Promoters in KMP</b>					
<b>Director Remuneration</b>					
	<b>Key Managerial Personnel</b>				
	Mittal Shrenik Shah	12.00	12.00	7.00	-
	Kirit Shah	-	-	6.00	18.00
	Shrenik Kirit Shah	18.00	24.00	24.00	24.00
<b>Rent</b>					
	<b>Key Managerial Personnel</b>				
	Shrenik Kirit Shah	-	-	9.00	9.00
<b>Interest Expenses</b>					
	<b>Key Managerial Personnel</b>				
	Mittal Shrenik Shah	-	20.14	-	-
	Kirit Shah	-	-	-	26.35
	Shrenik Kirit Shah	7.37	72.73	69.13	12.93
	<b>Relative of Key managerial Personnel</b>				
	Kirit Shantilal Shah HUF	-	5.60	5.18	4.79
	Smita Shah	-	7.05	6.56	5.26
	Bhavin Kirit Shah	-	25.03	23.41	22.21
<b>Legal &amp; Professional Charges</b>					
	<b>Key Managerial Personnel</b>				
	Bhavin Kirit Shah	-	1.20	-	-
<b>Salary</b>					
	<b>Key Managerial Personnel</b>				
	Samridhi Bhansali	2.10	-	-	-
	Jankhana VasANJI Gala	0.75	-	-	-
<b>Loan Taken</b>					
	<b>Key Managerial Personnel</b>				
	Mittal Shrenik Shah	55.00	-	-	600.00
	Kirit Shah	-	-	1,260.18	499.80

	Shrenik Kirit Shah	121.06	341.97	1,263.36	263.22
	<b>Relative of Key managerial Personnel</b>				
	Kirit Shantilal Shah HUF	-	-	-	-
	Smita Shah	-	-	-	104.70
	Bhavin Kirit Shah	-	-	-	60.00
<b>Loan Repaid</b>					
	<b>Key Managerial Personnel</b>				
	Mittal Shrenik Shah	193.57	204.78	50.64	212.25
	Kirit Shah	-	-	1,547.48	577.33
	Shrenik Kirit Shah	392.24	758.02	737.93	306.96
	<b>Relative of Key managerial Personnel</b>				
	Kirit Shantilal Shah HUF	0.00	0.56	0.52	0.48
	Smita Shah	33.50	2.15	6.66	108.40
	Bhavin Kirit Shah	-	8.62	15.49	53.22
<b>(ii) Balances Outstanding</b>					
<b>Long Term Borrowings</b>	<b>Key Managerial Personnel &amp; Directors</b>				
	Mittal Shrenik Shah	13.90	152.46	337.11	387.75
	Kirit Shah	-	-	-	287.30
	Shrenik Kirit Shah	107.88	371.69	715.00	111.44
	<b>Relative of Key managerial Personnel</b>				
	Kirit Shantilal Shah HUF	67.21	67.21	62.18	57.52
	Smita Shah	49.82	83.32	78.41	78.51
	Bhavin Kirit Shah	296.70	296.70	279.09	271.17
<b>Trade Payable</b>					
	<b>Key Managerial Personnel &amp; Directors</b>				
	Mittal Shrenik Shah	1.67	1.00	1.00	-
	Kirit Shah	-	-	-	1.27
	Shrenik Kirit Shah	11.82	11.40	10.99	10.99

**Note:**

1. list of Related parties has been identified by the management and relied upon by the Auditor.
2. Sales, Purchases of Goods, Services and other income from related parties is disclosed exclusive of GST amount.
3. In case there is no transaction with any of the above related parties, only name of such related parties has been disclosed as required by AS- 18.

**ANNEXURE – Y**  
**RESTATED STATEMENT OF CAPITALISATION**  
**(Amount in Rs. Lakh)**

Particulars	Pre Issue	As adjusted for the
	30.09.2024	Proposed Issue**
<b>Debt</b>		
Current borrowing*	5,160.17	-
Non Current borrowing (including current maturity)*	2,479.99	-
<b>Total Debt</b>	<b>7,640.16</b>	-
<b>Shareholders' Fund (Equity)</b>		
Equity Share Capital	555.11	-
Reserves & Surplus	4,679.74	-
Less: Miscellaneous Expenses not w/off	-	-
<b>Total Shareholders' Fund (Equity)</b>	<b>5,234.85</b>	-
<b>Long Term Debt/Equity</b>	0.47	-
<b>Total Debt/Equity</b>	1.46	-

**Notes: \***

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment 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 30/09/2024.

\*\* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

**ANNEXURE – Z**  
**RESTATED STATEMENT OF TAX SHELTER**  
**(Amount in Rs. Lakh)**

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
Restated Profit before tax (A)	820.23	1,269.02	680.92	265.58
Tax Rate Applicable % (B)	25.17	25.17	25.17	25.17
<b>Adjustments:</b>				
Section 36 Provident Fund	-	0.12	0.80	3.51
Section 37	0.08	0.84	0.90	0.87
CSR Expenditure	-	7.33	-	-
Gratuity Expenses	5.51	4.35	6.17	1.15
Interest on Income Tax	-	20.07	7.75	1.78
Depreciation as per CA act, 2013	142.70	235.66	174.90	159.60
<b>Total Permanent Differences (C)</b>	<b>148.28</b>	<b>268.38</b>	<b>190.52</b>	<b>166.91</b>
<b>Timing Difference (D)</b>				
Depreciation as per Income Tax act	162.86	294.47	207.33	171.04
Expenses Disallowed Under Section 43 B	-	-	-	-
<b>Total Timing Differences (D)</b>	<b>162.86</b>	<b>294.47</b>	<b>207.33</b>	<b>171.04</b>
Net Adjustment (E) = (C-D)	(14.57)	(26.09)	(16.81)	(4.13)
Tax Liability, After Considering the effect of Adjustment (A+D)*(B)	202.77	312.82	167.14	65.80
Total Tax expenses	202.77	312.82	167.14	65.80
Tax Paid Under (Normal/MAT) in Income Tax Return Filed by Company	Normal	Normal	Normal	Normal

\* MAT refers to Minimum Alternative Tax as referred to in section 115 JB of the Income Tax Act, 1961. However, Company is filing ITR in 115BAB, therefore MAT is not applicable.

**Notes:**

1. The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax returns/Provisional computation of total income of respective years as stated above.

2. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

**ANNEXURE – AA**  
**RESTATED STATEMENT OF CONTINGENT LIABILITIES**  
**(Amount in Rs. Lakh)**

Particulars	As at September 30,2024	As at March, 31		
		2024	2023	2022
<b>Contingent liabilities in respect of:</b>				
Guarantees given on Behalf of the Company	135.54	135.54	259.84	59.29
TDS	3.19	0.36	0.64	0.22
<b>Total</b>	<b>138.73</b>	<b>135.90</b>	<b>260.48</b>	<b>59.51</b>

**Note:**

1. The above statement should be read with the significant accounting policies and notes to restated statements of assets and liabilities, Statement of profits and losses and Statement of cash flows appearing in Annexures I, II, III and IV.

2. In the opinion of management, there is no contingent liability to be disclosed towards manufacturing warranty extended to customers for manufacturing defect because the warranty on the product bought from the third-party suppliers is back-to-back assured to the customer and based on the management estimate the company's warranty with regard to the third party products, bodybuilding/chassis expenditure is not significant with respect to the number of cases which comes with the complaint for manufacturing defect and accordingly is not having material impact on the financial of the company. Therefore, no contingent liability estimates are required towards warranty extended towards manufacturing defect to customers.

**ANNEXURE – AB**  
**RESTATED STATEMENT OF OTHER FINANCIAL RATIO**

Sr. No.	Ratio	Period ended 30.09.2024	Year Ended 31.03.24	Year Ended 31.03.23	Year Ended 31.03.22	Changes in Ratio (%) 31.03.24 31.03.23 v/s	Changes in Ratio (%) 31.03.23 31.03.22 v/s
1	Current Ratio (No of Times)	1.24	1.26	1.33	1.37	-5.21%	-3.38%
2	Debt Equity Ratio (No of Times)	1.46	1.37	1.69	1.72	-19.08%	-2.10%
3	Debt Service Coverage Ratio (No of Times)	2.38	3.34	1.71	0.71	95.23%	141.72%
4	Return On Equity Ratio (%)	12.77%	25.99%	19.51%	8.35%	33.24%	133.65%
5	Inventory Turnover Ratio (In Days)	266.52	189.59	217.17	379.44	-12.70%	-42.77%
6	Trade Receivable Turnover Ratio (In Days)	73.47	57.27	55.47	157.26	3.25%	-64.73%
7	Trade Payable Turnover Ratio (In Days)	112.60	124.64	115.07	194.84	8.32%	-40.94%
8	Net Capital Turnover Ratio (No. of Days)	53.92	49.75	61.51	106.37	-19.12%	-42.18%
9	Net Profit Ratio (%)	5.79%	4.32%	3.28%	2.14%	31.50%	53.54%
10	Return On Capital Employed (%)	7.95%	15.36%	12.21%	7.65%	25.77%	59.65%

**Note:**

Details of Formulas for the above ratio are as under

- (1) Current Ratio = Current Assets / Current Liabilities.
- (2) Debt- equity ratio = Total debt / Shareholders' equity.
- (3) Debt service coverage ratio = (Net Profit Before Tax + Depreciation + Interest) / (Principal + Interest) repaid.
- (4) Return on equity ratio= Net profit after taxes / Avg Shareholder's Equity.
- (5) Inventory turnover ratio= COGS/Average inventory.
- (6) Trade receivables turnover ratio= Revenue from Operations /Average trade receivables.
- (7) Trade payables turnover ratio=Purchase/Average trade payables.
- (8) Net Capital turnover ratio=Net sales/Average working capital.
- (9) Net profit ratio=Net profit after taxes/Total Revenue.
- (10) Return on capital employed=Earnings before interest and taxes/Capital employed (Shareholders Fund + Debt +DTL).

S.No.	Ratio Analysis	Formula Heads	30-Sep-24	31-Mar-24	31-Mar-23	31-Mar-22
1	Current Ratio	Current Assets				

	(Current Assets/Current Liabilities)	Trade Receivables	3,872.05	4,682.41	2,169.53	2,559.31
		Cash and Bank balances	1,149.04	940.57	1,342.96	505.66
		Short Term Loans and Advances	439.03	91.92	19.37	6.57
		Inventory	11,428.37	8,055.31	8,245.86	4,898.87
		Any other current assets	375.72	367.46	541.55	102.19
			17,264.22	14,137.68	12,319.28	8,072.59
		<b>Current Liabilities</b>				
		Creditors for goods and services	8,057.51	6,572.26	6,383.45	3,223.97
		Short term Borrowing	5,437.79	4,048.86	2,677.30	2,569.07
		Any other current liabilities	104.73	422.35	135.91	38.86
		Short Term Provisions	293.98	186.36	78.89	40.85
			13,894.02	11,229.84	9,275.56	5,872.74
		<b>Current Assets/ Current Liabilities</b>	<b>1.24</b>	<b>1.26</b>	<b>1.33</b>	<b>1.37</b>
<b>2</b>	Debt Equity Ratio	<b>Total Debts Liabilities</b>				
	(Total Debt/Total Equity)	Total Debts- Long Term Debts+ Short Term Debt	7,640.16	5,983.45	4,851.88	4,075.08
		<b>Shareholder's Equity</b>				
		Total Shareholders Equity	5,234.85	4,379.56	2,873.63	2,362.93
		<b>Total Debt/Total Equity</b>	<b>1.46</b>	<b>1.37</b>	<b>1.69</b>	<b>1.72</b>
<b>3</b>	Debt Service Coverage Ratio	<b>Net Operating Income</b>				
	(NOI/Debt Obligation)	Net Profit before tax + Depreciation + Interest Expenses-Other Income	1,152.88	1,791.08	1,091.62	618.65
		<b>Debt Service</b>				
		Current Debt Obligation (Interest & Principal Repayment.	484.25	535.88	637.65	873.49
		<b>NOI/Debt Obligation</b>	<b>2.38</b>	<b>3.34</b>	<b>1.71</b>	<b>0.71</b>
<b>4</b>	Return on Equity Ratio	<b>Profit for the period</b>				
	(Profit for Equity/Average Equity)	Net Profit after taxes - preference dividend (if any)	613.82	942.49	510.70	189.91
		<b>Avg. Shareholders Equity</b>				
		(Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	4,807.21	3,626.60	2,618.28	2,274.90
		<b>Profit for Equity/Average Equity</b>	<b>12.77%</b>	<b>25.99%</b>	<b>19.51%</b>	<b>8.35%</b>

<b>5</b>	Inventory Turnover Ratio (In Days) (COGS/Average Inventory)	<b>Sales</b> COGS	6,652.55	15,691.43	11,046.39	6,579.30
		<b>Average Inventory</b> (Opening Stock + Closing Stock)/2	9,741.84	8,150.59	6,572.37	6,839.58
		<b>COGS/Average Inventory</b>	<b>266.52</b>	<b>189.59</b>	<b>217.17</b>	<b>379.44</b>
<b>6</b>	Trade Receivables Turnover Ratio (In Days) (Credit Sales/Average AR)	<b>Net Credit Sales</b> Credit Sales	10,595.34	21,833.76	15,558.03	8,883.16
		<b>Average Trade Receivables</b> (Beginning Trade Receivables + Ending Trade Receivables) / 2	4,277.23	3,425.97	2,364.42	3,827.36
		<b>Credit Sales/Average AR</b>	<b>73.47</b>	<b>57.27</b>	<b>55.47</b>	<b>157.26</b>
<b>7</b>	Trade Payables Turnover Ratio (In Days) (Credit Purchases/Average AP)	<b>Total Purchases</b> Annual Net Credit Purchases	11,823.41	18,969.85	15,237.07	8,448.66
		<b>Average Trade Payables</b> (Beginning Trade Payables + Ending Trade Payables) / 2	7,314.89	6,477.86	4,803.71	4,509.94
		<b>Credit Purchases/Average AP</b>	<b>112.60</b>	<b>124.64</b>	<b>115.07</b>	<b>194.84</b>
<b>8</b>	Net Capital Turnover Ratio (Net Sales/Average Working Capital Gap)	<b>Net Sales</b> Total Sales - Sales Return	10,595.34	21,833.76	15,558.03	8,883.16
		<b>Average Working Capital</b> Current Assets - Current Liabilities	3,139.02	2,975.78	2,621.78	2,588.81
		<b>Net Sales/Average Working Capital Gap</b>	<b>53.92</b>	<b>49.75</b>	<b>61.51</b>	<b>106.37</b>
<b>9</b>	Net Profit Ratio (Profit for the year/Revenue from operation)	<b>Net Profit</b> Profit After Tax	613.82	942.49	510.70	189.91
		<b>Net Sales</b> Sales	10,595.34	21,833.76	15,558.03	8,883.16



		<b>Profit for the year/Revenue from operation</b>	<b>5.79%</b>	<b>4.32%</b>	<b>3.28%</b>	<b>2.14%</b>
<b>10</b>	Return on Capital employed	<b>EBIT</b>				
	(Profit before tax and finance costs/Capital Employed)	Profit Before Tax + Interest Cost	1,026.85	1,598.96	947.48	494.74
		<b>Capital Employed *</b>				
		Total Equity + Long term borrowing + Short term borrowing + Deferred tax liability	12,924.41	10,408.77	7,757.57	6,466.99
		<b>Profit before tax and finance costs/Capital Employed</b>	<b>7.95%</b>	<b>15.36%</b>	<b>12.21%</b>	<b>7.65%</b>

#### Variance Analysis for the FY 2021-22 compare to 2022-23

Sr. No.	Ratio	Variance	Reason for Variance Above 25%
1	Debt Service Coverage Ratio (No of Times)	141.72%	In FY 2022-23 there was significant increase in the Operation and Profits of the company resulting in better debt service coverage ratio.
2	Return On Equity Ratio (%)	133.65%	In FY 2022-23 there was significant increase in the Operation and Profits of the company resulting in better debt service coverage ratio.
3	Inventory Turnover Ratio (In Days)	-42.77%	In FY 2022-23 with improve in operations the working capital cycle has rationalized.
4	Trade Receivable Turnover Ratio (In Days)	-64.73%	In FY 2022-23 with improve in operations the working capital cycle has rationalized.
5	Trade Payable Turnover Ratio (In Days)	-40.94%	In FY 2022-23 with improve in operations the working capital cycle has rationalized.
6	Net Capital Turnover Ratio (No Of Days)	-42.18%	In FY 2022-23 with improve in operations the working capital cycle has rationalized.
7	Net Profit Ratio (%)	53.54%	In FY 2022-23 there was significant increase in the Operation and Profits of the company resulting in better debt service coverage ratio.
8	Return On Capital Employed (%)	59.65%	In FY 2022-23 there was significant increase in the Operation and Profits of the company resulting in better debt service coverage ratio.

#### Variance Analysis for the FY 2022-23 compare to 2023-24

Sr. No.	Ratio	Variance	Reason for Variance Above 25%
1	Debt Service Coverage Ratio (No of Times)	95.23%	In FY 2023-24 there was significant increase in the Operation and Profits of the company resulting in better debt service coverage ratio.

2	Return On Equity Ratio (%)	33.24%	In FY 2023-24 there was significant increase in the Operation and Profits of the company resulting in better debt service coverage ratio.
3	Net Profit Ratio (%)	31.50%	In FY 2023-24 there was significant increase in the Operation and Profits of the company resulting in better debt service coverage ratio.
4	Return On Capital Employed (%)	25.77%	In FY 2023-2024 there was significant increase in the operations & profit of the company resulting in better debt service coverage ratio.

