

Continued from previous page.

be able to successfully identify or appoint new distributors or dealers or effectively manage our existing distribution network. A termination of our distribution arrangements or if our dealers/distributors do not effectively sell or market our products, our business, results of operations and financial condition may be adversely affected.

3. **Risk related to raw materials:** Our business and profitability are substantially dependent on the availability of materials and we are dependent on third party suppliers for meeting our material requirements which are on purchase order basis. In addition to intermediate products, such as Sponge Iron and MS Billets manufactured by us, we procure our main materials, i.e., scrap, iron ore, coal, silico manganese and dolomite from third party suppliers for production of our steel products. The table below sets forth the materials purchased for Fiscals indicated:

| Particulars         | Fiscal 2026 |                              | Fiscal 2025 |                              | Fiscal 2024 |                              |
|---------------------|-------------|------------------------------|-------------|------------------------------|-------------|------------------------------|
|                     | ₹ in lakhs  | As a % of total expenses (%) | ₹ in lakhs  | As a % of total expenses (%) | ₹ in lakhs  | As a % of total expenses (%) |
| Materials purchased | 1,30,416.95 | 82.77%                       | 1,21,821.33 | 84.71%                       | 93,784.97   | 86.67%                       |

Any disruption to the timely and adequate supply of materials, or volatility in the prices of materials may adversely impact our business, results of operations and financial condition.

4. **Risk relating to demand and pricing of our products:** Prices of our products such as TMT Bars, MS Billets and Sponge Iron as well as steel prices generally fluctuate based on a number of factors beyond our control, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of our products, domestic production and capacity, transportation costs, protective trade measures and various social and political factors, in the economies in which the producers of similar products sell their products and are sensitive to the cyclical trends of particular industries, such as, the construction industries.

When downturns occur in these economies or sectors, we may experience decreased demand for our products, which may lead to decrease in prices. Decrease in raw material prices may also lead to decrease in prices of our products. A decrease in TMT Bar prices may have a material adverse effect on our business, results of operations, prospects and financial condition

5. **Project execution risk:** We intend to utilise the Net Proceeds for funding our capital expenditure requirements which aggregates to ₹22,633.05 lakhs and we are yet to place orders for certain of our capital expenditure requirements. In case, at the time of placing the order, our Company is not be able to acquire such plant and machinery at the expected price, we are subject to risks on account of inflation in the price of machineries. In case of increase in price of such plant and machinery our Company shall require arranging such additional funds for completion of the project. If we are not able to arrange such additional funds in due time which may result in delay in implementation of our project and which may adversely affect the profitability and financial results of the Company. There is no assurance that we would be able to source such capital expenditure requirements in a timely manner or at commercially acceptable prices
6. **Competitive risk:** As we operate in Gujarat, we face competitions from companies operating in Gujarat, as well as other national steel companies. The names of our top competitors are Beekay Steel Industries Limited, Gallant Ispat Limited, Kamdhenu Limited, MSP Steel & Power Limited and VMS TMT Limited. We face pricing pressures from companies, principally large national steel companies and Indian TMT Bar companies, that are able to produce TMT Bars at competitive costs and consequently, may supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures exerted by such competitors which would adversely affect our business, results of operations and financial condition.

7. **Geographical concentration risk:** Our Manufacturing Facilities are located in Gujarat. Over 97.74%, 99.77% and 98.59% of our sales in the Fiscal 2026, Fiscal 2025 and Fiscal 2024 respectively, are made to customers located in Gujarat. 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, adverse regulatory developments civil unrest and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in shipments of our products and/or otherwise materially and adversely affect our business, financial condition and results of operations.

8. **Risk relating to indebtedness:** As at August 31, 2026, we had aggregate outstanding borrowings (including current maturities of long term borrowings) of ₹34,413.35 lakhs, of which ₹ 31,162.01 lakhs were secured borrowings and ₹3,251.34 lakhs were unsecured borrowings. In the event we fail to service our debt obligations, the lenders have the right to enforce the security in respect of our secured borrowings and dispose of our assets to recover the amounts due from us which in turn may compel us to shut down our Manufacturing Facilities, resulting in material and adverse effect on our business operations and financial conditions.

9. **Attrition risk:** Our success largely depends upon the knowledge and experience of our Promoters, Directors, Key Managerial Personnel and Senior Management as well as our ability to attract and retain personnel with technical expertise. Any loss of our Promoters, Directors, Key Managerial Personnel and Senior Management or our inability to attract and retain them and other skilled personnel could adversely affect our business, results of operations and financial condition.

10. **Weighted Average Return on Net Worth for last three full financial years i.e. 2026, 2025 and 2024 is 20.17%.**

11. **The price to earnings ratio based on diluted EPS for fiscal 2026 for our company at the upper end of the price band is 9.32 times. The average industry price-to-earnings ratio is 35.25.**

12. **The average cost of acquisition per Equity Share acquired by our Selling Shareholders, as on the date of the Red Herring Prospectus are as follows:**

| Name                       | Category                     | Number of Equity Shares held | Average cost of acquisition per Equity Share (in ₹)* |
|----------------------------|------------------------------|------------------------------|------------------------------------------------------|
| Inamulhaq Shamsulhaq Iraki | Promoter Selling Shareholder | 2,22,89,244                  | 15.28                                                |
| Abdulhaq Shamsulhaq Iraki  | Promoter Selling Shareholder | 2,14,77,756                  | 5.00                                                 |

\*As certified jointly by Talati and Talati LLP, Chartered Accountants and S A M A S & Associates, Chartered Accountants- our Joint Statutory Auditors, by way of their certificate dated September 21, 2026.

13. **Weighted average cost of acquisition of all Equity Shares transacted in the last three years, 18 months and one year preceding the date of the Red Herring Prospectus:**

| Period                                                             | Weighted average cost of acquisition per Equity Share (in ₹) <sup>A</sup> | Cap Price is 'x' times the weighted average cost of acquisition | Range of acquisition price per Equity Share: lowest price – highest price (in ₹) <sup>A</sup> |
|--------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Last one year preceding the date of this Red Herring Prospectus    | 270.00                                                                    | 0.51                                                            | 0-270                                                                                         |
| Last 18 months preceding the date of this Red Herring Prospectus   | 10.20                                                                     | 13.63                                                           | 0-270                                                                                         |
| Last three years preceding the date of this Red Herring Prospectus | 16.72                                                                     | 8.31                                                            | 0-1,019                                                                                       |

<sup>A</sup> As certified jointly by Talati and Talati LLP, Chartered Accountants and S A M A S & Associates, Chartered Accountants- our Joint Statutory Auditors, by way of their certificate dated September 21, 2026.

14. **The Three BRLMs associated with the Offer have handled 22 public issues in the past three years, out of which 9 issues closed below the offer price on listing date:**

| Name of the BRLMs                           | Total Public Issues | Issues closed below Offer Price on listing date |
|---------------------------------------------|---------------------|-------------------------------------------------|
| Systematix Corporate Services Limited*      | 4                   | 3                                               |
| Emkay Global Financial Services Limited*    | 4                   | 3                                               |
| Pantomath Capital Advisors Private Limited* | 11                  | 2                                               |
| Common Issues of above BRLMs                | 3                   | 1                                               |
| <b>Total</b>                                | <b>22</b>           | <b>9</b>                                        |

\*Issues handled where there were no common BRLMs.

Continued on next page.