**Annexure – AC**

**ADDITIONAL REGULATORY INFORMATION AS REQUIRED BY PARA Y OF PART - I TO SCHEDULE III TO THE COMPANIES ACT, 2013**

1. The title deed of the Immovable Property are held in the name of the Company.
2. The company has not revalued its Property, Plant and Equipment. Accordingly, disclosures as required under this para is not applicable.
3. The Company has not utilised the borrowings received from banks and financial institutions for the purpose other than for which it was taken during the period of restatement.
4. **Utilization of borrowed funds**  
During the period ended September, 30, 2024 & year ended March 31, 2024, 2023 & 2022, the Company has not advanced or Loans or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
  - i) 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
  - ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.During the period ended September, 30, 2024 & year ended March 31, 2024, 2023 & 2022, the Company has 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:
  - i) 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
  - ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries."
5. The company has not been declared as willful defaulter by any bank or financial institution or other lender. Accordingly, disclosures under this para are not applicable.
6. The company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. Accordingly, disclosures under this para are not applicable.
7. No Scheme of Arrangements has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013. Accordingly, disclosures under this para are not applicable.
8. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
9. As on 30th September 2024, the Company does not have any charges for which registration or satisfaction is yet to be done with Registrar of Companies (ROC) beyond the restated period.
10. During the period of restatement, the Company has no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under Income Tax Act, 1961.
11. No dividend were declared and paid by the company during the period of Restatement.
12. Figures have been rounded off to the multiple of lakhs. Previous year's figures have been regrouped, recast and rearranged wherever necessary to make them comparable with the current year figures.
13. The company does not have any intangible assets Under-Development. Accordingly, disclosures as required under this para are not applicable.
14. The company has no subsidiary and company has complied with number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017

**Additional Regulatory Information as required by Para 5 (ix) to (xi) of Part - II to Schedule III to the Companies Act, 2013:**

- (i) The company is required to spent CSR expenditure under section 135 of the Companies Act. Accordingly, disclosures as required under this para has been made in notes to Profit & Loss accounts
- (ii) During the period of restatement, The Company has not traded or invested in Crypto Currency or Virtual Currency during the year.
- (iii) There are no transactions that have remained unrecorded in the books of accounts and subsequently surrendered or disclosed as income during the year in any tax assessment proceedings under the Income Tax Act, 1961

## OTHER FINANCIAL INFORMATION

The audited financial statements of our Company for the six months period ended September 30, 2024 and financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.karbonsteel.com](http://www.karbonsteel.com).

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; (ii) Red Herring Prospectus or (ii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

Neither our Company, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI (ICDR) Regulations are given below:

Particulars	For the Period ended September 30, 2024	For the Year ended March 31,		
		2024	2023	2022
Profit after tax (Rs. In Lakhs)	613.82	942.49	510.70	189.91
Basic and Diluted Earnings Per Share	5.55	9.42	5.11	1.90
Return on Net worth (%)	11.73%	21.52%	17.77%	8.04%
Net asset value per share (Based on weighted average number of shares - After considering Bonus)	47.31	43.78	28.76	23.65
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (Rs. In lakhs)	1,152.88	1,791.08	1,091.62	618.65

## STATEMENT OF FINANCIAL INDEBTEDNESS

To,

**The Board of Directors**  
**Karbonsteel Engineering Limited,**  
B-8, Ratandeeep Cosmopolitan CHS Ltd,  
140-141, Swami Vivekanand Road,  
Adjacent to Shoppers Stop,  
Andheri West, Mumbai,  
Maharashtra 400058

And

**Seren Capital Private Limited**  
601 to 605, Raylon Arcade, Kondivita,  
J.B. Nagar, Mumbai-400059

(Seren Capital Private Limited referred to as the “Book Running Lead Manager” or the “BRLM”)

**Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (“Equity Shares” and such initial public offer, an “IPO” or “Issue”) of Karbonsteel Engineering Limited. (the “Company”).**

**Dear Sirs,**

We, **Rao & Shyam**. Chartered Accountants are statutory auditors of Karbonsteel Engineering Limited have received a request from the Company to issue a certificate on the Financial Indebtedness of the Company based on restated financial information prepared by the management of the company.

Based on the independent examination of Books of Accounts, Restated Financial Statements and other documents of Karbonsteel Engineering Limited and as per the further explanations and information provided by the management of the company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 30th September, 2024 are mentioned below.

**Statement of Financial Indebtedness as on September 30, 2024**

**(Rs in Lakhs)**

<b>Particulars</b>	<b>As at September 30,2024</b>
--------------------	--------------------------------

<b>(a) Term loans</b>	
From Banks (Secured)	255.55
From Bank/ NBFC (Unsecured)	536.31
<b>Sub-total (a)</b>	<b>791.85</b>
<b>(b) Loans and advances from related parties (Unsecured)</b>	
Loans and advances from related parties (Unsecured):	535.51
Loans and advances from others (Unsecured):	875.00
<b>Sub-total (b)</b>	<b>1,410.51</b>
<b>Total (a+b)</b>	<b>2,202.37</b>
<b>Short Term Borrowings</b>	
<b>Loan Repayable on Demand</b>	
Cash Credit from Bank (Secured)	3,423.09
Bill Discounting / Channel Finance	1,737.08
Current Maturities of Long-Term Debt	277.62
<b>Total</b>	<b>5,437.79</b>

*Encl: Annexure A for details*

#### ANNEXURE A-

##### 1. Secured Loan: -

##### A. Long Term Borrowings-

(Rs in Lakhs)

Sr No.	Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 30.09.2024 as per books
1	HDFC Bank	Construction Equipment Non-Infra Term Loan	250.00	9.31%	Note 1	To be repaid in 60 monthly instalments of Rs 5.07lakhs	-	211.99
2	HDFC Bank	Construction Equipment Loan	16.34	10.08%	Hypothecation of Vehicle	To be repaid in 48 monthly instalments of Rs 0.41lakhs	-	16.34
3	HDFC Bank	Construction Equipment Loan	16.34	10.08%	Hypothecation of Vehicle	To be repaid in 48 monthly instalments of Rs 0.41lakhs	-	16.34
4	ICICI Bank	Car Loan	13.05	9.15%	Hypothecatio006E of Vehicle	To be repaid in 60 monthly instalments of Rs 0.27 lakhs	-	10.71
5	Kotak Mahindra Bank	Car Loan	17.04	9.14%	Hypothecation of Vehicle	To be repaid in 60 monthly instalments of Rs 0.35 lakhs	-	12.75
6	Kotak Mahindra Bank	Car Loan	15.50	9.36%	Hypothecation of Vehicle	To be repaid in 60 monthly instalments of Rs 0.32 lakhs	-	11.39
7	SBI Bank	Business term loan	350.00	11.65%	Note 2	To be repaid in 60 monthly instalments of Rs 5.45 lakhs	-	10.66
8	SBI Bank	Business term loan	200.00	11.40%	Note 2	To be repaid in 80 monthly instalments of Rs 3.22 lakhs	-	22.13
	<b>Total</b>							<b>312.31</b>

**B. Short Term Borrowings**

(Rs in lakhs)

Sr. No.	Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 30.09.2024 as per books
1	HDFC Bank	CC for Business Purpose	1850*	9.31%	Note 1	Repayable on demand	-	1,456.27



2	SBI	Working Capital	2000	9.15% (Repo 6.50% + Spread 2.65)	Note 2	Repayable on demand	-	1,966.82
<b>Total</b>								<b>3,423.09</b>

\*Above included 350 lakhs of Adhoc cash Credit

**Note 1- Primary Security**

Stock, Book Debts, PG of directors, FDS margin against BG and LC, Current Asset

**Collateral Security**

Property 1 - Commercial Property Plot no 747 Kalamboli Steel Market, Kalamboli-410209, (Market Value Rs.275 Lakh)

Property 2 - Commercial Shop Plot no 1270 Kalamboli Steel Market, Kalamboli-410209, (Market Value Rs.275 Lakh)

Property 3 - Land & Building, plot no 17 & 91, Survey No 1945/91, Khata No.501, OHM Industrial Infrastructure, Umbergaon, Area-6000 Sq. Ft., (Market Value Rs.2,819.15 Lakh)

Property 4- Residential Flat no. B9 (2nd Floor), Ratandeep Cosmopolitan CHS Limited, SV Road, Mumbai-400058, (Market Value Rs. 220.00 Lakh)

Property 5- Commercial Residential Shop, Flat no. B-8 (2nd Floor), Ratandeep Cosmopolitan CHS Limited, SV Road, Andheri West, Mumbai-400058 Area-842 sq. ft., (Market Value Rs. 231.55 Lakh)

Property 6- Flat no. 301 (3rd Floor), Plot No.79, SNO. 931,931/1 to 931/6, Bajaj Road, Vijaya Apartment, Vile Parle West, Mumbai 400056, Area-1017 Sq. Ft., (Market Value Rs. 423 Lacs)

Also, personal guarantee of- Shrenik Kirit Shah, Bhavin kirit Shah, Mittal Shrenik Shah & Smita Shah

**Note-2 Primary Security**

Hypothecation of all current assets, entire goods, movables and other assets, present and future, including documents of title to goods and other assets such as book-debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and right and all machinery, present and future.

**Collateral Security**

Property 1- Land & Building, plot no 17 & 91, Survey No 1945/91, Khata No.501, OHM Industrial Infrastructure, Umbergaon

Property 2- Flat no. B-8 (2nd Floor), Ratandeep Cosmopolitan CHS Limited, SV Road, Andheri West, Mumbai-400058

Also, personal guarantee of- Mr. Shrenik Shah, Mrs. Smitaben Shah, Mrs. Mittal Shah & Mr. Bhavin Shah

**2. Unsecured Loan: -**

**A. Long Term Borrowing-**

(Rs in lakhs)

Sr No.	Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 30.09.2024 as per books

1	Kisetsu Saison Finance India Pvt Ltd	Business Purpose	60.00	15.00%	-	To be repaid in 24 monthly instalments of Rs 2.90 lakhs	-	60.00
2	SMFG India Credit Company Limited	Business Purpose	75.00	15.00%	-	To be repaid in 13 monthly instalments of Rs 6.77 lakhs	-	75.00
3	Fedbank Financial Services Ltd	Business	50.15	15.54%	-	To be repaid in 12 monthly instalments	-	50.15
4	Godrej Finance Ltd	Business Expansion	51.00	15.00%	-	To be repaid in 12 monthly instalments	-	51.00
5	L & T Finance	Expand operations for business	75.25	15.00%	-	To be repaid in 24 monthly instalments	-	75.25
6	Poonawalla Fincorp Limited	Business Use	75.00	15.00%	-	To be repaid in 12 monthly instalments of Rs 6.79 lakhs	-	75.00
7	Clix Capital Services Ltd	Business Use	50.15	16.04%	-	To be repaid in 12 monthly instalments	-	50.15
8	ICICI Bank	Business Use	100.00	15.10%	-	To be repaid in 36 monthly instalments of Rs 3.49 lakhs	-	100.00
9	IDFC First Bank Limited	Business Use	100.00	14.00%	-	To be repaid in 18 monthly instalments of Rs 6.19 lakhs	-	99.10
10	Kotak Mahindra Bank	Business Use	125.00	13.87%	-	To be repaid in 13 monthly instalments of Rs 10.42 lakhs	-	121.53
	<b>Total</b>							<b>757.18</b>

**B. Loan from Directors & Relatives of Director -****(Rs in lakhs)**

S.No.	Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Outstanding amount as on 30.09.2024 as per books
1	Shrenik Shah	Business Use	9.00%	Payable on Demand	107.88
2	Bhavin Kirit Shah	Business Use	9.00%	Payable on Demand	296.70
3	Kirit Shantilal Shah HUF	Business Use	9.00%	Payable on Demand	67.21
4	Mittal S. Shah	Business Use	9.00%	Payable on Demand	13.90
5	Kirit Shah	Business Use	9.00%	Payable on Demand	-
6	Smita Shah	Business Use	9.00%	Payable on Demand	49.82
	<b>Total</b>				<b>535.51</b>

**C. Other Parties****(Rs in lakhs)**

S.No.	Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Outstanding amount as on 30.09.2024 as per books
1	Archer Financial Services Pvt Ltd	Business Use	12.00%	Payable on Demand	350.00
2	Deepjyoti Commodities Pvt Ltd	Business Use	12.00%	Payable on Demand	250.00
3	Gurukrupa Polyplast Ltd	Business Use	12.00%	Payable on Demand	275.00
	<b>Total</b>				<b>875.00</b>

**D. Short Term borrowing****Bill Discounting / Channel Finance****(Rs in lakhs)**

S.No.	Name of Lender	Purpose	Sanction Amount	Security Details	Rate of interest	Re-Payment	As at September 30,2024
1	Capsave Finance Private Limited	Working Capital Demand Loan	300.00	Note-1	12.00%	120 Days	263.11
2	Mahindra & Mahindra	Sales Invoice Discounting wherein bill raised for L&T Ltd.	2,000.00	Note-2	10.50%	Bullet Repayment	273.21
3	Unity Small Finance Bank	Working Capital	300.00	Note-3	12.00%	90 Days	409.67
4	Ratnaafin Capital Pvt Ltd	Working Capital	500.00	Note-4	12.00%	120 Days	294.02
5	TATA Capital Ltd	For Purchase of Inventory	600.00	Unsecured	10.75%	90 Days	497.07
	<b>Total</b>						<b>1,737.08</b>

**Note 1-** NACH Mandate and 3 UDC along with Demand Promissory Note for the amount equivalent to sanction limit from Borrower, Personal Guarantee from Mr. Shrenik Kirit Shah, Mrs. Mittal Shrenik Shah and Mrs. Smitaben Kirit Shah, Cash collateral to the extent of 7.5% of the sanctioned amount in the form of non-interest-bearing Security Deposit.

**Note 2-** Personal Guarantee of Mrs. Smita Shah, Mrs Mittal Shah & Mr. Shrenik Shah.

**Note 3-** 1. Exclusive Charge by way of hypothecation of Assets being financed

2. Personal Guarantee of Shrenik Shah & Mittal Shah

3. FD of 5% - Rs 15 lakhs

4. DPN & LOC

**Note 4-** Personal Guarantee of Mr. Shrenik Kirit Shah, Mrs. Mittal Shrenik Shah & Collateral security 10% Security Deposit on disbursement tranches (Non interest Bearing), (SD to be repaid on loan closure only)

Yours faithfully,

**Rao & Shyam,  
FRN: 006186S**

Sd/-

**CA Vibhor Kala**

**Partner**

**Membership No.: 143553**

**UDIN: 25143553BMOZJQ6738**

**Date: 21<sup>st</sup> March 2025**

**Place: Mumbai**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled "Financial Information of the Company" beginning on page 202. You should also read the section titled "Risk Factors" on page 25 and the section titled "Forward Looking Statements" on page 17 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements. Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated March 21, 2025 which is included in this Draft Red Herring Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **BUSINESS OVERVIEW**

We are a structural engineering and fabrication company engaged primarily in the design, fabrication and assembly of heavy and precision steel structures, customized to meet clients' requirements across various industrial and infrastructure segments. We have delivered structural engineering and fabrication solutions in diverse sectors including steel plants, railway bridges, oil & gas plants, refineries, chemical plants and other industrial units. Our fabricated structures form an integral part of the construction, expansion or modernization of industrial and infrastructure projects, including industrial plants, high rise buildings, railway bridges and other large-scale developments.

Our structural engineering and fabrication solutions can broadly be classified into four verticals: -

**Heavy Steel Fabricated Structures** – We manufacture various type of heavy steel fabricated structures, including structural frameworks, steel columns, beams, crane girders, rafters, purlins, pipe racks, platforms, walkways, conveyor galleries, staircases, ladders and heavy-duty support structures, which are integral for construction, expansion or modernization of industrial plants and high-rise buildings, supporting both operational and structural requirements. Depending on project requirements, our scope generally begins with the procurement of specific graded steel, followed by fabrication processes such as cutting, drilling, bending, welding, machining, fit-up and assembly of steel structures. Once fabrication is complete, we carry out surface treatment and protective coatings, including shot blasting and painting, ensuring compliance with project specifications. To maintain precision and alignment, we also conduct quality inspections, trial assembly and match marking before finalizing the structures for dispatch. Upon completion, we oversee the loading, transportation and delivery of fabricated structures to project sites. In the last three financial years and the six-month period ended September 2024, revenue from heavy steel fabricated structures contributed 62.36% in Apr.'24 - Sept.'24, 72.24% in FY 2023-24, 61.95% in FY 2022-23 and 50.81% in FY 2021-22.

**Precision Fabricated Steel Structures or Technological Structures** - We manufacture various type of precision fabricated steel structures, including furnace support structures, intermediate accumulator towers, galvanized tubing handrails, welded/bolted steel structures etc. which are integral to industrial processing units and manufacturing facilities. These structures are designed to meet strict dimensional tolerances and quality requirements, ensuring compliance with project specifications. Depending on project requirements, our scope generally includes procurement of raw materials, fabrication, machining, assembly, dismantling, blasting, priming, painting, match marking, inspection and trial assembly. Upon completion, we oversee packing, loading and transportation of technological structures to project sites. In the last three financial years and the six-month period ended September 2024, this vertical contributed 32.18% in Apr.'24 - Sept.'24, 11.70% in FY 2023-24, 18.89% in FY 2022-23 and 0.83% in FY 2021-22 to our revenue.

**Steel Bridge Structures for High-Speed Rail Projects** - Over the past few years, the company has leveraged its skills, expertise, and extensive experience to expand into the manufacturing of steel bridge structures for high-speed rail projects. This includes the production of open web girders, built-up sections, and fabricated shutters for piers and pier caps, effectively implementing established technologies to meet project demands. These structures are essential for railway infrastructure, supporting the construction of high-speed rail corridors and ensuring load-bearing strength, durability and compliance with engineering standards. Our scope of work includes procurement of raw steel as per project specifications, fabrication, cutting, drilling, welding, machining, fit-up, blasting, priming, painting, trial assembly and match marking. We conduct full-scale trial assemblies to verify alignment before final dispatch. In the last three financial years and the six-month period ended September 2024, this vertical contributed 3.84% in Apr.'24 - Sept.'24, 11.32% in FY 2023-24, 10.36% in FY 2022-23 and 0.00% in FY 2021-22 to our revenue.

**Pre-Engineered Buildings** – We manufacture and supply Pre-Engineered Buildings (PEBs), which include built-up structural members, crane beams, steel columns, rafters, purlins, pipe racks, staircases, handrails, checker plates and roof gutters, as required and specified for each project. These structures are fabricated from hot-rolled or cold-formed sections, ensuring compliance with project specifications, dimensional accuracy and quality requirements. Our scope of work generally includes procurement of raw materials, fabrication, machining, assembly, trial fit-up, surface treatment (such as sand/shot blasting, priming and painting), final

inspection and delivery to project site. In the last three financial years and the six-month period ended September 2024, this vertical contributed 1.48% in Apr.'24 - Sept.'24, 2.07% in FY 2023-24, 1.04% in FY 2022-23 and 0.00% in FY 2021-22 to our revenue.

Some of our esteemed customers include Arcelor Mittal Nippon Steel India Limited, Tata Projects Limited, Ray Engineering Private Limited, JSW Severfield Structures Limited and Panametrics Engineering Private Limited. In the past, our company operated in both manufacturing and trading, with trading primarily involving steel products such as hot-rolled plates, mild steel plates, mild steel angles, mild steel rounds, and steel channels. However, over the years, we have strategically reduced our trading operations to focus on value-added manufacturing, resulting in trading revenue contributing only 0.14% of our total revenue in Apr.'24 - Sept.'24, compared to 2.67% in FY 2023-24, 7.76% in FY 2022-23, and 48.31% in FY 2021-22.

We have two manufacturing facilities located at (i) Umbergaon, District Valsad, Gujarat, and (ii) Khopoli, District Raigad, Maharashtra, dedicated to the manufacturing of heavy and precision steel fabricated structures, PEBs and steel bridge structures, with a combined installed capacity of 32,400 MT per annum. Our Umbergaon facility commenced operations in 2017, while our Raigad facility has been operational since 2014. Both manufacturing facilities are ISO 9001:2015 certified for Quality Management Systems and ISO 14001:2015 certified for Environmental Management Systems.

Our Umbergaon facility is located on a land parcel admeasuring approximately 7.60 lakh sq. ft. (70,652 sq. meters), which includes a covered production area and open space for material storage and handling. Additionally, our manufacturing unit in Khopoli, Raigad, Maharashtra, is situated on a land area of over 56,084 sq. ft., also comprising a covered production area and open space for material storage and handling. Together, these facilities span approximately 8.16 lakh sq. ft.

A part of our manufacturing facility at Umbergaon Valsad, Gujarat, specifically Plot No. 17, Om Industrial Park, Near Coastal Road, GIDC, Umbergaon, Gujarat – 396171 is approved under RDSO (Research Designs and Standards Organization) under the Ministry of Railways, India, for the fabrication of steel bridge girders, including composite and other steel plate girders.

Our manufacturing process primarily relies on high-quality steel plates and sheets in various thicknesses and grades, including E250, E350, E450, Hardox, and Galvanized Steel, along with hot-rolled and galvanized coils, structural sections (I-beams, H-beams, RSJ, universal beams, angles, and hollow sections), and seamless and ERW pipes for structural integrity. Fabrication and assembly involve high-tensile, mild steel, and stainless-steel fasteners, including bolts, nuts, washers, and anchor bolts, while welding consumables such as SMAW electrodes, flux-cored wires, and shielding gases (Argon, CO<sub>2</sub>, specialized mixtures) ensure strong and durable joints.

The Indian steel structural market is growing quickly as the country's economic growth and infrastructure development are rising. Structural Steel form the backbone of construction projects in India, playing a critical role in bridges, highways, railways, buildings, high-rise structures, and industrial facilities. The Indian government actively fosters growth in this sector through initiatives like the "Smart Cities Mission" and "Make in India," which aim to boost steel demand for modern urban and industrial development. Investments in metro rail systems, highway expansions, and urban infrastructure underline this commitment. Additionally, the National Steel Policy (NSP) 2017 targets increasing domestic steel consumption to 160 kilograms per capita by 2030, further supporting the sector's expansion and its role in nation-building. (Source: D&B Report)

As of January 31, 2025, we had 349 permanent full-time employees comprising of 218 employees in fabrication and production work, 22 in quality control department and 20 in automation & controls department. For details, please refer to "Our Business – Manpower" on page 161 of this DRHP. Additionally, we employed 180 contract laborers at our units. Our Company is led by our promoters, Mr. Shrenik Kirit Shah and Mrs. Mittal Shrenik Shah. We benefit immensely from the expertise of our Managing Director, Mr. Shrenik Kirit Shah, who possess an overall experience of 19 years in the steel trading and structural steel fabrication industry.

#### Key performance indicators of our Company:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Apr.'24 Sept'24	to	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	10,595.34		21,833.76	15,558.03	8,883.16
EBITDA <sup>(2)</sup>	1,152.88		1,791.08	1,091.62	618.65
EBITDA Margin <sup>(3)</sup>	10.88%		8.20%	7.02%	6.96%
PAT <sup>(4)</sup>	613.82		942.49	510.70	189.91
PAT Margin <sup>(5)</sup>	5.79%		4.32%	3.28%	2.14%
ROE(% <sup>(6)</sup> )	12.77%		25.99%	19.51%	8.35%
ROCE(% <sup>(7)</sup> )	7.95%		15.36%	12.21%	7.65%

Notes:

(1) Revenue from operation means revenue from sale of products & services and other operating revenues

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income

(3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

(4) PAT is calculated as Profit before tax – Tax Expenses

(5) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

(6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

(7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as Shareholders Fund + Long term borrowing + Short term borrowing+ Deferred Tax Liability.

For details, please refer to the section “Basis for Offer Price – Key Performance Indicators” on page 102 of the DRHP.

For details in respect of “Statement of Significant Accounting Policies”, please refer to “Annexure IV - Summary Statement of Significant Accounting Policies & Notes to Restated Financial Information” beginning on page 211 of this Draft Red Herring Prospectus.

Our business is subject to various risks and uncertainties, including those discussed in the section titled “Risk Factors” on page 25 beginning of this Draft Red Herring Prospectus.

### Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the six months period ended September'24 and financial years ended on March 31, 2024, 2023 and 2022.

(₹ In Lakhs)

Particulars	For the 6 months period ended September 30, 2024	% of Total Income						
			2024	% of Total Income	2023	% of Total Income	2022	% of Total Income
<b><u>Income:</u></b>								
Revenue From Operations	10,595.34	99.84%	21,833.76	99.80%	15,558.03	99.80%	8,883.16	99.60%
Other Income	16.67	0.16%	43.54	0.20%	30.76	0.20%	35.69	0.40%
<b>Total Income</b>	<b>10,612.01</b>	<b>100.00%</b>	<b>21,877.30</b>	<b>100.00%</b>	<b>15,588.79</b>	<b>100.00%</b>	<b>8,918.85</b>	<b>100.00%</b>
<b><u>Expenses:</u></b>								
Cost of Material Consumed	10,007.03	94.30%	13,989.00	63.94%	13,281.53	85.20%	4,069.80	45.63%
Purchases of Stock in Trade	-	0.00%	561.48	2.57%	1,017.25	6.53%	3,756.18	42.12%
Changes in inventories	(3,354.48)	(31.61%)	1,140.95	5.22%	(3,252.39)	(20.86%)	(1,246.68)	(13.98)
Employee benefit expenses	501.39	4.72%	862.85	3.94%	594.82	3.82%	385.41	4.32%
Finance Costs	663.94	6.26%	1117.65	5.11%	797.10	5.11%	489.93	5.49%
Depreciation and amortization expenses	142.70	1.34%	235.66	1.08%	174.90	1.12%	159.60	1.79%
Others Expenses	1831.20	17.26%	2700.69	12.34%	2294.64	14.72%	1039.02	11.65%
<b>Total Expenses</b>	<b>9,791.78</b>	<b>92.27%</b>	<b>20,608.28</b>	<b>94.20%</b>	<b>14,907.86</b>	<b>95.63%</b>	<b>8,653.27</b>	<b>97.02%</b>
<b>Profit Before Exceptional, Extraordinary Items and Tax</b>	<b>820.23</b>	<b>7.73%</b>	<b>1,269.02</b>	<b>5.80%</b>	<b>680.92</b>	<b>4.37%</b>	<b>265.58</b>	<b>2.98%</b>
Less: Exceptional Items	-		-		-		-	
<b>Profit Before Extraordinary Items and Tax</b>	<b>820.23</b>	<b>7.73%</b>	<b>1,269.02</b>	<b>5.80%</b>	<b>680.92</b>	<b>4.37%</b>	<b>265.58</b>	<b>2.98%</b>
Extra ordinary items	-		-		-		-	
<b>Profit Before Tax</b>	<b>820.23</b>	<b>7.73%</b>	<b>1,269.02</b>	<b>5.80%</b>	<b>680.92</b>	<b>4.37%</b>	<b>265.58</b>	<b>2.98%</b>
<b><u>Tax Expense:</u></b>								
Current tax Provision	202.77	1.91%	312.82	1.43%	167.14	1.07%	65.80	0.74%
Deferred Tax	3.64	0.03%	13.71	0.06%	3.08	0.02%	9.87	0.11%
<b>Profit/(Loss) for the period After Tax- PAT</b>	<b>613.82</b>	<b>5.78%</b>	<b>942.49</b>	<b>4.31%</b>	<b>510.70</b>	<b>3.28%</b>	<b>189.91</b>	<b>2.13%</b>

### Revenue from operations:

Revenue from operations mainly consists of revenue from sale of Heavy steel fabricated structures, Precision Fabricated Steel Structures or Technological Structures, Steel Bridges Structures, PEB (Pre-Engineered Buildings), Scrap Sales and Trading of Goods.

These diverse product categories contribute to the overall financial performance, with Heavy steel Fabricated Structures and Precision Fabricated Steel Structures or Technological Structures being the dominant revenue driver. Due to the value-added potential in the manufacturing segment, the Company has strategically reduced its trading operations year on year, as reflected in the declining contribution of trading revenue to total operations

The following table sets forth the bifurcation of revenue (product-wise) for the six months period ended Sept.'24, fiscal years 2024, 2023 and 2022.

(₹ In Lakhs)

Product categories	Apr.'24-Sept.'24	% of revenue	FY24	% of revenue	FY23	% of revenue	FY22	% of revenue
Heavy steel fabricated structures	6,607.04	62.36%	15,771.68	72.24%	9,637.45	61.95%	4,513.18	50.81%
Precision Fabricated Steel Structures or Technological structures	3,409.20	32.18%	2,553.49	11.70%	2,938.48	18.89%	73.51	0.83%
Steel Bridges Structures	407.20	3.84%	2,471.39	11.32%	1,611.77	10.36%	-	0.00%
PEB (Pre-Engineered Buildings)	156.48	1.48%	451.94	2.07%	161.90	1.04%	-	0.00%
Others (Scrap sales)	0.09	0.00%	1.30	0.01%	1.22	0.01%	4.87	0.05%
Trading of Goods	15.34	0.14%	583.96	2.67%	1,207.21	7.76%	4,291.61	48.31%
<b>Grand Total</b>	<b>10,595.34</b>	<b>100.00%</b>	<b>21,833.76</b>	<b>100.00%</b>	<b>15,558.03</b>	<b>100.00%</b>	<b>8,883.16</b>	<b>100.00%</b>

#### Other Income:

Other income primarily comprises of Interest Income on Fixed Deposits, and other Miscellaneous income consisting of Interest Income received on delayed payment.

#### Total Expenses:

Total expenses consist of operating cost like cost of material consumed, Purchase of Stock in Trade, Change in inventories of Work in progress and Stock in Trade, Employee benefit expenses, Finance costs, Depreciation and Amortization Expenses and other expenses.

#### Cost of material consumed:

Cost of Material consumed expenses primarily comprise of purchase of raw material and Direct Expenses for the Purchase of Raw Material, as adjusted with opening and closing stock and Inter-branch Elimination.

#### Purchase of Stock in Trade:

Purchase of Stock in Trade consists of Purchase of Trading Goods, Direct Expenses related to the purchase of trading goods, as adjusted for Inter-Branch Elimination.

**Change in inventories of Work in progress:** Changes in inventories of Work in Progress and Trading Goods between opening and closing dates of a reporting period.

#### Employee benefits expense:

Employee benefits expense primarily comprises of Salaries & wages, Bonus expenses, Director remuneration, Staff welfare expenses, Employers contribution to PF and ESIC, Gratuity Expenses and Incentives.

#### Finance Costs:

Our finance cost includes Interest on Term Loan, Unsecured Loan, Vehicle Loans, LC and Bill Discounting charges, Loan Processing Fees and Other charges.

#### Depreciation and Amortization Expenses:

Depreciation includes depreciation on Factory & Building, Plant & Machinery, Office Equipment, Furniture & Fixtures, Computer and Printer, Motor Vehicle and Intangible Assets.

#### Other Expenses:

Other expenses primarily comprise manufacturing expenses such as Freight & Transport charges, Hiring charges, Packing & Forwarding charges, Detention charges, Testing charges, Labour charges, Security charges, Power & Fuel expenses, Galvanizing charges, Design & Drafting charges, Factory rent, and Factory expenses. Administration and Selling & Distribution expenses consist of expenses like Advertisement Expenses, Audit Fees, Consultancy for Taxation, Certification charges, Bad Debts, Bank charges, Brokerage, Business Promotion, Car Hiring charges, Conveyance expenses, Professional Tax, Computer expenses, Donation, Document charges, CSR Expenditure, Office Maintenance, Rates & Taxes, GST Expenses, Interest on Income Tax, Interest on late payment of TDS, Interest on delay payment to suppliers, Insurance charges, Miscellaneous expenses, Legal & Professional charges,



Loss on Sale of Assets, Office expenses, Rent expenses, Printing & Stationery, Rent on Machinery, Repair & Maintenance, Hospitality expenses, Vehicle expenses, ROC Filing fees, Telephone expenses, and Travelling expenses.

#### **FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2024:**

##### **Total Income:**

Total income for the six months period ended September 30, 2024 stood at Rs. 10,612.01 Lakhs. The total income consists of revenue from operations and other income.

##### **Revenue from Operations:**

During the six months period ended September 30, 2024 the net revenue from operation of our Company was Rs. 10,595.34 Lakhs mainly from the sale of Manufactured and Trading Goods.

*\*The figures of Revenue from Operations have been obtained after eliminating Inter-Branch transfer of Goods.*

##### **Other Income:**

During the six months period ended September 30, 2024 the other income of our Company stood at Rs 16.67 Lakhs. Other income primarily comprises Interest on Bank Fixed Deposits and Miscellaneous Income.

##### **Total Expenses:**

Total expenses consist of operating cost like cost of material consumed, Purchase of Stock in Trade, Changes in Inventories of Work in Progress and Stock in Trade, Employee benefits expense, Finance costs, Depreciation and Amortization Expenses and other expenses. During the six months period ended September 30, 2024 the total expenses of our Company stood at Rs 9,791.78 Lakhs.

##### **Cost Of Material Consumed:**

During the six months period ended September 30, 2024 the Cost of Material Consumed of our Company stood at Rs. 10,007.03 Lakhs.

##### **Change in inventories of Work in progress and Stock in Trade:**

During the six months period ended September 30, 2024 the Change in inventories of Work in progress and Stock in Trade of our Company stood at Rs. (3,354.48) Lakhs.

##### **Employee benefits expense:**

During the six months period ended September 30, 2024 the employee benefit expenses of our Company stood at Rs. 501.39 Lakhs. The main components of the employee benefit expenses are Salaries, Wages & Bonus, Director Remuneration, Gratuity Expense, PF, WF and ESIC Admin charges, Staff Welfare Expenses and Incentives.

##### **Finance Costs:**

During the six months period ended September 30, 2024 the finance cost expenses of our Company stood at Rs. 663.94 Lakhs. Our finance cost includes Interest on Term Loan, Unsecured Loan, Vehicle Loans, LC and Bill Discounting charges, Loan Processing Fees and Other charges.

##### **Depreciation and Amortization Expenses:**

During the six months period ended September 30, 2024 the Depreciation and amortization charges of our Company stood at Rs. 142.70 Lakhs.

##### **Other Expenses:**

Other expenses for the six months period ended September 30, 2024, were Rs. 1831.20 Lakhs, including manufacturing expenses, administrative costs, repairs and maintenance, selling and distribution expenses, and other operational outflows.

##### **Restated Profit before tax:**

The Company reported Restated profit before tax for six months period ended September 30, 2024 of Rs. 820.23 Lakhs.

##### **Restated profit after tax:**

The Company reported Restated profit after tax for six months period ended September 30, 2024 of Rs. 613.82 Lakhs.

#### **FINANCIAL YEAR 2024 COMPARED TO FINANCIAL YEAR 2023**

##### **Total Income:**

The total income for FY 2023-24 stood at Rs. 21,877.30 Lakhs, compared to Rs. 15,588.79 Lakhs in FY 2022-23, reflecting a growth of 40.34%. This increase was primarily driven by higher revenue from operations.

##### **Revenue from Operations:**

In FY 2023-24, the revenue from operations was Rs. 21,833.76 Lakhs, showing a significant increase from Rs. 15,558.03 Lakhs in FY 2022-23, reflecting an increase of 40.34%. The growth was primarily attributed to increased sales of Manufactured goods, which contributed Rs. 21,248.51 Lakhs (97.32% of revenue from operations) in FY 2023-24, compared to Rs. 14,349.60 Lakhs (92.23% of revenue from operations) in FY 2022-23. The Sales of Trading Goods was declined to Rs. 583.96 Lakhs (2.67% of revenue from operations) in FY 2023-24 from Rs. 1,207.21 (7.76% of revenue from operations) in FY 2022-23. Other Operating Income consisted of Scrap Sales which amounted to Rs. 1.30 Lakhs in FY 2023-24 as compared to Rs. 1.22 Lakhs in FY 2022-23.

*\*The figures of Revenue from Operations have been obtained after eliminating Inter-Branch transfer of Goods.*

**Other Income:**

Other income for FY 2023-24 stood at Rs. 43.54 Lakhs, compared to Rs. 30.76 Lakhs in FY 2022-23, marking a growth of 41.56%. This growth was attributable to Interest on Fixed Deposits of Rs. 36.12 Lakhs in FY 2023-24 as compared to Rs. 30.76 Lakhs in FY 2022-23 and other Miscellaneous income consisting of Interest on late payments received of Rs. 7.42 Lakhs in FY 2023-24 as against Nil in FY 2022-23.

**Total Expenses:**

Total expenses for FY 2023-24 were Rs. 20,608.28 Lakhs, compared to Rs. 14,907.86 Lakhs in FY 2022-23, reflecting a rise of 38.24%. This increase was due to increase in business operations of the Company resulting into higher material costs, employee benefits, depreciation and other operational expenses.

**Cost Of Material Consumed:**

The cost of material consumed increased to Rs. 13,989.00 Lakhs in FY 2023-24 from Rs. 13,281.53 Lakhs in FY 2022-23, representing an increase of 5.33%. Such increase was due to higher material cost on account of increase in business operations of the Company.

**Purchase of Stock in Trade:**

The purchase of stock in trade decreased to Rs. 561.48 Lakhs in FY 2023-24 from Rs. 1,017.25 Lakhs in FY 2022-23, representing a reduction of 44.80%.

**Change in inventories of Work in progress and Stock-In-Trade:**

Our Company has incurred Rs. 1,140.95 Lakhs as Change in inventories of Work in progress and stock in trade during the financial year 2023-24 as compared to Rs. (3,252.39) Lakhs in the financial year 2022-23.

**Employee benefits expense:**

Our Company has incurred Rs. 862.85 Lakhs as Employee benefits expense during the financial year 2023-24 as compared to Rs. 594.82 Lakhs in the financial year 2022-23. The increase was due to increase in (i) Employees Salary, Bonus and Wages Expenses from Rs. 508.56 lakhs in FY 2022-23 to Rs. 722.70 lakhs in the financial year 2023-24 and (ii) PF & ESIC Expenses to Rs. 45.64 Lakhs in FY 2023-24 from 25.18 in FY 2022-23 (iii) Incentives of Rs. 28.13 Lakhs in FY 2023-24 as against Rs. 0.20 Lakhs in FY 2022-23.

**Finance Cost:**

Our Company has incurred Rs. 1117.65 Lakhs as finance cost during the financial year 2023-24 as compared to Rs. 797.10 Lakhs in the financial year 2022-23. There was an upsurge of 40.21% in the Finance Cost in this period as compared to FY 2022-23. The increase was primarily due to increase in (i) LC and Bill Discounting Charges of Rs. 656.91 Lakhs in FY 2023-24 as compared to Rs. 446.81 Lakhs in FY 2022-23 (ii) Interest on Unsecured Loans from Rs. 217.08 in FY 2022-23 Lakhs to Rs. 291.95 Lakhs in FY 2023-24, and (iii) Processing fees and Other charges from Rs. 83.74 Lakhs to Rs. 130.81 Lakhs during the FY 2023-24.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2023-24 stood at Rs. 235.66 Lakhs as against Rs. 174.90 Lakhs during the financial year 2022-23. The increase in depreciation was around 34.74 % which was due to purchase of building, Plant & machinery, furniture, vehicle and other office equipment.

**Other Expenses:**

Our Company incurred Rs. 2,700.69 Lakhs in other expenses during FY 2023-24, compared to Rs. 2,294.64 Lakhs in FY 2022-23, an increase of 17.70%. This rise was driven by higher costs in Hiring Charges, Detention charges, Testing Charges, Security charges, Power & Fuel, Factory Expenses, Bad Debts, Legal & Professional Charges and Repair & Maintenance. The higher expense was offset by reduced Labour Charges, Brokerage and Rates & Taxes expenses.

**Restated profit before tax:**

Net profit before tax for the financial year 2023-24 increased to Rs. 1,269.02 Lakhs as compared to Rs. 680.92 Lakhs in the financial year 2022-23, marking an increase of 86.37%. This significant growth was primarily driven by the factors mentioned above. The revenue from operations of the company increased by approximately 40.34%, mainly due to higher sales of Goods.

**Restated profit for the year:**

As a result of the foregoing factors, our profit after tax increased by 84.55%, rising from Rs. 510.70 Lakhs in the financial year 2022-23 to Rs. 942.49 Lakhs in the financial year 2023-24.

## **FINANCIAL YEAR 2022-23 COMPARED TO FINANCIAL YEAR 2021-22**

### **Total Income:**

The total income increased by 74.78% to Rs. 15,588.79 Lakhs in FY 2022-23 from Rs. 8,918.85 Lakhs in FY 2021-22. This increase driven by higher revenue from operations and higher other income.

### **Revenue from Operations:**

During the financial year 2022-23, the revenue from operations of our Company was Rs. 15,558.03 Lakhs as against Rs. 8,883.16 Lakhs in the financial year 2021-22, representing a increase of 75.14%. This increase was due to higher sales of Manufactured Goods.

*\*The figures of Revenue from Operations have been obtained after eliminating Inter-Branch transfer of Goods.*

### **Other Income:**

During the financial year 2022-23, other income decreased to Rs. 30.76 Lakhs from Rs. 35.69 Lakhs in FY 2021-22, primarily due to non-receipt of Miscellaneous Income of Rs. 9.37 Lakhs, which was received in FY 2021-22. However, this reduction was partly offset by increase in Income from Fixed Deposits.

### **Total Expenses:**

The total expenses for the financial year 2022-23 increased to Rs. 14,907.86 Lakhs from Rs. 8,653.27 Lakhs in the financial year 2021-22, representing an increase of 72.28%. This was primarily due to increase in the cost of Material consumed, Changes in Inventories of Work in Progress & Stock in Trade, Employee Benefit Expense, Finance cost, Depreciation and other expenses.

### **Cost of material Consumed:**

The cost of material consumed for the financial year 2022-23 increased to Rs. 13,281.53 Lakhs from Rs. 4,069.80 Lakhs in the financial year 2021-22, representing an increment of 226.34%. This increase was primarily due to increased business operations.

### **Purchase of Stock in Trade:**

Our Company has purchased Rs. 1,017.25 Lakhs of Stock in Trade during the financial year 2022-23 as compared to Rs. 3,756.18 Lakhs in the financial year 2021-22. This was due to the value-added potential in the manufacturing segment resulting in which, the Company has strategically reduced its trading operations.

### **Change in inventories of Work in progress:**

Our Company has incurred Rs. (3,252.39) Lakhs as Change in inventories of Work in progress and stock-in-trade during the financial year 2022-23 as compared to Rs. (1,246.68) Lakhs in the financial year 2021-22.

### **Employee benefits expense:**

Our Company incurred Rs. 594.82 Lakhs as employee benefits expense during the financial year 2022-23, compared to Rs. 385.41 Lakhs in the financial year 2021-22. The increase was due to increase in Salary and Bonus expenses from Rs. 313.85 Lakhs in FY 2021-22 to Rs. 508.56 Lakhs in FY 2022-23 and increase in PF, ESIC and Staff welfare expenses from Rs.17.06 lakhs in FY 2021-22 to Rs.25.18 lakhs in FY 2022-23.

### **Finance Cost:**

Our Company incurred Rs. 797.10 Lakhs as finance cost during the financial year 2022-23, compared to Rs. 489.93 Lakhs in the financial year 2021-22. The increase was primarily due to a rise in (i) LC & Bill Discounting Charges of Rs. 446.81 Lakhs in FY 2022-23 as against Rs. 192.86 Lakhs in FY 2021-22, (ii) Interest on Unsecured Loans of Rs. 217.08 Lakhs in FY 2022-23 as compared to Rs. 168.70 Lakhs in FY 2021-22.

### **Depreciation and Amortization Expenses:**

Depreciation for the financial year 2022-23 stood at Rs. 174.90 Lakhs, compared to Rs. 159.60 Lakhs in the financial year 2021-22, reflecting an increment of 9.59%. This was primarily due to purchases of Buildings, Plant & machinery, furniture, vehicle and other office equipment.

### **Other Expenses:**

Our Company incurred Rs. 2,294.64 Lakhs on other expenses during FY 2022-23, compared to Rs. 1,039.02 Lakhs in FY 2021-22, marking an increment of 120.85%. This increment was primarily due to increased Labour Charges, Power & Fuel, Brokerage Expense, Rates & Taxes and Legal & Professional Charges.

### **Restated profit before tax:**

Net profit before tax for the financial year 2022-23 increased to Rs. 680.92 Lakhs, from Rs. 265.58 Lakhs in the financial year 2021-22, reflecting an increment of 156.39%. This increase was primarily due to increase in Revenue from operations which absorbed the fixed cost, which improved margins and increased profits.

**Restated profit for the year:**

As a result of the foregoing factors, our profit after tax increased by 168.92%, from Rs. 189.91 Lakhs in the financial year 2021-22 to Rs. 510.70 Lakhs in the financial year 2022-23.

**Information required as per Item (II)(C)(iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Unusual or infrequent events or transactions:**

There has not been any unusual events or transactions on account of our business activity.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations:**

Other than as described in the section titled “*Risk Factors*” beginning on page 25 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company 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 25 of the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in the relationship between costs and revenues:**

Other than as described in the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 147 and 266 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**5. Segment Reporting:**

Our company operates in a single segment i.e. Structural Engineering and Fabrication.

**6. Status of any publicly announced New Products or Business Segment:**

Our Company has not announced any new product or service during the last three financial years.

**7. Seasonality of business:**

Our business is not subject to seasonality. For further information, see “*Industry Overview*” and “*Our Business*” on pages 109 and 147 respectively.

**8. Dependence on single or few customers:**

Substantial portion of our revenue has been dependent upon few customers. For details, please refer to risk factor “*Our business is substantially dependent on certain key customers, from whom we derive a significant portion of our revenues. The loss of any significant customer may have a material and adverse effect on our business and results of operations*” on page 28 of this DRHP.

**9. Competitive conditions:**

Competitive conditions are as described under the Chapter “*Our Business – Competition*” beginning on page 160 of this Draft Red Herring Prospectus.

**10. Details of material developments after the date of last balance sheet i.e., September 30, 2024:**

- We have capitalized the profits of the company by issuing 55,51,111 equity shares of Face Value of Rs. 10/- in ratio of 1:1 (1 new equity share for 1 Existing share) approved in Extra Ordinary General Meeting held on November 30, 2024.
- We have passed a Board resolution in the meeting of Board of Director dated February 01, 2025 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
- We have passed a special resolution in the meeting of shareholders dated February 27, 2025 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
- The Board of Directors, at their meeting held on February 28, 2025, has passed a resolution to take on record the consent of the Selling Shareholders to offer their shares in the proposed Initial Public Offer.

## CAPITALISATION STATEMENT

Particulars	Pre 30.09.2024	Issue	As adjusted for the Proposed Issue**
<b>Debt</b>			
Current borrowing*	5,160.17		-
Non Current borrowing (including current maturity)*	2,479.99		-
<b>Total Debt</b>	<b>7,640.16</b>		-
<b>Shareholders' Fund (Equity)</b>			
Equity Share Capital	555.11		-
Reserves & Surplus	4,679.74		-
Less: Miscellaneous Expenses not w/off	-		-
<b>Total Shareholders' Fund (Equity)</b>	<b>5,234.85</b>		-
<b>Long Term Debt/Equity</b>	<b>0.47</b>		-
<b>Total Debt/Equity</b>	<b>1.46</b>		-

Notes: \*

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment 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 30/09/2024.

\*\* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors, Promoters and Subsidiary Company.

Our Board, in its meeting held on February 01, 2025, determined that outstanding legal proceedings involving the Company, its Directors, Promoter and subsidiary will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last restated financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputation of the Company. Further, as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025, other pending litigations shall also be classified as material based on the lower of the threshold criteria mentioned below -

(i) As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document; or

(ii) Litigation where the value or expected impact in terms of value, exceeds the lower of the following:

(a) two percent of turnover, as per the latest annual restated financial statements of the issuer; or

(b) two percent of net worth, as per the latest annual restated financial statements of the issuer, except in case the arithmetic value of the net worth is negative; or

(c) five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial statements of the issuer.”

Accordingly, other pending litigations involving the Company, Directors, Promoters and Subsidiary, which meet the above-mentioned thresholds, has also been considered while determining material litigations.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company’s trade payables as per the last restated consolidated financial statements.

#### **A. LITIGATION INVOLVING THE COMPANY**

##### **(a) Criminal proceedings against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### **(b) Criminal proceedings filed by the Company**

###### **i) Karbon Steelmart Private Limited (“Company”/ “Petitioner”) Vs Oriental Epc Pvt Ltd, Jigar R Patel(Director) and Vishwesh Patel (Managing Director) (“Respondents”)**

<b>Case No</b>	SS/4401436/2021
<b>Petitioner</b>	Karbonsteel Steel Mart Private Limited
<b>Respondent</b>	M/s Oriental EPC Pvt Ltd, Jigar R Patel(Director) and Vishwesh Patel (Managing Director)
<b>Court/Authority</b>	Metropolitan Magistrate, Andheri, Mumbai
<b>Case Details</b>	Respondents issued two cheques, bearing numbers 507296 and 507227, both dated March 1, 2021, for amounts of ₹16.41 lakhs and ₹16.29 lakhs, respectively, to the Company as payment for the goods supplied. This cheque was presented for payment, but it was dishonoured due to insufficient funds. Consequently, the Company filed petition dated May 07, 2021 against respondents under Section 138 of the Negotiable Instruments Act, 1881 with Metropolitan Magistrate, Andheri, Mumbai.
<b>Case Status</b>	Pending (Next Date of Hearing: July 28,2025)
<b>Amount Involved</b>	₹ 32.70 Lakhs
<b>Case Stage</b>	Awaiting Report

###### **ii) Karbonsteel Engineering Private Limited (“Company”/ “Petitioner”) Vs M/s Hitech Hydraulics and Monu Jain (“Respondents”)**

<b>Case No</b>	SS/6302491/2022
<b>Petitioner</b>	Karbonsteel Engineering Private Limited
<b>Respondent</b>	Monu Jain Proprietor of Hitech Hydraulics
<b>Court/Authority</b>	Metropolitan Magistrate, Andheri, Mumbai

<b>Case Details</b>	Respondant issued a cheque (No. 014403) dated June 3, 2022, for ₹3.23 lakhs to the Company as payment for the goods supplied. This cheque was presented for payment, but it was dishonoured due to insufficient funds. Consequently, the Company filed petition dated July 30, 2022 against respondents under Section 138 of the Negotiable Instruments Act, 1881 with Metropolitan Magistrate, Andheri, Mumbai.
<b>Case Status</b>	Pending (Next Date of Hearing: April 03, 2025)
<b>Amount Involved</b>	₹ 3.23 Lakhs
<b>Case Stage</b>	Keep for Consideration

**iii) Karbonsteel Engineering Private Limited (“Company”/ “Complainant”) Vs Amol Chikane (“Accused”)**

<b>Case No</b>	SW/1000519/2022
<b>Petitioner</b>	Karbonsteel Engineering Private Limited
<b>Respondent</b>	Amol Chikane Proprietor of Liftech Engineering Company
<b>Court/Authority</b>	Metropolitan Magistrate, Andheri, Mumbai
<b>Case Details</b>	The company has placed an order with Liftech Engineering Company, owned by Mr. Amol Chikane, for a 10-ton EOT crane worth ₹5.00 Lakhs in August 2019, paying an advance of ₹2.00 Lakhs. The accused failed to deliver despite assurances and ignored follow-ups and legal notices, causing financial and reputational loss to the Petitioner. Alleging fraud and breach of trust, the complainant has filed a complaint under Sections 409, 415, 417, 418, 420, 425, and 426 of the IPC with the Metropolitan Magistrate, Andheri, Mumbai.
<b>Case Status</b>	Pending (Next Date of Hearing: July 16, 2025)
<b>Amount Involved</b>	₹ 2.00 Lakhs
<b>Case Stage</b>	For Verification

**iv) Karbon Steelmart Private Limited (“Company”/ “Complainant”) Vs Mr. Mohammad Afsar Proprietor of Pragati Engineering (“Accused”).**

<b>Case No</b>	SW/1000030/2021
<b>Petitioner</b>	Karbon Steelmart Private Limited
<b>Respondent</b>	Mohammad Afsar Proprietor of Pragati Engineering
<b>Court/Authority</b>	Metropolitan Magistrate, Andheri, Mumbai
<b>Case Details</b>	The company has filed a complaint against the accused under Sections 405, 406, 415, 416, 425, 426, 463, 464, 465 of the IPC for breach of trust and cheating. In June 2020, the complainant issued a work order for fabrication at company’s Khopoli factory, paying ₹0.48 Lakhs for laborers’ travel expenses. The accused failed to deploy the laborers, canceled their tickets, and fraudulently obtained a refund, ignoring follow-ups and legal notices. The complainant seeks legal action for fraud and breach of contract.
<b>Case Status</b>	Pending (Next Date of Hearing: May 13, 2025)
<b>Amount Involved</b>	₹0.48 Lakhs
<b>Case Stage</b>	Awaiting Report

**c) Actions by statutory and regulatory authorities against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

**(d) Tax Proceedings:**

**(i) Direct Tax: -**

A demand has been raised against Karbonsteel Engineering Limited bearing demand reference number as 2019201837066550504C for the Assessment Year 2018-2019. The outstanding demand amount is ₹ 1.98 Lakhs, and the current status of the same is pending to be paid. This demand was raised on 28th November 2019 under Section 154 of the Income Tax Act, 1961. The Assessee is yet to submit any response against the said demand.

**TDS Demand**

According to the TRACES portal records, Karbonsteel Engineering Limited has accumulated TDS defaults amounting to ₹ 5.69 Lakhs for various financial years. This amount comprises ₹ 0.15 Lakhs towards short payments, ₹ 3.32 Lakhs for short deductions, ₹ 1.32 Lakhs as interest on payment defaults under Section 201, ₹ 0.16 Lakhs as interest on deduction defaults under Section 201, ₹ 0.73 Lakhs as late filing fees under Section 234E, and ₹ 0.01 Lakhs as interest under Section 220(2). The major defaults are reported in FY 2024-25 (₹ 3.19 Lakhs), followed by FY 2023-24 (₹ 0.36 Lakhs), FY 2022-23 (₹ 0.64 Lakhs), FY 2021-22 (₹ 0.22 Lakhs), and prior years (₹ 1.28 Lakhs).

**(ii) Indirect Tax:-**

NIL

**(e) Other pending material litigations against the Company****iii) Alok Kumar Agarwal (“Petitioner”) Vs Devkrupa Corporations, Karbon Steelmart Private Limited (“Company”) & 20 others. (“Respondents”)**

<b>Case No</b>	IA(I.B.C) - 47/2025
<b>Petitioner</b>	Alok Kumar Agarwal (Resolution Professional) for Furnace Fabrica (India) Limited
<b>Respondent</b>	Devkrupa Corporations, Karbon Steelmart Private Limited (“Company”) & 20 others.
<b>Court/Authority</b>	National Company Law Tribunal (NCLT), Kochi Bench
<b>Case Details</b>	The National Company Law Tribunal (NCLT), Kochi Bench, has admitted State Bank of India’s (SBI) insolvency petition against Furnace Fabrica (India) Ltd. under Section 7 of the Insolvency and Bankruptcy Code (IBC), 2016, due to a ₹64.74 crore default. The Tribunal imposed a moratorium and appointed Alok Kumar Agarwal as the Interim Resolution Professional (IRP) to oversee the Corporate Insolvency Resolution Process (CIRP). As part of the insolvency proceedings, Company has filed a claim of ₹78.89 Lakhs as an operational creditor, making it a respondent in the case, which is still pending. The next hearing is scheduled for 27th March 2025.*
<b>Case Status</b>	Pending (Next Date of Hearing: March 27, 2025)
<b>Amount Involved</b>	₹78.89 Lakhs
<b>Case Stage</b>	Pending

\*The Company is not in possession of the original petition copy filed by the Petitioner. The facts of the case has been disclosed based on the limited information available with the Company.

**(f) Other pending material litigations filed by the Company****i) Karbonsteel Engineering Limited (“Company”/“Plaintiff”) Vs Power Mech Projects Limited, S. Kishore Babu (Chairman & Managing Director), Vivek Parnjpe (Director), Thiagarajan Sankaralingam (Director), Lasya Yerramneni (Director), Lakshmi Sajja (Director), Rajiv Kumar Motihari (Director) & Durgavaraprasada Rao Gorijala (Director) (“Defendants”)**

<b>Case No</b>	CSS/67/2025
<b>Petitioner</b>	Karbonsteel Engineering Limited
<b>Respondent</b>	Power Mech Projects Limited, S. Kishore Babu (Chairman & Managing Director), Vivek Parnjpe (Director), Thiagarajan Sankaralingam (Director), Lasya Yerramneni (Director), Lakshmi Sajja (Director), Rajiv Kumar Motihari (Director) & Durgavaraprasada Rao Gorijala (Director).
<b>Court/Authority</b>	Civil Court, Dindoshi, Mumbai
<b>Case Details</b>	Company supplied structural steel and fabricated structures to Defendants for their JSW Dolvi site, based on purchase orders issued between 2018 and 2019, amounting to ₹106.20 Lakhs, ₹216.65 Lakhs, and ₹1,295.94 Lakhs. Despite fulfilling the orders, the defendants failed to clear the outstanding payment of ₹45.39 Lakhs. Multiple follow-ups and legal notices sent in May 2022 were ignored. The plaintiff seeks legal action under Section 2 of the Commercial Courts Act, 2015, demanding ₹45.39 Lakhs, interest of ₹4.61 Lakhs at 24% per annum, and court costs.
<b>Case Status</b>	Pending (Next Date of Hearing: July 01, 2025)
<b>Amount Involved</b>	₹50.00 Lakhs
<b>Case Stage</b>	Directions

**ii) Karbon Steelmart Private Limited (“Company”/“Plaintiff”) Vs M/s Sunshri Engineers (“Defendants”)**

<b>Case No</b>	SPL. DKST 107/2024
<b>Petitioner</b>	Karbon Steelmart Private Limited
<b>Respondent</b>	M/s Sunshri Engineers
<b>Court/Authority</b>	Civil Court Pune Maharashtra
<b>Case Details</b>	Plaintiff secured a judgment and decree on 30th March 2021 for the recovery of ₹14.49 Lakhs with 18% interest of ₹0.17 Lakhs from 13th December 2016 until realization, along with legal costs. The defendant neither filed an appeal nor paid the decretal amount, leading the plaintiff to file a darkhast application for execution.
<b>Case Status</b>	Pending (Next Date of Hearing: May 06, 2025)
<b>Amount Involved</b>	₹ 14.66 Lakhs
<b>Case Stage</b>	Order on Exhibit (Notice unready)



## **B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

### **(a) Criminal proceedings against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors of the Company.

### **(b) Criminal proceedings filed by the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings filed by the Directors of the Company.

### **(c) Actions by statutory and regulatory authorities against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Directors.

### **(d) Tax Proceedings:**

- (i) Direct tax – NIL
- (ii) Indirect Tax – NIL

### **(e) Other pending material litigations against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding material litigation against the Promoters & Directors of the Company.

### **(f) Other pending material litigations filed by the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding material litigation filed by the Promoters & Directors of the Company.

## **D. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON THE COMPANY**

As on the date of this Draft Red Herring Prospectus, there are no outstanding material litigations involving group companies, which can have a material impact on our Company.

## **E. CRIMINAL PROCEEDINGS INVOLVING KEY MANAGERIAL PERSONNEL(“KMP”) AND SENIOR MANAGEMENT PERSONNEL(“SMP”)**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings involving KMP or SMP of the Company.

## **F. ACTIONS BY REGULATORY AUTHORITIES AND STATUTORY AUTHORITIES AGAINST KEY MANAGERIAL PERSONNEL(“KMP”) AND SENIOR MANAGEMENT PERSONNEL(“SMP”)**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the KMP or SMP of the Company.

## **OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

The Board of Directors of our Company considers dues exceeding 5% of our Company’s total Trade payables as per Restated financial statements, to small scale undertakings and other creditors as material dues for our Company.

The trade payables for the six months period ended on September 30, 2024 were ₹ 8057.51 lakhs. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 402.88 lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on \_\_\_\_\_. As on September 30, 2024, there are 2 creditors to each of whom our Company owes amounts exceeding 5% of our Company’s Trade Payables and the aggregate outstanding dues to them being approximately ₹ 2,022.99 lakhs. The details pertaining to amounts due towards material creditors are available on the website of our Company. Further, our Company has 21 creditors which is registered under the Micro, Small and Medium Enterprises Development Act, 2006, against whom there’s due amount of Rs. 188.86 lakhs.

As on March 31, 2024, our Company owes amounts aggregating to ₹ 6572.36 lakhs approximately towards 376 trade creditors. There are no disputes with such entities in relation to payments to be made to them.

**Material Developments occurring After Last Balance Sheet Date**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 266 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.*

### **Approvals In Relation to Our Company's incorporation**

1. Our Company was incorporated as "Karbon Steelmart Private Limited" on April 21, 2011, bearing Corporate Identification Number U74120MH2011PTC216558, and a fresh Certificate of Incorporation was issued on March 2, 2022, pursuant to its conversion to "Karbonsteel Engineering Private Limited", bearing the same Corporate Identification Number.
2. On June 18, 2024, the Registrar of Companies, Central Processing Centre, issued a fresh Certificate of Incorporation to our Company, reflecting its conversion from "Karbonsteel Engineering Private Limited" to "Karbonsteel Engineering Limited", with Corporate Identification Number U74120MH2011PLC216558.

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

- a. Our Board, pursuant to its resolutions passed at its meeting held February 01, 2025 authorized the Issue, subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.
- b. Our shareholders have, pursuant to a resolution dated February 27, 2024 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board of Directors has, pursuant to a resolution dated [●] and [●] authorized our Company to take necessary action for filing the Draft Red Herring Prospectus and Red Herring Prospectus respectively with BSE SME.

#### ***Approval from the Stock Exchange***

Our Company has received in- principal listing approval from the BSE SME dated [●] for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

- d. The Company has entered into an agreement dated April 26, 2024 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Maashitla Securities Private Limited for the dematerialization of its shares.
- e. The company has entered into an agreement dated April 15, 2024 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is Maashitla Securities Private Limited for the dematerialization of its shares.
- f. The Company's International Securities Identification Number ("ISIN") is INE0V8A01016.

## **APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:**

### **Tax Related Approvals**

Sr No.	Description	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAECK3353K	Income Tax Department	April 21, 2011	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	MUMK21199D	Income Tax Department	January 17, 2025	Valid until cancelled
3.	Goods and Services Tax (Gujrat)	24AAECK3353K1ZJ	Goods and Services Tax department	July 01, 2017	Valid until cancelled
4.	Goods and Services Tax (Maharashtra)	27AAECK3353K1ZD	Goods and Services Tax department	July 01, 2017	Valid till Cancelled
5.	Professions Tax Registration Certificate (P.T.R.C)	27470835781P	Department of Sales Tax, Maharashtra	May 11, 2015	Valid till Cancelled
6.	Professions Tax Enrollment Certificate (P.T.E.C)	99252143632P	Department of Sales Tax, Maharashtra	July 10, 2016	Valid till Cancelled
7.	Registration certificate under sub-section (2) of section-5 of the Gujarat State Business, Trade, Business and Employment Tax Act, 1976	2505110076	Gram Panchayat, Dehri	March 25, 2021	Valid till Cancelled
8.	Certificate of Registration under sub-section (2) of Section P of the Gujarat State Business, Trade, Business and Employment Tax Act, 1976	2505110077	Gram Panchayat, Dehri	April 05, 2021	Valid till Cancelled

## II. BUSINESS OPERATION RELATED APPROVALS

Sl. No.	Name of Registration	Registration/License No/Certificate No.	Issuing Authority	Date of Issue	Validity
1.	Import Export Code (IEC) Certificate	0311065767	Ministry of Commerce and Industry Directorate General of Foreign Trade	January 03, 2012	Valid till Cancelled
2.	Legal Entity identifier (LEI)	984500C5DE4K708 DBL48	Legal Entity Identifier India Limited	September 22, 2020	September 22, 2025
3.	Consent to Operate under Orange Category under Section 26 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under Rule 6 and Rule 18(7) of the Hazardous & Other Wastes (Management & Transboundary Movement) Rules 2016	ORANGE/S.S. I No: - Format1.0/RO/UAN No. 0000192892/CR/240 3001387	Maharashtra Pollution Control Board	March 14, 2024	November 30, 2025
4.	Consent to Establish under Section 25 of Water Act 1974, Section 21 of Air Act, 1981 and EPA – 1986	GPCB/SRG-NOC- 258/ID:71350/51629 8	Gujarat Pollution Control Board	August 07, 2019	July 07, 2026
5.	CTE-Amendment for Product, water, hazardous waste and uploaded in 000 tag. also to add 1) Survey	CTE-Amendment - 329079	Gujarat Pollution Control Board	February 18, 2025	March 31, 2029

Sl. No.	Name of Registration	Registration/License No/Certificate No.	Issuing Authority	Date of Issue	Validity
	No-1945/91 (old Survey No-36/1) 2) Survey No-2034/p/1/7 to 20, 3) Survey No-1945/1 to 82 (old Survey No-36/1), Village - Dehri, Ohm Industrial Infrastructure Park, Ta-Umbergaon, Dist-Valsad-396171				
6.	Consolidated Consent and Authorization (CC & A) Section-25 of the Water (Prevention and Control of Pollution) Act - 1974, under Section - 21 of the Air (Prevention and Control of Pollution) Act - 1981 and Authorization under rule 6(2) of the Hazardous & Other Wastes (Management and Transboundary Movement) Rules-2016, framed under the Environment (Protection) Act-1986.	GPCB/SAR/CCA-/ID-7350/3192	Gujarat Pollution Control Board	August 23, 2024	March 31,2029

### III. REGISTRATION CERTIFICATES OF ESTABLISHMENTS

Sr. No.	Description	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Shop and Establishment registration	820046370 / KW Ward / Commercial II	Office of the Chief Facilitator, Dadar, Mumbai	April 23, 2019	April 22, 2029
2.	Shop and Establishment registration	890933890 / KW Ward / Commercial II	Office of the Chief Facilitator, Dadar, Mumbai	January 01, 2025	

### IV. LABOUR RELATED APPROVALS

Sr. No.	Description	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	License to Operate a Factory	Reg. No.: 3444/25112/2018, License No.: 33265 D.A. 01-Nov-2017	Directorate of Industrial Safety & Health (Gujarat State).	December 16, 2024	December 31, 2028
2.	License to Operate a Factory	Reg. No.: 12200000010033 License No. 10033635	Directorate of Industrial Safety & Health (Maharashtra State).	February 6, 2025	December 31, 2025
3.	Udyog Aadhaar Memorandum	UDYAM-MH-19-0011930	Ministry of Micro, Small and Medium Enterprises	September 28, 2020	Valid till Cancelled
4.	Registration under Employee State Insurance Act (ESIC)	35000392880001099	Sub-Regional Office Mumbai, Employee State Insurance Corporation	March 27, 2017	Valid till Cancelled
5.	Registration under Employee State Insurance Act (ESIC)	34350392880021099	Sub-Regional Office Mumbai, Employee State Insurance Corporation	September 30, 2017	Valid till Cancelled
6.	Registration under Employee State Insurance Act (ESIC)	34350392880011099	Sub-Regional Office Mumbai, Employee State Insurance Corporation	September 30, 2017	Valid till Cancelled
7.	Registration under Employee State Insurance Act (ESIC)	39350392880011099	Sub-Regional Office Surat, Employee State Insurance Corporation	May 12, 2023	Valid till Cancelled
8.	Registration under the Employees Provident fund (EPF)	KDMAL1571762000	Employees Provident fund	December 19, 2017	Valid till Cancelled
9.	Maharashtra Labor Welfare Fund	MUMUMK001063	Maharashtra Labor Welfare Board	January 20, 2011	Valid till Cancelled

**Details of ESIC Registration and Contributions of our Company:**

Total no. of employees in the Company as on Feb 28, 2025	470
Total no. of employees eligible to be registered under ESIC as on Feb 28, 2025	1
Total no. of employees registered under ESIC as on Feb 28, 2025	296

**(in Rs. Lakhs)**

ESIC	2021-22	2022-23	2023-24	Apr.-24 to Sep.'24
Andheri	0.60	0.54	0.51	0.24
Kalamboli	0.22	0.21	0.22	0.08
Khopoli	1.12	1.32	1.68	1.08
Umbergaon	-	-	-	4.77
<b>Total Employer's Share of Contribution</b>	1.94	2.08	2.41	6.18
Andheri	0.14	0.12	0.12	0.05
Kalamboli	0.05	0.05	0.05	0.02
Khopoli	0.26	0.31	0.39	0.22
Umbergaon	-	-	-	1.11
<b>Total Employee's Share of Contribution</b>	0.45	0.48	0.56	1.40

**Details of PF Registration and Contributions of our Company:**

Total no. of employees in the Company as on Feb 28, 2025	470
Total no. of employees eligible to be registered under PF as on Feb 28, 2025	1
Total no. of employees registered under PF as on Feb 28, 2025	296

(in Rs. Lakhs)


PF	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2023-24	Apr.-24 to Sep.'24
Maharashtra	7.32	7.71	11.32	6.68
Gujarat	6.68	13.35	23.61	13.84
<b>Employer's Share of Contribution</b>	<b>14.00</b>	<b>21.06</b>	<b>34.93</b>	<b>20.52</b>
Maharashtra	7.03	7.40	10.86	6.42
Gujarat	6.41	12.82	22.67	13.29
<b>Employee's Share of Contribution</b>	<b>13.44</b>	<b>20.22</b>	<b>33.53</b>	<b>19.70</b>

Our Company was required to register under the Employees' State Insurance Act, 1948 once the employee count exceeded 10 employees. However, despite the applicability threshold being exceeded in F.Y. 2020-21, the Company obtained the ESIC registration in December 2022. For details, please refer to the risk factor "*There have been certain delays in payment of statutory dues in the past. Any delay in payment of statutory dues in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.*" on page 35 of this DRHP.

## V. QUALITY CERTIFICATIONS

SL No.	Name of Registration	Registration/License No	Issuing Authority	Date of Issue	Validity
1.	ISO 9001:2015 (For Quality Management System)	305025012319Q	Quality Research Organization	January 23, 2025	January 22, 2028
2.	ISO 14001:2015 (For Environmental Management System)	305025012320E	Quality Research Organization	January 23, 2025	January 22, 2028
3.	ISO 9001:2015 (For Quality Management System)	305025012321Q	Quality Research Organization	January 23, 2025	January 22, 2028
4.	ISO 14001:2015 (For Environmental Management System)	305025012322E	Quality Research Organization	January 23, 2025	January 22, 2028
5.	ISO 9001:2015 (For Quality Management System)	305025012323Q	Quality Research Organization	January 23, 2025	January 22, 2028
6.	ISO 14001:2015 (For Environmental Management System)	305025012324E	Quality Research Organization	January 23, 2025	January 22, 2028
7.	ISO 9001:2015 (For Quality Management System)	305025012326Q	Quality Research Organization	January 23, 2025	January 22, 2028
8.	ISO 9001:2015 (For Quality Management System)	305025012327Q	Quality Research Organization	January 23, 2025	January 22, 2028
9.	ISO 9001:2015 (For Quality Management System)	305025012328Q	Quality Research Organization	January 23, 2025	January 22, 2028
10.	Research Designs and Standards Organization	RDSO/108/1901/00038629	Ministry of Railways, India	October 30, 2023	October 29, 2028

## VI. INTELLECTUAL PROPERTY

Sr. No	Brand Name/ Logo/ Trademark	Class	Application Number	OWNER	Date of Registration & Validity	Current Status
1.	 KARBONSTEEL ENGINEERING	6	6558268	Karbonsteel Engineering Limited	August 03, 2024.	Formalities Chk Pass

## VII. APPLICATIONS MADE BY OUR COMPANY BUT PENDING APPROVAL

- I. Our existing factory license for the Umbergaon facility did not cover all the plots on which the facility is spread. Consequently, our Company submitted an application dated February 03, 2025, to the Industrial Safety and Health Department for the approval of revised factory plan of the Umbergaon facility, specifically covering the following survey and plot numbers i.e. survey no. 37 / 1 / paiki 20 & 1945 / 91, plot no : 17, 091 / part-b, survey no. 1945/16 to 1945/24, plot no. 016 to 024, survey no. 1945/1 to 1945/15,1945/25 to 1945/31,1945/32 to 1945/44 &1945/45 to 1945/78,1945/79 to 1945/82, plot no. 001 to 015, 025 to 031, 032 to 044 & 045 to 078, 079 to 082 survey no. 2034/p1/7 to 2034/p1/20, plot no. 7 to 20, village - dehri, ohm industrial infrastructure park , ta-umbergaon, dist-valsad- 396171. We have received the approval dated March 22, 2025 from Industrial Safety and Health Department approving the aforementioned map under the Factories Act, 1948. Pursuant to which, we have made an application dated March 27, 2025 with Industrial Safety and Health Department for renewal of factory licence for the Umbergaon facility. We are yet to receive the renewed factory licence.
- II. Our company has made an application dated February 18, 2025 with Gujarat Pollution Control Board for amendment in Consent to Establish in respect of the addition of following address i.e. (1) Survey No-1945/91 (old Survey No-36/1) 2) Survey No-2034/p1/7 to 20, 3) Survey No-1945/1 to 82 (old Srv No-36/1) , Village - Dehri, Ohm Industrial Infrastructure Park , Ta-Umbergaon, Dist-Valsad- 396171. We are yet to receive approval for the same.

**VIII. MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY**

- I. Our Company has submitted an application dated February 24, 2025 to the Industrial Safety and Health Department for the approval of factory plan of a certain portion of the Umbergaon facility i.e. Survey no. 1945/84, village - daheri , tal. : umbergaon, dist : Valsad. We are yet to receive the approval of the factory plan for the aforementioned plot, post the receipt of which, we will make an application for factory licence for the said premises.
- II. Our existing Consolidated Consent and Authorization (CC & A) for the Umbergaon facility u/s Section-25 of the Water (Prevention and Control of Pollution) Act - 1974, under Section - 21 of the Air (Prevention and Control of Pollution) Act - 1981 and Authorization under rule 6(2) of the Hazardous & Other Wastes (Management and Transboundary Movement) Rules-2016, framed under the Environment (Protection) Act-1986, does not cover all the plots on which the Umbergaon facility is spread. Although we have made an application for amendment in Consent to Establish with Gujarat Pollution Control Board, we are yet to make an application for addition of all plots in Consolidated Consent and Authorization (CC & A) with Gujarat Pollution Control Board.
- III. We are yet to apply for the Fire No Objection Certificate (NOC) for our facility in Raigad, Maharashtra.



### **OUR GROUP COMPANY**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated February 01, 2025 for the purpose of disclosure in relation to Group Company in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfils both the below mentioned conditions:

- i. Such Company that forms part of the promoter group of our Company in terms of Regulation 2(1)(PP) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- ii. our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of the total revenue of our Company as per the Restated Financial Information.

Based on the above, none of the companies has been identified as our group Companies.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Offer**

#### **Corporate Approvals**

The Board of Directors, pursuant to a resolution passed at their meeting held on February 01, 2025 authorized the Offer, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on February 27, 2025 authorized the Offer.

#### **Offer for Sale**

##### Approval from the selling shareholders

The Offer for Sale has been authorized by a resolution of the Board of Directors of the Company passed at their meeting held on February 01, 2025 and by shareholders of our Company at an Extra Ordinary General Meeting held on February 27, 2025.

Each of the selling shareholders have, severally and not jointly, confirmed and authorized the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

<b>Name of the Selling Shareholders</b>	<b>Date of Authorization Letter</b>	<b>No of Equity Shares offered</b>	<b>% of the pre-Offer paid-up Equity Share capital of our Company</b>
Shrenik Kirit Shah	February 28, 2025	4,14,000	3.73%
Mittal Shrenik Shah	February 28, 2025	2,76,000	2.49%

Each of the Selling Shareholders, severally and not jointly, confirm that it is in compliance with Regulation 8 of the SEBI (ICDR) Regulations, 2018 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.

#### **In-principal Approval**

Our Company has obtained in-principal approval from the SME Platform of BSE (BSE SME) for using its name in this Draft Red Herring Prospectus/ Prospectus pursuant to an approval letter dated [●] BSE which is the Designated Stock Exchange.

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

As on date of this Draft Red Herring Prospectus, we confirm that our Company, our Promoters, our Promoter Group, our Directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

The companies, with which our Directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our Directors are associated with as promoter or directors is in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoter or directors.

#### **Prohibition with respect to willful defaulter or a fraudulent borrower**

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as willful defaulter or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

#### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Red Herring Prospectus.

#### **Eligibility for the Offer**

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this offer.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Offer is an Initial Public Offer in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Offer in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post Offer paid up capital is more than ten crore rupees and we may hence Offer Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange [in this case being the “SME Platform of BSE (BSE SME)”].

**We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Offer will be 100% underwritten and that the BRLM to the Offer shall underwrite minimum 15% of the Total Offer Size. For further details pertaining to said underwriting please refer to section titled “**General Information – Underwriting**” beginning on page 65 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer shall be greater than or Equal to Two Hundred (200), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within four (4) Working Days. From the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not Offer observation on the Draft Red Herring Prospectus/ Prospectus.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE (BSE SME). For further details of the arrangement of market making please refer to section titled “**General Information- Details of the Market Making Arrangements for this Offer**” beginning on page 66 of this Draft Red Herring Prospectus.
5. In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
6. In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
7. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to SME Platform of BSE and BSE Ltd. is the Designated Stock Exchange.
8. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
9. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
10. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialized form.
11. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated April 16, 2024 and National Securities Depository Limited (NSDL) dated April 26, 2024 for establishing connectivity.
12. Our Company has a website i.e. [www.karbonsteel.com](http://www.karbonsteel.com) .
13. In cases where there is a complete change of promoter of the Company or there are new promoter(s) of the issuer who have acquired more than fifty per cent of the shareholding of the issuer, the issuer shall file draft offer document only after a period of one year from the date of such final change(s): **Not Applicable**

We further confirm that we shall be complying with all the other requirements as laid down for such an Offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of BSE:-

- 1) Our Company was incorporated as “Karbon Steelmart Private Limited” on April 21, 2011, under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by Registrar of Companies, Maharashtra, Mumbai. Further, Pursuant to Special Resolution passed by the shareholders at the Extra-Ordinary General Meeting held on January 15, 2022, the name of our Company was changed from “Karbon Steelmart Private Limited” to “Karbonsteel Engineering Private Limited” and a fresh Certificate of Incorporation issued by the Registrar of Companies, Mumbai, Maharashtra, on March 2, 2022. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on May 09, 2024 and the name of our Company was changed from “Karbonsteel Engineering Private Limited” to “Karbonsteel Engineering Limited” vide fresh certificate of incorporation dated June 24, 2024 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U74120MH2011PLC216558.
- 2) The present paid-up capital of our Company is ₹ 11.10 Crores and we are proposing offer of up to 37,30,000 Equity Shares of ₹ 10/- each at offer price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, including offer for sale of up to 6,90,000 Equity shares of Rs. 10 each at offer price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakh. The post offer paid up capital of the company will be up to 1,41,42,222 Equity shares of face value of ₹ 10/- aggregating up to ₹ 14.14 Crores which is less than ₹ 25 Crores.
- 3) The Company has a track record of at least 3 years for the period ended September 30, 2024 and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 as on the date of filling Draft Red Herring Prospectus.

Based on the Restated Financial Statements, Company’s Net Tangible Assets as on the period ended September 30, 2024 and for the full financial year ended March 31, 2024 was more than Rs. 3 Crores and the working is given below:

(Rs. in lakhs)

Particulars	September 30, 2024	March 31, 2024
Net Worth	5,234.85	4379.56
Less: Intangible Assets	4.77	2.11
Net Tangible Assets	5,230.08	4,377.45

- 4) The company confirms that it has made operating profit (earnings before interest, depreciation and tax) from operations for at least 3 financial years preceding the application and its net worth as on March 31, 2024 is positive.

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Worth	4,379.56	2,873.63	2,362.93
EBITDA*	1,791.08	1,091.62	618.65

\*EBITDA (Interest does not include Other Borrowing cost grouped under finance cost).

- 5) The Leverage ratio (Total Debts to Equity) of the Company which is less than the limit of 3:1. The working is given below: -

(Rs. in lakhs)

Particulars	September 30, 2024
Debt (ST+LT)	7,640.16
Net worth	5,234.85
<b>Leverage Ratio</b>	1.46

- 6) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the Company;
- 7) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
- 8) Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- 9) None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.

- 10) There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
- 11) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company
- 12) The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.
- 13) We confirm that:
  - i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.
  - ii. There is no default in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.
  - iii. There are no litigations record against the applicant, promoters/promoting company(ies), group companies, companies & promoted by the promoters/promoting company(ies) except as stated in the section titled “Outstanding Litigation and Material Developments” beginning on page 275 of this Draft Red Herring Prospectus.
  - iv. There are no criminal cases/investigation/offences filed against the director of the company with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences, except as stated in the section titled “Outstanding Litigation and Material Developments” beginning on page 275 of this Draft Red Herring Prospectus.
- 14) We have a functional website: [www.karbonsteel.com](http://www.karbonsteel.com)
- 15) 100% of Equity Shares held by the Promoters are in dematerialized form.
- 16) Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.
- 17) There has been no change in the Promoter(s) of our Company in the preceding one year from date of filing application to BSE for listing on BSE SME.
- 18) Our composition of the board is in compliance with the requirements of Companies Act, 2013.
- 19) The Net worth computation is computed as per the definition given in SEBI (ICDR) Regulations.
- 20) Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- 21) We further confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of BSE. The Company has a track record of at least 3 years as on the date of filing Draft Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.**

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 27, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT.

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Mumbai in terms of sections 26 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Seren Capital Private Limited:**

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Nil	NA	NA	NA	NA	NA	NA	NA

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			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	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Note:**

- Based on date of listing.
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- N.A. – Period not completed.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings) managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

**Track Record of past issues handled by Seren Capital Private Limited**

For details regarding track record of BRLM to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at [www.serenecapital.in](http://www.serenecapital.in).

### **Disclaimer from our Company and the Book Running Lead Manager**

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (Seren Capital Private Limited), and our Company on March 05, 2025.

All information shall be made available by our Company, and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

### **Note:**

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

### **Disclaimer in Respect of Jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to jurisdiction of the competent court(s) in Mumbai, Maharashtra, 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. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Disclaimer Clause of the SME Platform of BSE**

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid

permission given by BSE should not in any way be deemed or construed that the offer document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Filing**

The Draft Red Herring Prospectus is being filed with SME Platform of BSE Limited, 25th Floor, P J Towers Dalal Street, Mumbai, Maharashtra, India, 400001.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the Draft Red Herring Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Red Herring Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

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

#### **Listing**

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE Limited by way of its letter dated [●] for listing of equity shares on SME Platform of BSE (BSE SME).

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. If the permission to deal in and for an official quotation of the Equity Shares on the BSE SME is not granted by BSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within three (3) Working Days of the Offer Closing Date. If Equity Shares are not Allotted pursuant to the Offer within three (3) Working Days from the Offer Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

#### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-



- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

### **Consents**

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Book Running Lead Manager, Registrar to the Offer, Legal Advisor to the Offer, Independent Chartered Engineer, Independent Chartered Accountant, D & B, Banker to the Offer/ Sponsor Bank\*, Underwriter to the Offer\* and Market Maker to the Offer\* to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\*The aforesaid will be appointed prior to filing of Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, M/s. Rao & Shyam, Chartered Accountants, Statutory Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

### **Experts Opinion**

Except for (i) the Installed Capacity and Actual Capacity Utilization Certificate issued by the Independent Chartered Engineer, (ii) the Independent Chartered Accountant Certificates issued in connection with this Offer, and (iii) the certificates provided in the sections titled "Restated Financial Statements" and "Statement of Special Tax Benefits" on pages 202 and 106, respectively, of this Draft Red Herring Prospectus by the Statutory Auditor, our Company has not obtained any expert opinions. However, the term "expert" shall not be interpreted as defined under the U.S. Securities Act of 1933.

### **Fees, Brokerage and Selling Commission payable**

The total fees payable to the Book Running Lead Manager will be as per the (i) Agreement dated March 05, 2025 with the selling shareholder and Book Running Lead Manager, (ii) the Underwriting Agreement dated [●] with the selling shareholder, BRLM and Underwriter and (iii) the Market Making Agreement [●] with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00 AM to 5.00 PM on Working Days from the date of the Draft Red Herring Prospectus until the Offer Closing Date.

### **Fees Payable to the Registrar to the Offer**

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Offer dated March 11, 2025, a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send allotment advice by registered post/speed post.

### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Red Herring Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to the section titled “*Capital Structure*” beginning on page 69 of this Draft Red Herring Prospectus.

#### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

#### **Previous capital issue during the last three years by listed Group Companies of our Company**

We do not have any Group Company.

#### **Performance vis-à-vis objects**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

#### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

#### **Partly Paid-Up Shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

#### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

#### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

#### **Stock Market Data for our Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

#### **Investor Grievances and Redressal System**

The agreement between the Registrar to the Offer, our Company provides for retention of records with the Registrar to the Offer for a period of at least three (3) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

We hereby confirm that there are no investors complaints received during the three years preceding the filing of this Draft Red Herring Prospectus. Since there are no investors complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Offer. All grievances, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants’ DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

#### **Disposal of Investor Grievances by our Company**

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 within 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed , as the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

Jankhana VasANJI Gala  
Company Secretary and Compliance Officer  
**Karbonsteel Engineering Limited**  
**Address:** B-8; Ratnadeep Cosmopolitan CHS Ltd, 140-141  
S.V. Road, Nr. Shoppers Stop, Andheri (W),  
Mumbai, Maharashtra, India-400058.  
**Tel. No.:** +91-61872800  
**Email:** [cs@karbonsteel.com](mailto:cs@karbonsteel.com) .  
**Website:** [www.karbonsteel.com](http://www.karbonsteel.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-offer or post-offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Board by a resolution on August 31, 2025 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "**Our Management**" beginning on page 182 of this Draft Red Herring Prospectus.

#### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

#### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

#### **Tax Implications**

Investors who are allotted Equity Shares in the Offer will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "**Statement of Special Tax Benefits**" beginning on page 106 of this Draft Red Herring Prospectus.

#### **Purchase of Property**

Other than as disclosed in Section "**Our Business**" beginning on page 147 of this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Offer or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

#### **Capitalization of Reserves or Profits**

Save and except as stated in "**Capital Structure**" on page 69 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

#### **Revaluation of assets**

There has not been any revaluation of assets since incorporation of the Company.

#### **Servicing Behavior**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under chapter titled ***“Our Management”*** beginning on page 182 and chapter ***“Financial Information of the Company”*** beginning on page 202 of this Draft Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

**Exemption from complying with any provisions of securities laws, if any**

As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

## SECTION VIII: OFFER RELATED INFORMATION

### TERMS OF THE OFFER

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Offer.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through 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, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From December 1, 2023, the UPI Mechanism for Individual investors who applies for minimum application size applying through Designated Intermediaries was made effective along-with the existing process existing timeline of T+3 days*

*Further vide the said circular Registrar to the offer and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the offer and Depository Participants as and when the same is made available.*

#### **Authority for the offer**

The present Public Offer of upto 37,30,000 Equity Shares includes a fresh issue of 30,40,000 equity shares and an offer for sale by the selling shareholder of 6,90,000 equity shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on February 01, 2025 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on February 27, 2025 in accordance with the provisions of Section 23(1)(c), 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013.

The Offer for Sale has been authorized by the Selling Shareholder by their respective consent letters dated February 28, 2025.

<b>Name of the Selling Shareholders</b>	<b>Type</b>	<b>No. of Equity shares offered</b>
Shrenik Kirit Shah	Promoter	4,14,000
Mittal Shrenik Shah	Promoter	2,76,000
<b>Total</b>		<b>6,90,000</b>

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Offer, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, ‘*Main Provisions of Article of Association*’, beginning on page 339 of this Draft Red Herring Prospectus.

## Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "*Dividend Policy*" and "*Main Provisions of Article of Association*" beginning on page 201 and 339 respectively of this Draft Red Herring Prospectus.

## Face Value and Offer Price

The face value of each Equity Share is ₹ 10.00 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ [●] per Equity Share ("Cap Price"). The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company and the Selling Shareholders in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Mumbai edition of [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Offer Price shall be determined by our Company and 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 of the Equity Shares of our Company, subject to applicable laws.

## The Offer

The Offer comprises a Fresh issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in "*Objects of the Offer*" on page 85 of Draft Red Herring Prospectus.

## Compliance with SEBI ICDR Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 339 of this Draft Red Herring Prospectus.

## Allotment only in Dematerialized Form

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated April 26, 2024 between NSDL, our Company and Registrar to the Offer; and
- Tripartite Agreement dated April 16, 2024 between CDSL, our Company and Registrar to the Offer.

### **Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE SME (SME platform of BSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Offer shall be 200 shareholders. In case the minimum number of prospective allottees is less than 200, no allotment will be made pursuant to this Offer and the monies collected shall be unblocked within four (4) working days of closure of Offer forthwith.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or

(b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Period of Subscription List of Public Offer

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

Note <sup>1</sup>Our Company and the Selling Shareholders in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

<sup>2</sup>Our Company and the Selling Shareholders in consultation with the BRLM, 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.

\* 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 for cancelled/withdrawn/deleted ASBA Forms, 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 intermediary responsible for causing such delay in unblocking. The BRLM and shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated by the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the 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/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR Master Circular, 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 using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in 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, 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.

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 02, 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 SEBI Master Circular no. SEBI/HO/MIRSD/POD1/P/CIR/2023/70 dated May 17, 2023, each to the extent applicable and not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations.

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

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Offer Period (except for the Bid/ Offer Closing Date). On the Bid/ Offer Closing Date, the Bid-Cum- Application Forms will be



accepted only between 10.00 A.M. to 3.00 P.M. (IST) for Individual investors who applies for minimum application size and non-individual investors who applies for minimum application size Bidders. The time for applying for Individual investors who applies for minimum application size on Bid/ Offer Closing Date maybe extended in consultation with the BRLM, RTA and BSE Emerge taking into account the total number of applications received up to the closure of timings.

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 Exchange, in case of Bids by Individual investors who applies for minimum application size.

On the Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Individual investors who applies for minimum application size after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ 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, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

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

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

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

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

### **Minimum Subscription and Underwriting**

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. As per Section 39 of the Companies

Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 200 (Two hundred).

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled "**General Information - Underwriting**" on page 65 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than two lots per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid-up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Offer are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Book Running Lead Manager to this Offer shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to section titled "**General Information - Details of the Market Making Arrangements for this Offer**" on page 66 of this Draft Red Herring Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE Limited.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Offer.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other

investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Offer.

#### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Offer Equity Shares and Promoters minimum contribution in the Offer as detailed under section titled "**Capital Structure**" beginning on page 69 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "**Main Provisions of the Articles of Association**" beginning on page 339 of this Draft Red Herring Prospectus.

#### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Red Herring Prospectus with the RoC publish a pre-Offer advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

#### **Withdrawal of the Offer**

Our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager through, the Registrar to the Offer, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one (1) working day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, read along with SEBI ICDR (Amendment) Regulations, 2025 as amended from time to time, whereby, an issuer whose post Offer paid up capital is more than or equal to ten Crore rupees but less than twenty five crore rupees, shall Offer shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("*SME Exchange*", in this case being the BSE SME). For further details regarding the salient features and terms of such an Offer please refer chapter titled "*Terms of the Offer*" and "*Offer Procedure*" on page 298 and 309 of this Draft Red Herring Prospectus.

### Offer Structure:

The present offer is of up to 37,30,000 Equity Shares of face value of ₹10.00/- each ("Equity Shares") for cash at a price of ₹ [●] per equity share including a share premium of ₹. [●] per equity share (the "Offer Price") aggregating to ₹. [●] Lakhs ("the Offer") by the issuer Company (the "Company") comprising of a fresh issue of up to 30,40,000 equity shares aggregating to ₹ [●] Lakhs (the "Fresh Issue") and an Offer for Sale of up to 6,90,000 equity shares by the selling shareholders ("Offer for Sale") aggregating to ₹. [●] Lakhs of which up to [●] equity shares of face value of ₹10.00/- each for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs will be reserved for subscription by Market Maker to The Offer (the "Market Maker Reservation Portion").

The Offer less the Market Maker Reservation Portion i.e., Net offer of [●] equity shares of face value of ₹. 10.00/- each at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share aggregating to ₹. [●] lakhs (the "Net Offer"). The Offer and the Net Offer will constitute [●] % and [●] % respectively of the post offer paid up equity share capital of our company. The Offer is being made through the Book Building Process. For further details, please refer chapter titled "*Terms of the Offer*" on page 298 of this Draft Red Herring Prospectus.

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Individual investors who applies for minimum application size
<b>Number of Equity Shares available for allocation</b>	Upto [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares
<b>Percentage of Offer Size available for allocation</b>	[●] of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue. Further (a) one third of the portion available to non - institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; (b) two third of the portion available to noninstitutional investors shall be reserved for applicants with application size of more than ₹10 lakhs.	Not less than 35% of the Net Offer
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	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 available for allocation on a proportionate basis to all	Subject to the availability of shares in non-institutional investors' category, the allotment of equity shares to each non institutional category shall not be less than the minimum application size in non-institutional investor category, and the remaining shares, if any, shall be allotted on a	Minimum allotment of [●] Equity Shares.

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Individual investors who applies for minimum application size
		QIBs, including Mutual Funds receiving allocation as per (a) above.  Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	proportionate basis, the [●] Equity Shares shall be allotted in multiples of [●] Equity Shares.	
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Application should be for more than two lots and in multiples of one lot thereafter.	Application should be for two lots (i.e. [●] Equity Shares)
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to applicable limits	Application should be for two lots (i.e. [●] Equity Shares)
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process via Banks or by using UPI ID for payment

\* Subject to finalization of basis of allotment.

This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

(1) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.

(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Offer for at least 25% of the post Offer paid-up Equity share capital of the Company. This Offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.

(3) Subject to valid Bids being received at or above the 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 of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid cum Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “Offer Procedure - Bids by FPIs including FII” on pages 318 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.

If the Bid is submitted in joint names, 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 depository account held in joint names. The signature of only the 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. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

### Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Offer at any time before the Bid/Offer Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Offer after Bid/Offer Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Offer. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Offer, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Offer after the Bid/Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) filing of the Red Herring Prospectus/ Prospectus with ROC.

### Offer Program

Event	Indicative Dates
Bid/ Offer Opening Date	[●] <sup>1</sup>
Bid/ Offer Closing Date	[●] <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	[●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account *(T+2)	[●]
Credit of Equity Shares to Demat accounts of Allottees (T+2)	[●]
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	[●]

The above time table is indicative and does not constitute any obligation on our Company. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on BSE SME platform is taken within Three Working Days from the Issue Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations

<sup>2</sup>*Our Company in consultation with the BRLM, 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.*

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Offer Period at the Application Centers mentioned in the Bid-Cum Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Offer Closing Date:

a) A standard cut-off time of 3.00 P.M. for acceptance of applications.

A standard cut-off time of 4.00 P.M. for uploading of applications received from other than Individual investors who applies for minimum application size.

A standard cut-off time of 5.00 P.M. for uploading of applications received from only Individual investors who applies for minimum application size, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to BSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Bid-Cum Application form, for a particular applicant, the details as per physical Bid-Cum application form of that Applicant may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## **OFFER PROCEDURE**

All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars (the “General Information Document”) which highlights the key rules, processes, and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications and electronic registration of bids; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for Individual investors who applies for minimum application size applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by individual investors who applies for minimum application size through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public offers, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by individual investors who applies for minimum application size (“UPI Phase III”), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. Accordingly, the Issue will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Offer and Share Transfer Agent (RTA) that have been notified by SME Platform of BSE Limited (“BSE SME”) to act as intermediaries for submitting Application Forms are provided on [www.bsesme.com](http://www.bsesme.com). For details on their designated branches for submitting Application Forms, please see the above -mentioned website of Platform of BSE Limited (“BSE SME”).

The BRLMs shall be the nodal entity for any Issues arising out of the public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to



form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their application 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 and the Red Herring Prospectus.

Further, the Company, Selling Shareholders and the BRLM are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Offer.

### ***Phased implementation of Unified Payments Interface***

SEBI has issued the UPI Circulars in relation to streamlining the process of public Offer of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public Offer 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 has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a individual investors who applies for minimum application size had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Offer 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. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by a individual investors who applies for minimum application size through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public Offer closure to listing continues to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public Offer 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 T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Individual investors who applies for minimum application size into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

## **PART A**

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI ICDR Regulations, 2018, the Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Offer shall be allocated on a proportionate basis to

QIBs, provided that our Company and 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 QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Offer shall be available for allocation to a individual investors who applies for minimum application size in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

***Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.***

#### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE, at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the Individual investors who applies for minimum application size using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. a individual investors who applies for minimum application size (other than the a individual investors who applies for minimum application size 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. a individual investors who applies for minimum application size using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

#### **Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. 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 241

information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	[•]
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	[•]
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	[•]

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for for Anchor Investor shall be made available at the Office of the BRLM.

Electronic Bid cum Application forms will also be available for download on the website of BSE (www.bseindia.com ).

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by a individual investors who applies for minimum application size (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
	An SCSB, with whom the bank account to be blocked, is maintained
	A syndicate member (or sub-syndicate member)
	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
	A registrar to an Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

a individual investors who applies for minimum application size submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.

<b>intermediaries other than SCSBs</b>	
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

### **Availability of Draft Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;

- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- 1. Minors (except through their Guardians)
- 2. Partnership firms or their nominations
- 3. Foreign Nationals (except NRIs)
- 4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For individual investors who applies for minimum application size**

The Application must be for minimum of two lots, so as to ensure that the Application Price payable by the Bidder shall not be less than ₹2,00,000. In case of revision of Applications, the individual investors who applies for minimum application size have to ensure that the Application Price shall not be less than ₹2,00,000.

**2. For Other than For individual investors who applies for minimum application size (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

**METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Mumbai Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/

## Offer Period.

- a) The Bid / Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Mumbai Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Offer Period, individual investors who applies for minimum application size, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Offer Period i.e. one working day prior to the Bid/ Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “**Offer Procedure**” beginning on page 309 of this Draft Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

## BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company and selling shareholders in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Individual investors who applies for minimum application size may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Individual investors who applies for minimum application size, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Individual investors who applies for minimum application size shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

#### **Option to Subscribe in the Offer**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders**

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Offer Opening Date and Bid/ Offer Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Offer Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.

5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Individual investors who applies for minimum application size has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but upto ₹ 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every



additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.

- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the 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 within 2 (two) Working Days from the Bid/ Offer Closing Date. 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 Offer Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

#### **BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity 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. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the members of the Indian company in a general meeting.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 337 of this Draft Red Herring Prospectus.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI

shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Offer, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may Offer or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further Offer or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUF'S:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Offer only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension

funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company and selling shareholders in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paidup share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

### **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company, Selling shareholders and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

### **Terms of payment**

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Individual investors who applies for minimum application size shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Individual investors who applies for minimum application size applying in public Offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in Favor of:

- a. In case of resident Anchor Investors: - “[●]”
- b. In case of Non-Resident Anchor Investors: - “[●]”

- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

<b>S. No.</b>	<b>Details*</b>
	Symbol
	Intermediary Code
	Location Code
	Application No.
	Category
	PAN
	DP ID
	Client ID
	Quantity
	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;

- Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
  9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
  10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
  11. In case of Non- Individual investors who applies for minimum application size Bidders and Individual investors who applies for minimum application size Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
  12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
  14. The SCSBs shall be given one day after the Bid/Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
  15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Offer Period.

#### **Withdrawal of Bids**

- a) Individual investors who applies for minimum application size can withdraw their Bids until Bid/ Offer Closing Date. In case a Individual investors who applies for minimum application size wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Offer Price and the Anchor Investor Offer Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Individual investors who applies for minimum application size category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

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

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

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

### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- a) Our company has entered into an Underwriting Agreement dated [●].
- b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

### **Pre-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 by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date and the Bid/Offer Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

### **ADVERTISEMENT REGARDING OFFER PRICE AND PROSPECTUS:**



Our Company will Offer a statutory advertisement after the filing of the Red Herring Prospectus/ Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. The Individual investors who applies for minimum application size can revise their Bids during the Bid/Offer period and withdraw their Bids until Bid/Offer Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

#### **Do's:**

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Individual investors who applies for minimum application size Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, Individual investors who applies for minimum application size may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by Individual investors who applies for minimum application size using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do

not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Offer;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount less than ₹ 2,00,000/- (for Applications by individual investors who applies for minimum application size);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the 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 the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Bids by UPI Bidders with Bid Amount of a value of more than ₹200,000 (net of individual investors who applies for minimum application size discount);
16. 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);
17. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Other instructions for the Bidders**

##### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

##### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

### **Investor Grievance**

In case of any pre-Offer or post Offer related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### **Submission of Bids**

- a) During the Bid/Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

### **GROUNDINGS OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Offer Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application

Form at the time of blocking such Bid Amount in the bank account;

- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GIR.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than individual investors who applies for minimum application size and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No individual investors who applies for minimum application size will be Allotted less than the minimum Bid Lot subject to availability of shares in Individual investors who applies for minimum application size Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer. However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

#### **Flow of Events from the closure of Bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details .
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The DSE, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below.

#### **Process for generating list of Allottees: -**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

## **MODIFICATION IN THE ALLOCATION TO THE NET OFFER**

The SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, permits the offer of securities to the public through the Book Building Process, which states that not less than 35% of the Net Offer shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non Institutional Portion will be available for allocation to Bidders with an application size of more than ₹10.00 Lakhs and undersubscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of Equity Shares in the Non – Institutional investors category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) (Amendment) Regulations, 2025. Not more than 50% of the Net Offer shall be allotted to QIBs, subject to valid Bids being received at or above the Offer Price.

## **BASIS OF ALLOTMENT**

### **a. For individual investors who applies for minimum application size**

Bids received from the individual investors who applies for minimum application size at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Individual investors who applies for minimum application size Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Individual investors who applies for minimum application size Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Individual investors who applies for minimum application size Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Offer size less Allotment to QIBs and Individual investors who applies for minimum application size shall be available for Allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●]Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.

The Allocation to non-institutional investors' category shall be as follows:-

(a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs;

(b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 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 the method of proportionate Basis of Allotment refer below

**c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;

a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and

- in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) 50% of the Equity Shares Allotted to the 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.

**d) In the event that the Offer Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**e) In the event the Offer Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**f) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Offer:**

In the event of the Offer being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE SME (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
- Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this DRHP.

Individual investors who applies for minimum application size means an investor who applies for two lots. Investors

may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director/ Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer.

The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Offer with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Offer.



By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (three) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2(two) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Individual investors who applies for minimum application size Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

"Any person who—

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

## **Undertakings by Our Company**

We undertake as follows:

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within three Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter 's contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

## **Undertakings by the Promoter Selling Shareholders**

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholders in this Draft Red Herring Prospectus shall be deemed to be “*Statements and Undertakings made by the Selling Shareholders*”. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders. The Selling Shareholders specifically confirms and undertakes the following in respect of himself and the Equity Shares being offered by him pursuant to the Offer for Sale:

- i. The portion of the offered Shares shall be transferred in the Offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Offer, and without any objection by it and in accordance with the instructions of the Registrar to the Offer.
- ii. it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of its respective Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;
- iii. The portion of the offered Shares have been held by the Selling Shareholders for a minimum period of one year prior to the date of filing the Draft Red Herring Prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations.
- iv. He is the legal and beneficial owner and has full title of its respective portion of the offered Shares.

- v. That he shall provide all reasonable co-operation as requested by our Company and the Book Running Lead Manager in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of his portion of the offered Shares.
- vi. He will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges.
- vii. He will deposit his respective portion of the offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Prospectus with the RoC.
- viii. He shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Application in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Application in the Offer, except as permitted under applicable law;
- ix. That he will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the Book Running Lead Manager in redressal of such investor grievances that pertain to the Equity Shares held by him and being offered pursuant to the Offer.

The Promoter Selling Shareholder has authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Applicants in respect of the Offer for Sale.

#### **Utilization of Offer Proceeds:**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Offer referred above shall be disclosed and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Offer, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Offer.
- 5) Our Company shall not have recourse to the Offer Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated April 26,2024 between NSDL, our Company and Registrar to the Offer; and
- Tripartite Agreement dated April 16,2024 between CDSL, our Company and Registrar to the Offer.

The Company's equity shares bear an ISIN No. INE0V8A01016.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the "FDI Policy"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paidup value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Offer in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Offer.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on May 09, 2024 In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company.

Sr. No	Particulars	
1.	No regulation contained in Table "F" in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Not Applicable.</b>
	<b>Interpretation Clause</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) "The Company" shall mean <b>KARBONSTEEL ENGINEERING LIMITED *</b>	
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>

	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) "Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.	<b>Special Resolution</b>
	(x) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(y) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(z) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(aa) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(bb) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
<b>3.</b>	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
	b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.	
<b>4.</b>	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
<b>5.</b>	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
<b>6.</b>	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non - Voting Shares</b>
<b>7.</b>	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>

8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions-shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	<b>Provisions to apply on issue of Redeemable Preference Shares</b>
10.	<p>The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	<b>Debentures</b>
12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.	<b>Issue of Sweat Equity Shares</b>
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	<b>ESOP</b>
14.	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.	<b>Buy Back of shares</b>



15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which 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>Consolidation, Sub-Division and Cancellation</b>
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
<b>MODIFICATION OF CLASS RIGHTS</b>		
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, 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 separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	<b>Modification of rights</b>
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
19.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>

22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as full paid-up</b>
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc.to be a debt payable immediately.</b>
25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
	<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	<b>CERTIFICATES</b>	
28.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that	<b>Share Certificates.</b>

	<p>if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
<b>29.</b>	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<b>Issue of new certificates in place of those defaced, lost or destroyed.</b>
<b>30.</b>	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	<b>The first named joint holder deemed Sole holder.</b>
	<p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p>	<b>Maximum number of joint holders.</b>
<b>31.</b>	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.</p>	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>
<b>32.</b>	<p>If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, 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.</p>	<b>Installment on shares to be duly paid.</b>
	<b>UNDERWRITING AND BROKERAGE</b>	

33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
	<b>CALLS</b>	
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	<b>Directors may make calls</b>
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount 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 and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in	<b>Proof on trial of suit for money due on shares.</b>

	pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
44.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<b>Payments in Anticipation of calls may carry interest</b>
	<b>LIEN</b>	
45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	<b>Company to have Lien on shares.</b>
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	<b>As to enforcing lien by sale.</b>

47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	<b>Application of proceeds of sale.</b>
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice maybe given.</b>
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	<b>Terms of notice.</b>
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and may be sold etc.</b>
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in	<b>Evidence of Forfeiture.</b>

	accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	
<b>56.</b>	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
<b>57.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
<b>58.</b>	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
<b>59.</b>	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
<b>60.</b>	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
<b>61.</b>	(a) Subject to provisions of Article 82, the instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
<b>62.</b>	Subject to provisions of Article 82, the instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	<b>Transfer Form.</b>
<b>63.</b>	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository and shares under transfer are in dematerialized form and a proper instrument of transfer is delivered through depository participant. provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	<b>Transfer not to be registered except in dematerialized form and on production of instrument of transfer.</b>
<b>64.</b>	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—	<b>Directors may refuse to register transfer.</b>

	(a) any transfer of shares on which the company has a lien. That registration of transfer shall however 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;	
65.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>
66.	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 with the Company.	<b>No fee on transfer.</b>
67.	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders.</b>
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
71.	(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares. (b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate (c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	<b>Recognition of legal representative.</b>
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate	<b>Titles of Shares of deceased Member</b>



	or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer (transmission clause).</b>
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its 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 or 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, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them 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 some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
	<b>NOMINATION</b>	
80.	i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and	<b>Nomination</b>

	<p>the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	
<b>81.</b>	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<b>Transmission of Securities by nominee</b>
	<b>DEMATERIALIZATION OF SHARES</b>	
<b>82.</b>	<p>Subject to the provisions of the Act and Rules made thereunder the Company will offer its members facility to hold securities issued by it in dematerialized form.</p> <p>All the fresh securities to be issued by the company will be in dematerialized form.</p> <p>Any person seeking transfer of shares, shall first get his / her shares dematerialized before execution of instrument of transfer.</p>	<b>Dematerialisation of Securities</b>
	<b>JOINT HOLDER</b>	
<b>83.</b>	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.</p>	<b>Joint Holders</b>
<b>84.</b>	<p>(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p>	<b>Joint and several liabilities for all payments in respect of shares.</b>
	<p>(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;</p>	<b>Title of survivors.</b>
	<p>(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and</p>	<b>Receipts of one sufficient.</b>

	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
	<b>SHARE WARRANTS</b>	
<b>85.</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	<b>Power to issue share warrants</b>
<b>86.</b>	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	<b>Deposit of share warrants</b>
<b>87.</b>	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	<b>Privileges and disabilities of the holders of share warrant</b>
<b>88.</b>	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
	<b>CONVERSION OF SHARES INTO STOCK</b>	
<b>89.</b>	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	<b>Conversion of shares into stock or reconversion.</b>
<b>90.</b>	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
<b>91.</b>	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stockholders.</b>
<b>92.</b>	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	<b>Regulations.</b>
	<b>BORROWING POWERS</b>	

93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in 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 specified purpose.	<b>Power to borrow.</b>
94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges.</b>
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors 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 person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
	<b>MEETINGS OF MEMBERS</b>	
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
100.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>

	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>
<b>101.</b>	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
<b>102.</b>	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
<b>103.</b>	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
<b>104.</b>	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) 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.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	<b>Chairman with consent may adjourn meeting.</b>
<b>105.</b>	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
<b>106.</b>	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
<b>107.</b>	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
	<b>VOTES OF MEMBERS</b>	
<b>108.</b>	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>
<b>109.</b>	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section	<b>Number of votes each member entitled.</b>

	(2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.	<b>Vote of member of unsound mind and of minor</b>
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
113.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
114.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Votes of joint members.</b>
115.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
116.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. 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 as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
117.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>
118.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show	<b>No votes by proxy on show of hands.</b>

	of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	
<b>120.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>
<b>121.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
<b>122.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
<b>123.</b>	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes.</b>
<b>124.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
	<b>DIRECTORS</b>	
<b>125.</b>	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution.	<b>Number of Directors</b>
<b>126.</b>	(a) The Following shall be the First Directors of the Company: 1. Kirit Shantilal Shah 2. Shrenik Shah (b) The Company in General Meeting may from time to time increase or reduce the number of Directors within the limit fixed as above.	<b>First Directors</b>
<b>127.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
<b>128.</b>	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. (d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any	<b>Nominee Directors.</b>

	information obtained by him/them to the Financial Institution appointing him/them as such Director/s.	
129.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
131.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
132.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
133.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
	<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>	
134.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	<b>Meetings of Directors.</b>
135.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	<b>Chairperson</b>
136.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
137.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
138.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated	<b>Directors may appoint committee.</b>



	conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	
<b>139.</b>	The Meetings and proceedings of any such Committee of the Board 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 are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meeting show to be governed.</b>
<b>140.</b>	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Meetings</b>
<b>141.</b>	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	<b>Meetings of the Committee</b>
<b>142.</b>	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>
	<b>RETIREMENT AND ROTATION OF DIRECTORS</b>	
<b>143.</b>	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
	<b>POWERS OF THE BOARD</b>	
<b>144.</b>	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However, no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
<b>145.</b>	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property, rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to	<b>To erect &amp; construct.</b>

	let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	
(4)	At their discretion and subject to the provisions of the Act, the Directors may pay property rights or 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 share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
(5)	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
(6)	To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
(7)	To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
(8)	To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
(9)	To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
(10)	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
(11)	To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
(12)	To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
(13)	Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
(14)	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	<b>To give Security byway of indemnity.</b>

	personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
	(16) To give to any Director, Officer, or other persons 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; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	<b>Transfer to Reserve Funds.</b>
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents 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 to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	<b>To appoint and remove officers and other employees.</b>

	<p>(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys 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 presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.</p>	<p><b>To appoint Attorneys.</b></p>
	<p>(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company 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 may consider expedient.</p>	<p><b>To enter into contracts.</b></p>
	<p>(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.</p>	<p><b>To make rules.</b></p>
	<p>(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.</p>	<p><b>To effect contracts etc.</b></p>
	<p>(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.</p>	<p><b>To apply &amp; obtain concessions licenses etc.</b></p>
	<p>(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.</p>	<p><b>To pay commissions or interest.</b></p>
	<p>(26) To redeem preference shares.</p>	<p><b>To redeem preference shares.</b></p>
	<p>(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.</p>	<p><b>To assist charitable or benevolent institutions.</b></p>
	<p>(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p>(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.</p>	
	<p>(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations,</p>	

	<p>institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p>	
	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
<b>146.</b>	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall</p>	<b>Powers to appoint Managing/Whole Time Directors.</b>

	not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.	
147.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Whole Time Director.</b>
148.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Directors or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	<b>Powers and duties of Managing Director or Whole-Time Director.</b>
	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
149.	<p>a) Subject to the provisions of the Act,—</p> <p>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 thinks 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;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>
	<b>THE SEAL</b>	
150.	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the	<b>The seal, its custody and use.</b>

	<p>same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	
<b>151.</b>	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	<b>Deeds how executed.</b>
	<b>Dividend and Reserves</b>	
<b>152.</b>	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	<b>Division of profits.</b>
<b>153.</b>	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>
<b>154.</b>	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Transfer to reserves</b>
<b>155.</b>	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	<b>Interim Dividend.</b>
<b>156.</b>	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
<b>157.</b>	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
<b>158.</b>	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 share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>

<b>159.</b>	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles.</b>
<b>160.</b>	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
<b>161.</b>	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
<b>162.</b>	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
<b>163.</b>	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	<b>Dividends how remitted.</b>
<b>164.</b>	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
<b>165.</b>	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
	<b>CAPITALIZATION</b>	
<b>166.</b>	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	<b>Capitalization.</b>
<b>167.</b>	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p>	<b>Fractional Certificates.</b>



	<p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, 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 capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	
<b>168.</b>	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
<b>169.</b>	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
	<b>FOREIGN REGISTER</b>	
<b>170.</b>	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
	<b>DOCUMENTS AND SERVICE OF NOTICES</b>	
<b>171.</b>	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
<b>172.</b>	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
	<b>WINDING UP</b>	
<b>173.</b>	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how</p>	

	such division shall be carried out as between the members or different classes of members. (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	
	<b>INDEMNITY</b>	
<b>174.</b>	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	<b>Directors' and others right to indemnity.</b>
<b>175.</b>	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage 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 judgment or oversight on his part, or for any other 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 dishonesty.	<b>Not responsible for acts of others</b>
	<b>SECRECY</b>	
<b>176.</b>	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, 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, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	<b>Secrecy</b>
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	<b>Access to property information etc.</b>

## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 A.M. and 5 P.M. on all Working Days from the date of this Draft Red Herring Prospectus until the Offer Closing Date.

#### **Material Contracts**

1. Offer Agreement dated March 05, 2025 executed between our Company, Selling Shareholders and the Book Running Lead Manager to the Offer.
2. Registrar to the Offer Agreement dated March 11, 2025 executed between our Company, Selling Shareholders and the Registrar to the Offer.
3. Banker to the Offer Agreement dated [●] among our Company, Book Running Lead Manager, Selling Shareholders, Banker to the Offer and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] between our Company, the Selling Shareholder and the Share Escrow Agent
5. Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
6. Underwriting Agreement dated [●] between our Company, Selling Shareholders, BRLM and Underwriter.
7. Tripartite Agreement dated April 16, 2024 among CDSL, the Company and the Registrar to the Offer.
8. Tripartite Agreement dated April 26, 2024 among NSDL, the Company and the Registrar to the Offer.
9. Syndicate Agreement dated [●] among our Company, the Book Running Lead Manager, Syndicate Member and Selling Shareholders.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated April 21, 2011 issued by the Registrar of Companies, Maharashtra, Mumbai.
3. Fresh Certificate of Incorporation dated March 02, 2022 issued by the Registrar of Companies, Mumbai consequent upon name change from “Karbon Steelmart Private Limited” to “Karbonsteel Engineering Limited”.
4. Fresh Certificate of Incorporation dated June 24, 2024 issued by the Registrar of Companies, Central Processing Centre consequent upon Conversion of company into Public Limited Company.
5. Copy of the Board Resolution dated February 01, 2025 authorizing the Offer and other related matters.
6. Copy of Shareholder’s Resolution dated February 27, 2025 authorizing the Offer and other related matters.
7. Copies of Audited Financial Statements of our Company for the stub period ended September 30, 2024 and period ended March 31 2024, March 31, 2023 and March 31, 2022.
8. Statutory Auditors Report dated March 21, 2025 on the Restated Financial Information for the six months period ended September 30, 2024 and financial years ended March 31 2024, March 31, 2023 and March 31, 2022.
9. Copy of the Statement of Special Tax Benefits dated March 21, 2025 from the Statutory Auditor.
10. Site Visit reports prepared by the Book Running Lead Manager dated December 5, 2024 and March 15, 2025
11. Certificate on KPI’s issued by Statutory Auditors dated March 21, 2025
12. Consents of the Book Running Lead Manager, Legal Advisor to the Offer, Registrar to the Offer, Statutory Auditor of the Company, Advisors to the Offer, D&B, Market Maker, Underwriter, Bankers to our Company, Independent Chartered Accountant, , Independent Chartered Engineer, Banker to the Offer, Promoter of our Company, Promoter Selling Shareholder, Directors of our Company, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
13. Board Resolution dated March 27, 2025 for approval of Draft Red Herring Prospectus and dated [●] for approval of Prospectus.
14. Due Diligence Certificate from Book Running Lead Manager dated March 27, 2025.
15. Approval from BSE vide letter dated [●] to use the name of BSE in the Prospectus for listing of Equity Shares on the BSE SME (SME Platform) of the BSE Ltd.

**DECLARATION BY PROMOTER SELLING SHAREHOLDER**

I, Shrenik Kirit Shah, hereby certifies that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a selling shareholder and my portion of the offered shares, are true and correct, I, Shrenik Kirit Shah, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Shrenik Kirit Shah	Sd/-

Date: March 27, 2025

Place: Mumbai

**DECLARATION BY PROMOTER SELLING SHAREHOLDER**

I, Mittal Shrenik Shah, hereby certifies that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus, about or in relation to myself as a selling shareholder and my portion of the offered shares, are true and correct, I, Mittal Shrenik Shah, assume no responsibility for any other statements, disclosures and undertakings made or confirmed by, about or relating to the Company, its business, the other Selling Shareholders or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY:**

Name and Designation	Signature
Mittal Shrenik Shah	Sd/-

Date: March 27, 2025

Place: Mumbai

## DECLARATION

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

### SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Shrenik Kirit Shah Chairman & Managing Director DIN: 02070901	Sd/-

**Date:** March 27, 2025

**Place:** Mumbai

## DECLARATION

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

### SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Mittal Shrenik Shah Whole Time Director DIN: 07057998	Sd/-

**Date:** March 27,2025

**Place:** Mumbai

## DECLARATION

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

### SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Saurabh Bhansali Non Executive Director DIN: 06588520	Sd/-

**Date:** March 27, 2025

**Place:** Mumbai



## DECLARATION

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

### SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Mihen Jyotindra Halani Independent Director DIN: 07063249	Sd/-

**Date:** March 27, 2025

**Place:** Mumbai

## DECLARATION

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

### SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Sunil Kathariya Independent Director DIN: 07155856	Sd/-

**Date:** March 27, 2025

**Place:** Mumbai

## DECLARATION

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

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

Name and Designation	Signature
Ganesh Shripati Bhandary Chief Financial Officer	Sd/-

**Date:** March 27, 2025

**Place:** Mumbai

## DECLARATION

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

### SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:

Name and Designation	Signature
Jankhana VasANJI Gala Company Secretary & Compliance Officer	Sd/-

**Date:** March 27, 2025

**Place:** Mumbai